

DEVELOPMENT SERVICE CASE STUDY

Background

Utility Revenue Services (URS) was engaged by a leading multifamily development company to manage and streamline the development process with regard to utilities for its national portfolio of 50+ assets in development. Founded on the principle of maintaining independence to protect the best interests of its clients, URS is not affiliated with any utility company, billing vendor or retail energy provider.

For a 306-unit project in Denver, Colorado, URS managed all utility-related activities from the time that ground was broken through transition to property operations. URS continues to support the onsite management team now that the property is stabilized with utility and billing expertise.

Pre-Construction

URS collected all pertinent data from the corporate and development teams to facilitate the smooth setup of utility and vendor accounts. Included: W9s, addresses, address listings, building numbers, number of units, contacts, project managers, superintendents, and access to software (Procore) and Dropbox.

URS coordinated with the development project manager to set up the construction trailer and temporary electric account with Xcel Energy. URS set up the hydrant meter for water access with Denver Water and set up the applications for power (one application per apartment) with Xcel Energy.

Further, URS gathered and managed the deposit requirements for power and water. URS advised the corporate team of the amounts and facilitated the process to set up the necessary surety bonds. URS gathered all information and completed paperwork for the surety bond. We streamlined the process and put the client in the simple position to review and sign off.

Construction Process

URS coordinated with the project manager using Procore to monitor the progress of the project and manage all utility-related needs timely throughout the process. URS independently assisted the project manager and managed utility timetables with Procore to reduce time and expense. As example, URS ordered the electric meters for the community to ensure timely delivery to the site at a discount to pricing typically received by the developer.

URS has longstanding relationships with the leading national utility billing vendors. We selected and structured a competitive submetering contract that ensured preferred pricing and accountability for installation, setup, and long-term warranty / service of the submeters. URS negotiated the contract for meters as well as the monthly billing services, producing 18% savings over developer alternatives. URS further advised on the pitfalls from installation to meter reading and eliminated unnecessary costs from the service contract.

URS provided constant management of the billing vendor and utility bills during construction to ensure that all accounts, regardless of temporary or permanent, were billed accurately, addressed in the correct entity name, and sent to the correct billing address (not the community).

URS identified that the community was in a deregulated state and negotiated the best possible rate for gas. This produced 20% savings over the rate that the developer could negotiate. URS also leveraged its national scale to secure a \$12,000 retroactive refund.

Additional activities managed and performed by URS:

- Set up the Landlord Service Agreements;
- Set up 911 addressing with power company;
- Managed the telecommunication process – setup numbers, accounts, manage technicians arrival on specific dates, troubleshooting, etc.;
- Managed process for gas infrastructure and completion of gas lines. (from street to property)
- Set up meter panels;
- Managed atypical situations including moving guy wires and identifying septic suppliers
- Acted as “safety-net” to prevent shut-offs and ensure uninterrupted service for all utilities.

Transition to Property Operations

URS coordinated the transfer of construction bills to property operations as units were turned over and certificates of occupancy (COs) were issued, ensuring the accurate transfer of accounts. This eliminated \$13,500 in fees due to payments not being coordinated.

Summary

URS managed “all things utilities” and provided project management and deep utility expertise. URS freed up the corporate and development teams by removing time-intensive, detailed utility tasks and projects. URS took over the setup of all utility services and drove drive efficiency, standardization, and cost savings into the development process to maximize NOI with the billing of the first resident.