

## Pursuing a Property Portfolio in San Francisco

# Marina Mechanical Case Study

by the Building Advisor™



### Customer profile:

#### Marina Mechanical

Founded: 1958

Headquarters: San Leandro,  
CA

CEO: Jim Hussey

No. of Employees: 65

Website: [marinam.com](http://marinam.com)

Shell Ridge Property Management Co., Inc. maintains approximately 300,000 square feet of commercial space in the San Francisco Bay Area. Since 1980, Shell Ridge has specialized in asset management strategies for small medical offices. Its 15 buildings range from 40,000 to 100,000 square feet.

Shell Ridge's medical office properties represent a desirable portfolio for mechanical contractors. Marina Mechanical, a 50-year-old company headquartered in San Leandro, Calif., began maintenance for a Pleasanton, Calif. Shell Ridge property five years ago. In the ensuing years of service, energy conservation was rarely discussed.

But when Marina began feeling heat from its competitors in the middle of a down market, it turned to its best customers to expand relationships.

Marina had obtained training on the BuildingAdvice energy services diagnostic platform in November of 2009, and began the process of leveraging its action-oriented reports as a differentiator.

### Game-changing Energy Services Offering

"We offered to show both the property manager and owner at Shell Ridge, some sample energy benchmarking and assessment reports," says Denny Mann, Vice President of Service with Marina Mechanical, when explaining how he got the energy conversation started. "The property manager was actually very educated on energy benchmarking, and as a result, very interested. Once she saw the type of information the BuildingAdvice reports gave, she was *extremely* interested. BuildingAdvice differentiated Marina from other mechanical contractors waiting to get their foot in the door."

Denny offered to do complimentary energy assessments on two Shell Ridge buildings. Shell Ridge has several buildings where Peak Day Pricing, a program of local utility Pacific Gas & Electric (PG&E), would come into play.

Peak Day Pricing (PDP) is PG&E's demand response program, which acts as an incentive for business owners to curtail their facility's energy use during times of peak usage. During the

summer, PDP substantially raises energy prices on “event days” (above 98 degrees); businesses have a 24 hour notice when there will be an event to lower their energy usage for that day. By charging a very high rate on event days, PG&E motivates customers to invest in strategies that will lower their consumption overall, and especially on the peak days.

Peak day pricing is specialized to the PG&E territory, but not a unique phenomenon.

“Peak day pricing is definitely acting as a market stimulator for energy services and spurs client interest,” Denny said. “I think soon people will be lined up to get involved with energy reduction conversations.”

### **Taking Action**

In going over the results of the assessment reports, conversations began about what Marina could do to help Shell Ridge avoid demand charges across the company’s property portfolio. This led to a second meeting with the owner, and an agreement to generate Energy Benchmarking Reports on all of the Shell Ridge properties to determine Energy Star scores.

With portfolio-wide benchmarks on the docket, Marina took recommendations from the first two properties’ energy assessments to Shell Ridge ownership.

“BuildingAdvice reports marked our transition from just being their mechanical contractor to forming a partnership. It completely transformed the relationship. It helped us identify that the building was running when it didn’t need to be,” said Denny. Supply and reset strategies were created, so that the building was not not pouring 55 degree air into the interior when clients were not there, all of which were identified in the report.

Two low- and no-cost recommendations were approved and completed April of this year. Shell Ridge made the decision to complete the service based on the return on investment outlined in BuildingAdvice’s Energy Assessment Report. In addition to revisions to lighting and HVAC schedules based on peak day pricing, the report showed a seven-year payback on a demand control vent.

“We’re letting those changes take effect,” said Denny. After a 12-month period, savings achieved will be tabulated.

### **Next Steps and the Advent of Mandatory Energy Disclosure**

As of late June, Marina is wrapping up the energy benchmarking process on all of the Shell Ridge portfolio. Based on buildings’ Energy Star scores, Marina will make recommendations on which properties need energy assessments.

Looking ahead, the mandates of California’s Assembly Bill 1103 (AB 1103) state that non-residential business owners or their agents are required to input energy consumption and other building data into the Environmental Protection Agency’s Energy Star Portfolio Manager system, which generates an energy efficiency rating for the building.

As of January 1, 2010, AB 1103 mandated disclosure of a building’s energy data and rating of the previous year to prospective buyers and lessees of the entire building or lenders financing

the entire building. That deadline has since been pushed back, and the task of devising a disclosure schedule has fallen to the California Energy Commission (CEC). The CEC is in the process of drafting a new compliance schedule; January 1, 2011 is speculated to be the new required disclosure date.

New York City, Washington DC and other regions have adopted similar required energy data disclosure. Smart owners and managers are on the move to meet deadlines.

### **Net Impact**

The ability to offer energy services differentiates providers. Marina knew a competitor was making an aggressive play for service agreements in Shell Ridge's multiple locations. Yet, in the same timeframe Marina stayed in discussions with Shell Ridge by centering their meetings around energy services through BuildingAdvice.

"After going through BuildingAdvice training, we quickly realized that being able to offer our customers a systematic, low-cost / no-cost approach to reducing their energy consumption would change the way we were viewed."

BuildingAdvice has "helped us retain current business and significantly raised the bar on the services we offer."

For more information about Marina Mechanical, visit [www.marinam.com](http://www.marinam.com)

#### **About AirAdvice and BuildingAdvice™**

AirAdvice is a Portland, OR company that is an acknowledged leader in developing cutting edge technology and programs for improving buildings' energy efficiency and performance. The BuildingAdvice™ energy services program enables commercial HVAC professionals, energy consultants, and engineers to use automated benchmarks, assessments, and audits to deliver cost savings and greener buildings for their clients through energy efficiency.

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