



Agenda Report

18-376

Agenda Date: 5/22/2018

REPORT TO COUNCIL

SUBJECT

Amendment No. 2 to Special Facilities Agreement with CoreSite Real Estate Limited Partnerships on Coronado Drive and Stender Way

BACKGROUND

On January 25, 2011, Council adopted Resolution 11-7817 to approve the Tentative Parcel Map for 3000 Coronado Drive, to subdivide existing four 4.1 acre parcel into two industrial parcels of 1.4 acres and 2.7 acres each. The CoreSite Corporation dedicated the 1.4 acre parcel to SVP for construction and operation of a general distribution electric substation.

On December 6, 2011, Council approved a Special Facilities Agreement for Electric Services with CoreSite Coronado Stender, L.L.C. and CoreSite Real Estate 2901 Coronado, L.L.C., (CoreSite L.L.C.) for the CoreSite Data Center Development. CoreSite L.L.C. paid their pro rata share of the development fees for the 40 MVA of capacity reserved at that time. A 60kV distribution substation was constructed and the 60kV sub-transmission system was modified. SVP agreed to design, construct, and operate the substation facilities to service CoreSite L.L.C., including the anticipated expansion of the CoreSite data center development, as well as other retail electric customers.

On January 8, 2013, Council approved Amendment No. 1 to the Special Facilities Agreement in order to provide interim power to the CoreSite facility at 2972 Stender ay and temporary power to 2900 Stender Way.

DISCUSSION

It has been less than five (5) years since the Substation Facility construction was completed on September 30, 2015. Per the terms of the Original Agreement as amended, CoreSite could request and pay its pro rata share of the cost of any additional capacity available for a fee of \$200 per kVA during this time period. This will allow CoreSite to continue their load growth within the City for an additional \$2,000,000 payment to Silicon Valley Power.

Therefore, staff recommends to enter into Amendment No. 2 with CoreSite Real Estate 2901 Coronado, L.P., CoreSite Real Estate 3001 Coronado, L.P., CoreSite Real Estate 3032 Coronado, L.P., CoreSite Real Estate 2950 Stender, L.P. and CoreSite Real Estate 2972 Stender, L.P. (CoreSite), as successors-in-interest to CoreSite L.L.C, to increase the amount of electric capacity that CoreSite may receive from SVP for the CoreSite Campus. The total amount of electric capacity to be made available to the CoreSite will increase by 10 MVA (Mega Volt Amp), from 40 MVA to 50 MVA.

ENVIRONMENTAL REVIEW

The construction of the original substation facility was identified in the CEQA study prepared in

December 2010, by the CoreSite Corporation, for the overall development of the data center campus facilities.

This action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has not potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

CoreSite shall pay the cost to increase their share of capacity by 10 MVA, from 40MVA to 50 MVA (\$200 per kVA of capacity reserved) or a total of \$2,000,000 (the “Substation Facilities Development Fees”).

COORDINATION

This report has been coordinated with the Finance Department and City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any report to council may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve Amendment No. 2 to the Special Facilities Agreement with CoreSite Real Estate 2901 Coronado, L.P., CoreSite Real Estate 3001 Coronado, L.P., CoreSite Real Estate 3032 Coronado, L.P., CoreSite Real Estate 2950 Stender, L.P. and CoreSite Real Estate 2972 Stender, L.P. (as successors-in-interest to CoreSite Coronado Stender, L.L.C. and CoreSite Real Estate 2901 Coronado L.L.C.) to increase the amount of electric capacity to be made available from 40 MVA to 50 MVA.

Reviewed by: John C. Roukema, Chief Electric Utility Officer
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Amendment No. 2