

SUCCESS STORIES

Urban Retail Properties Co. • Nationwide

Electric Rate Savings

Overview

Urban's Environmental and Technical Services Group aids our managed properties in numerous technical areas. One important aspect of this department is utility efficiencies. The Environmental and Technical Services Group is available to provide negotiating assistance in lowering electric rates.

Results

745 Fifth Avenue, New York, New York
New York is not a deregulated state to date. We negotiated an agreement with an aggregator approved by the local utility company.

- The property saved \$175,000 in electric power costs in one year.

Galleria at Tyler, Riverside, California

California is a regulated state. A review of the electric expenses revealed a high expenditure and a low tenant recovery. We discovered that the City of Riverside was using different rate calculations for various meters. All meters were then consolidated



745 Fifth Avenue



the Galleria

and calculated using the best rate. This was done during the height of deregulation. The City of Riverside retroactively adjusted the utility charges that resulted in large credits to the center. The center now has a 5-year contract with the City.

- This change resulted in increased profits to the mall of \$688,000 from 1998 through 2001.
- This contract protected the property and tenants from increases ranging from 30% to 50% during the time of excessive California power charges.

The Galleria, Houston, Texas

Texas is a deregulated state. In 2001, a local utility company provided the electric service. Our Technical Services Group sent out a request for proposal to three utility generator-brokers.

- The company selected gave the property the same services at a 25% cost savings.

Chicago Properties

Ten properties were buying electric from the local utility company. We negotiated with an unregulated subsidiary of the local utility company and saved a total of \$1.5 million, a savings of 12%.