

## TOWN COUNCIL ACTION REPORT

4882

May 1, 2013

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### ***Resolution Authorizing the Execution of a Letter of Intent with Tesla Motors, Inc. for the Installation of Electric Vehicle Charging Stations in Uptown Station***

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| <b>PREPARED BY:</b>          | Mercy Davison, Town Planner  |
| <b>REVIEWED BY:</b>          | Mark R. Peterson, City Manager<br>Steven D. Mahrt, Corporation Counsel<br>Wayne Aldrich, Uptown Development Director |
| <b>BUDGET IMPACT:</b>        | N/A  |
| <b>STAFF RECOMMENDATION:</b> | Approval   |
| <b>ATTACHMENTS:</b>          | Proposed Resolution, Proposed Letter of Intent   |

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#### **BACKGROUND**

The Bloomington-Normal Electric Vehicle Task Force formed in 2010 to study the reemergence of electric vehicle technology. The group formally announced the EVTown initiative in 2011 with the goal of promoting the adoption of EV technology in the community. One of the early EVTown recommendations was to provide public EV charging infrastructure throughout Normal and Bloomington.

In 2011-12 the Town of Normal utilized federal Energy Efficiency and Conservation Block Grant funds to purchase 48 "Level 2" charging stations and 1 "Quick Charge" station. These stations have been installed on public and private properties across the community, providing free public EV charging to EV drivers.

Tesla Motors, Inc. recently introduced two new fully electric vehicles to the market. These models have a large battery pack that permits the car to travel up to 300 miles on one charge. In order to charge these batteries in a short amount of time, Tesla designed and now manufactures its own "Supercharger." Many have been installed on the east and west coasts. Tesla has pledged to its customers that it will build a charging station network across the country. Tesla recently became aware of EVTown and inquired about installing several "Supercharger" stations in Uptown Normal, as it is an ideal charging location along the route from Chicago to St. Louis.

Although these Tesla vehicles can be charged with the Level 2 charging stations, they are not compatible with the Eaton-manufactured Level 3 Quick Charger already installed in Uptown Station.

#### **DISCUSSION/ANALYSIS**

Tesla Motors, Inc. has proposed the attached Letter of Intent in order to move forward with the potential installation of Superchargers in Uptown Station. The LOI includes the following key provisions:

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1. Tesla may use up to ten (10) parking stalls within the Uptown Station parking deck with Town consent as to specific location.
2. Two (2) charging stalls shall serve as dedicated Tesla charging stalls, four (4) shall serve as general parking with the exception of overnight parking, and four (4) shall serve as unrestricted general parking. Tesla could convert stalls to dedicated Tesla stalls based on actual usage.
3. With Town consent as to location and construction plans, Tesla will install and maintain the Superchargers at its own cost.
4. Tesla will be responsible for operational costs, including the payment of electricity used by Tesla drivers.
5. Tesla drivers will pay regular parking deck fees.
6. The agreement term is five (5) years with two (2), five (5) year options to extend.

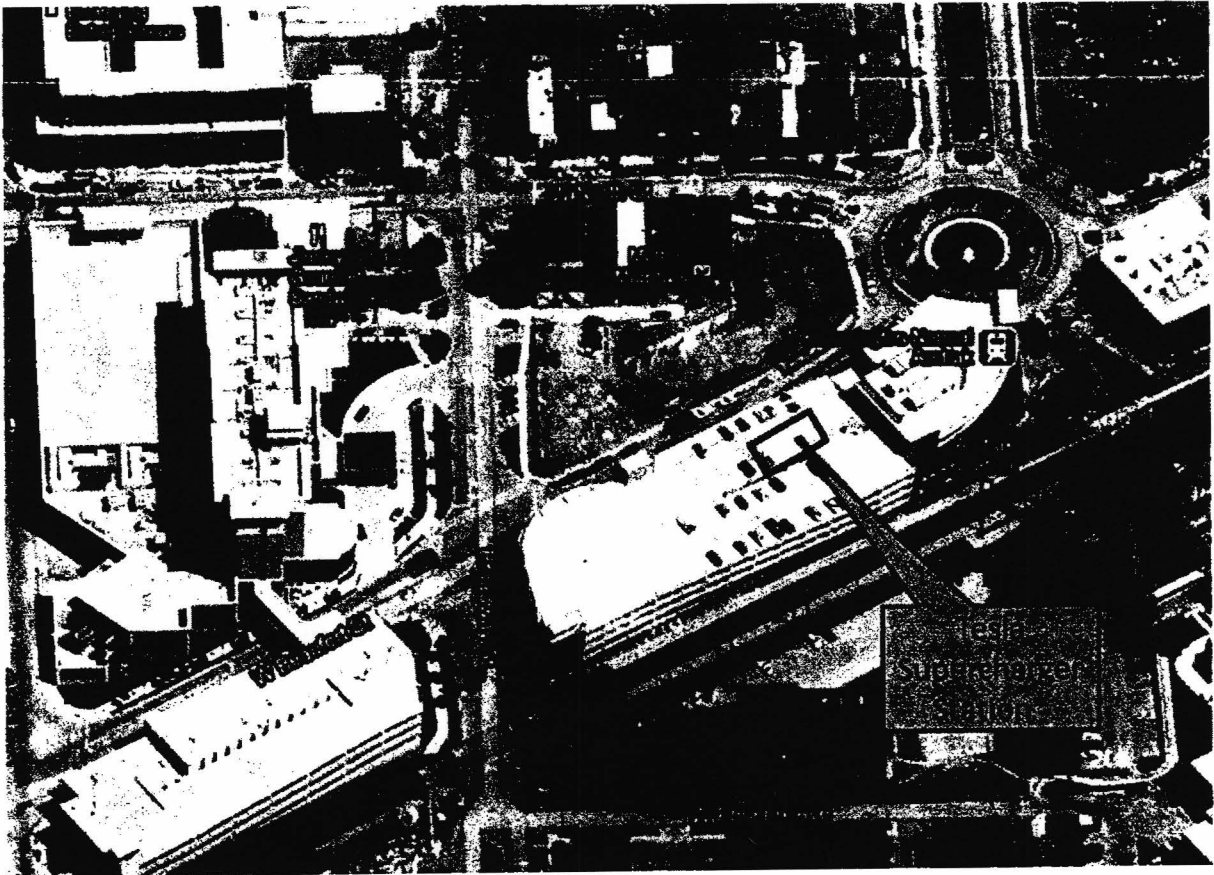
Based on initial study, it appears that the best location for the charging stations is the third floor of the Uptown Station parking deck. Tesla may choose not to install all ten stations at once. Installation is not anticipated to be disruptive to normal parking deck activities.

The Town has invested a significant amount of time and energy supporting the EVTown initiative. The effort has continued to gain national attention, as evidenced in part by the request by Tesla. Providing charging infrastructure for Tesla drivers is akin to the Level 3 quick charging offered to drivers of other EVs. In addition, it is reasonable to assume that Tesla drivers will avail themselves of goods and services located in the Uptown area while waiting for their cars to charge.

Furthermore, only two parking spaces in the deck will be fully dedicated to Tesla users. Tesla would only expand beyond two spaces if Tesla driver demand required it.

For these reasons, Town staff recommends that the Town Council authorize the execution of the proposed Letter of Intent with Tesla Motors, Inc. If approved, Town staff will work with Tesla to draft a binding ground lease.

## Exhibit A



\* Specific location of final site to be determined with Landlord, after receiving utility cost estimates and scope of work for power upgrade.