CITY COUNCIL
JOINT MEETING WITH THE SUSTAINABILITY COMMISSION
CITY OF PALM SPRINGS, CALIFORNIA

Council Chamber, 3200 East Tahquitz Canyon Way, Palm Springs, California 92262
www.palmspringsca.gov

ADJOURNED REGULAR MEETING AGENDA

THURSDAY June 23, 2016		**6:00 PM JOINT MEETING** **ADJOURNED MEETING**

Robert Moon, Mayor
Chris Mills, Mayor Pro Tem
Ginny Foat, Councilmember
Geoff Kors, Councilmember
J.R. Roberts, Councilmember

City of Palm Springs Mission Statement: Palm Springs is an inclusive world-class city dedicated to providing excellent and responsive public services to enhance the quality of life for current and future generations.

David H. Ready, Esq., Ph.D., City Manager
James Thompson, Chief of Staff/City Clerk
Marcus Fuller, Assistant City Manager/City Engineer
Douglas C. Holland, City Attorney
Geoffrey S. Kiehl, Director of Finance and Treasurer

Any person who wishes to speak regarding an item on the agenda or on a subject within the City's jurisdiction during the "Public Comments" portion of the agenda must file a "Speaker Card" with the City Clerk BEFORE that portion of the agenda is called. Although the City Council values your comments, pursuant to the Brown Act, it generally cannot take any action on items not listed on the posted agenda.

Testimony for Public Hearings will only be taken at the time of the hearing. Any person who wishes to speak at a Public Hearing must file a "Speaker Card" with the City Clerk BEFORE the Public Hearing is called.

Pursuant to G.C. Section 54957.5(b)(2) the designated office for inspection of records in connection with the meeting is the Office of the City Clerk, City Hall, 3200 E. Tahquitz Canyon Way. Complete Agenda Packets are available for public inspection at: City Hall Office of the City Clerk. Agenda and staff reports are available on the City's website www.palmspringsca.gov. If you would like additional information on any item appearing on this agenda, please contact the Office of the City Clerk at (760) 323-8204.

Please note, any agenda item which has not been initiated by 10:00 P.M. may be continued to a subsequent meeting.

City Council meetings are webcast live on the City's website www.palmspringsca.gov and cablecast live on PSCTV Channel 17 and 26.103. Meetings are re-broadcast (following the meeting) on Thursday at 8:00 P.M., Saturday at 1:30 P.M. and Tuesday at 7:00 P.M.

It is the intention of the City of Palm Springs to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, or in meetings on a regular basis, you will need special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the Office of the City Clerk, 323-8204, at least 48 hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible.

6:00 P.M. JOINT MEETING WITH THE SUSTAINABILITY COMMISSION CITY COUNCIL ADJOURNED REGULAR MEETING

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

ACCEPTANCE OF THE AGENDA:

PUBLIC COMMENT: This time has been set aside for members of the public to address the City Council and Sustainability Commission agenda items; and items of general interest within the subject matter jurisdiction of the City. Although the City Council and Sustainability Commission values your comments, pursuant to the Brown Act, it generally cannot take any action on items not listed on the posted agenda. Three (3) minutes assigned for each speaker.

1. JOINT MEETING WITH THE SUSTAINABILITY COMMISSION:

1.A. SUSTAINABILITY MASTER PLAN:
RECOMMENDATION: Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, ADOPTING THE 2016-2021 CITY OF PALM SPRINGS SUSTAINABILITY MASTER PLAN."

1.B. DISCUSSION AND DIRECTION REGARDING LEAF BLOWERS:
RECOMMENDATION: Direct Staff and the Sustainability Commission as appropriate.

1.C. DISCUSSION AND DIRECTION REGARDING MANDATORY SOLAR INSTALLATION POLICY FOR NEW CONSTRUCTION:
RECOMMENDATION: Direct Staff and the Sustainability Commission as appropriate.

1.D. DISCUSSION AND DIRECTION REGARDING THE "GREEN FOR LIFE VOLUNTARY GREEN BUILDING PROGRAM" AS MANDATORY FOR CONSTRUCTION WITHIN THE CITY OF PALM SPRINGS:
RECOMMENDATION: Direct Staff and the Sustainability Commission as appropriate.

The Sustainability Commission will adjourn and the City Council will continue with the remainder of the meeting.

2. ADJOURNED REGULAR MEETING:

2.A. APPROVAL OF AN ADMINISTRATIVE SERVICES AGREEMENT FOR COUNTY SERVICE AREA 152 NATIONAL POLLUTANT DISCHARGE ELIMINATION PROGRAM WITH RIVERSIDE COUNTY:
RECOMMENDATION: 1) Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, MAKING FINDINGS AND REAFFIRMING THE

ESTABLISHMENT AND SETTING OF RATES FOR COUNTY SERVICE AREA 152 FOR FISCAL YEAR 2016-17 TO FUND THE CITY'S NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT IN ORDER TO OPERATE AND MAINTAIN THE CITY'S DRAINAGE AND FLOOR CONTROL SYSTEMS;" 2) Approve an Administrative Services Agreement with Riverside County for the CSA 152 National Pollutant Discharge Elimination System (NPDES) Program; and 3) Authorize the City Manager to execute all necessary documents. A6027.

