

FINANCIAL IMPACT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

| | | |
|---|--|---|
| 1. Name of Initiator Michael Armstrong | 2. Telephone No. 503.823.6053 | 3. Bureau/Office/Dept. Bureau of Planning and Sustainability |
| 4a. To be filed (date) November 25, 2009 | 4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/> | 5. Date Submitted to FPD Budget Analyst: November 20, 2009 |

1) Legislation Title:

* Authorize application to the State of Oregon Department of Energy for State Energy Program grant funds in an amount of up to \$1,615,448 to help pay for energy efficiency and renewable energy improvements that will benefit city facilities as part of the American Recovery and Reinvestment Act (ARRA).

2) Purpose of the Proposed Legislation:

ARRA has provided funds to the Oregon Department of Energy for competitive State Energy Program (SEP) grants for energy efficiency and renewable energy projects benefiting local governments. Portland's energy efficiency program for city-owned facilities – the City Energy Challenge – has worked cooperatively with bureau managers to identify ten energy and renewable energy projects to submit for SEP funding. These projects include:

| | |
|---|--------------------|
| 1. SW 3 rd and Alder Parking - HVAC | \$ 48,000 |
| 2. City Hall - variable speed motor controls | \$ 15,000 |
| 3. Portland Building – energy management controls | \$ 175,000 |
| 4. Portland Building – lighting | \$ 100,000 |
| 5. 4 Smart Park Garages – lighting | \$ 170,000 |
| 6. St. Johns Racquet Center – lighting | \$ 27,448 |
| 7. LED Traffic Signals | \$ 500,000 |
| 8. Micro-wind turbine demonstration | \$ 50,000 |
| 9. Large solar electric project | \$ 500,000 |
| 10. Vernon Water Tower – hydroelectric generator | \$ 30,000 |
| Total | \$1,615,448 |

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

This application will generate up to \$1,615,448 in revenue coming to the City through competitive SEP grants.

4) Expense:

What are the costs to the City as a result of this legislation? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)

The City is applying for up to \$1,615,448 in SEP grant funds. City matching funds in an amount up to \$5,085,000 will be required to fund all projects. The actual amount of matching funds will vary by project. One or more projects may not be fully funded or may not be funded at all due to budget limitations; in this event, other projects may be substituted. Financial incentives from the Energy Trust of Oregon and Business Energy Tax Credit will be applied for, further reducing the city match. The final project budget will be revised based on commitments from the identified city-owned facilities.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)

No

6) Will positions be created or eliminated in *future years* as a result of this legislation?

No

7) Change in Appropriations (Please reflect the dollar amount to be appropriated by this legislation. Include the appropriate center codes and accounts that are to be loaded by accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.)

No.

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|---------------------------------|
| Celia Heron, Operations Manager |
|---------------------------------|

APPROPRIATION UNIT HEAD (Typed name and signature)



City of Portland
Bureau of

Planning and Sustainability

Sam Adams, Mayor
Susan Anderson, Director

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1. **Ordinance Title:** Authorize application to the State of Oregon Department of Energy for State Energy Program grant funds for improvements that will benefit city facilities
2. **Contact Name, Department, & Phone Number:** Michael Armstrong, Bureau of Planning and Sustainability, 503 823-6053
3. **Requested Council Date:** December 2, 2009

Consent Agenda Item: X or **Regular Agenda Item:**

Explain why this DOES or does not require a presentation or Council discussion:

This item is to authorize an application to the State of Oregon Department of Energy for State Energy Program grant funds in an amount of up to \$1,615,448 to help pay for energy efficiency and renewable energy improvements that will benefit city facilities as part of the American Recovery and Reinvestment Act.

Emergency Item (answer below): X or **Non- Emergency Item:**

If emergency, why does this need to take effect immediately:

An emergency exists because delay in proceeding with this grant application may result in not receiving funding; therefore, this ordinance shall be in full force and effect from and after its passage by Council.

4. **History of Agenda Item/Background:**

The American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, (ARRA) was enacted by the US Congress to create jobs, promote economic recovery and provide investments needed to increase economic efficiency that will provide long term economic benefits and stabilize state and local budgets. ARRA has provided funds to the Oregon Department of Energy for competitive State Energy Program (SEP) grants for energy efficiency and renewable energy projects benefiting local governments.

1. In Portland's Climate Action Plan (Resolution 36748) adopted October 28, 2009, the 2030 Objective #1 directs the city to "Reduce the total energy use of all buildings built before 2010 by 25 percent."
2. Objective 18 of the Climate Action Plan, on Local Government Operations, directs Bureaus to "Reduce carbon emissions from City and County operations 50 percent from 1990 levels" and to "identify funding sources to finance energy-efficiency upgrades in City and County facilities."
3. Further, Objective 18 directs Bureaus to "convert street lighting, water pumps, water treatment and other energy intensive operations to more efficient technologies."

4. Portland's energy efficiency program for city-owned facilities – the City Energy Challenge – has worked cooperatively with bureau managers to identify ten energy and renewable energy projects to submit for SEP funding. These projects include:

| | |
|---|--------------------|
| 1. SW 3 rd and Alder Parking – HVAC | \$ 48,000 |
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| Total | \$1,615,448 |

5. **Purpose of Agenda Item:**

Authorize an application to the State of Oregon Department of Energy for State Energy Program grant funds in an amount of up to \$1,615,448 to help pay for energy efficiency and renewable energy improvements that will benefit city facilities as part of the American Recovery and Reinvestment Act.

6. **Legal Issues:**

None known.

7. **What individuals or groups are or would be opposed to this ordinance? Supportive?**

Opposition: None known.

Supportive: Local construction and architecture firms, training and workforce programs, and utilities.

8. **How Does This Relate to Current City Policies?**

This grant application is consistent with City policy related to jobs creation, economy development, and energy efficiency improvements in public buildings.

9. **Community Participation:**

Following extensive community participation, the City recently adopted the 2009 Climate Action Plan that has objectives for energy efficiency improvements in all buildings, including city and county facilities. City energy efficiency projects were selected by a group convened by BPS including stakeholder bureaus and one citizen participant.

10. **Other Government Participation:**

State of Oregon Department of Energy.

11. **Financial Impact:**

The City is applying for up to \$1,615,448 in SEP grant funds. City matching funds in an amount up to \$5,085,000 will be required to fund all projects. The actual amount of matching funds will vary by project. One or more projects may not be fully funded or may not be funded at all, due to budget limitations; in this event, other projects may be substituted. Financial incentives from the Energy Trust of

Oregon and Business Energy Tax Credit will be applied for, further reducing the city match. The final project budget will be revised based on commitments from the identified city-owned facilities.