2.B. APPROVAL OF VARIOUS AGREEMENTS WITH SOLARCITY CORPORATION FOR SOLAR PHOTOVOLTAIC SYSTEMS AT THE PALM SPRINGS ANIMAL SHELTER AND THE PALM SPRINGS CONVENTION CENTER, AND APPROVAL OF A CEQA CATEGORICAL EXEMPTION, AS PART OF THE CITYWIDE SOLAR PROJECT (CITY PROJECT NO. 15-03):

RECOMMENDATION: 1) Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, MAKING FINDINGS AND AUTHORIZING THE CITY MANAGER TO ENTER INTO CERTAIN INFRASTRUCTURE FINANCING AGREEMENTS AND ASSOCIATED CONTRACTS WITH SOLARCITY CORPORATION PURSUANT TO GOVERNMENT CODE SECTION 5956, ET SEQ., FOR THE COMPLETE DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE OF SOLAR PHOTOVOLTAIC SYSTEMS AT THE PALM SPRINGS ANIMAL SHELTER AND THE PALM SPRINGS CONVENTION CENTER, AND APPROVING AND ORDERING THE FILING OF A CEQA NOTICE OF EXEMPTION;" and 2) Authorize the City Manager to execute all necessary documents. A____. A____.

COUNCILMEMBER COMMENTS, REQUESTS, AND REPORTS: Additional general comments, reports, announcements, requests of staff and/or issues of concern to Councilmembers are briefly presented at this time.

ADJOURNMENT: The City Council will adjourn to the next regular meeting Wednesday, July 6, 2016, at 6:00 P.M. Council Chamber, City Hall, preceded by Closed Session, at 4:00 p.m. in the Small Conference Room, City Hall, 3200 East Tahquitz Canyon Way, Palm Springs.

AFFIDAVIT OF POSTING

State of California)
County of Riverside) *ss.*
City of Palm Springs)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, California, hereby certify this Notice was delivered to each member of the City Council and Sustainability Commission, provided to all parties who have requested such notice, posted at City Hall before 6:00 p.m., on Monday, June 20, 2016, and posted on the City's website as required by established policies and procedures.

JAMES THOMPSON, CITY CLERK
City Clerk, City of Palm Springs, CA

CITY COUNCIL STAFF REPORT

DATE: June 23, 2016 UNFINISHED BUSINESS

SUBJECT: PALM SPRINGS SUSTAINABILITY MASTER PLAN

FROM: David H. Ready, City Manager

BY: Office of Sustainability, Michele Mician, Sustainability Manager

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SUMMARY

The Office of Sustainability received a grant through Southern California Association of Governments (SCAG) to update the Sustainability Master Plan to include a slate of projects and programs that work to further implement the initial recommendations of the 20 First Steps on Sustainability agreed upon by the Palm Springs City Council on May 21, 2008, and further actions outlined in the *Palm Springs Path to a Sustainable Community* adopted on May 27, 2009. The updated plan serves as the City of Palm Springs' compass for our sustainability initiatives to guide not only municipal climate and energy action planning, but overall community and environmental health through 2021 and beyond. In addition, the attached updated Sustainability Master Plan provides a synopsis of existing and planned projects including policy and endeavors that directly serve to conserve resources, greenhouse gas emissions and fiscal impact.

City Council is being asked to approve a resolution adopting the City of Palm Springs Sustainability Master Plan. Following the Sustainability Commission and City Council joint meeting, staff will work on developing specific targets for each objective, along with baselines and metrics to track and report progress. The Office of Sustainability will coordinate this effort and work with the Sustainability Commission and other city departments to implement the goals of the plan.

RECOMMENDATION:

Adopt Resolution No. ____ "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS CALIFORNIA ADOPTING THE NEW 2016-2021 CITY OF PALM SPRINGS SUSTAINABILITY MASTER PLAN."

ITEM NO. 1.A.

STAFF ANALYSIS:

In March 2008, sustainability was identified as one of five top priority issues for focused attention and action by the City. Shortly thereafter, the City Council unanimously approved a set of twenty first steps towards making Palm Springs a sustainable city. Development of a master plan was identified as an important first step to provide an overall vision and framework to guide the Palm Springs Path to a Sustainable Community.

Following issuance of a Request for Proposals in June 2008, and review of proposals, a team of Portland-based consultants led by the firm Cogan Owens Cogan was contracted in October 2008, to guide development of the plan. That plan drove the work of the Commission and the Office of Sustainability for the next five years. All of the programs and projects of the initial plan were put in place. The Office of Sustainability continued to create new programs far beyond the specific actions that were set as key initiatives. In 2013, staff began to investigate opportunities for funding to draft a new Sustainability Master Plan to create a vision for the Office of Sustainability's initiatives for the coming years. Staff recognized that an update to the Plan to provide city operations, the community and the commission with direction and ambitious goals to endeavor for the future was necessary. In May 2013, staff had the opportunity to apply for the SCAG Compass Blueprint Green Region Initiative program. In October 2013, the City won the award and work began to create a new Sustainability Master Plan.

The update to the Sustainability Master Plan builds upon existing plans and policies, best practices and programs, and input and feedback obtained during community outreach efforts conducted from December 2015 to March 2016. The plan provides a vision, guiding principles and strategic framework for future operational and policy decisions and sets priorities for action that further embed sustainability concerns into City decision-making and processes.

In addition, based upon the priorities identified in the plan, input from stakeholders and the results of the study session with the Council subcommittee on sustainability, there were 10 specific action items identified by staff as goals and key initiatives for implementation for the next five years (2016-2021).

Goal 1:	Help to create 500 Clean Tech Jobs
Goal 2:	Reduce per capita energy use by 50%
Goal 3:	Receive 100% of our City's electrical power from clean, renewable sources
Goal 4:	Help to encourage the building or retrofitting of 5 million square feet of Green Buildings in the Community

Goal 5:	Divert 100% of waste from landfill
Goal 6:	Recycle or beneficially reuse 100% of our wastewater
Goal 7:	Adopt a General Plan with even more measurable Standards for Sustainable Development
Goal 8:	Ensure that 90 percent of public fleet vehicles run on Alternative Fuels
Goal 9:	Plant 10,000 new trees
Goal 10:	Create 10 miles of trails connecting with on-street bikeways

The actions follow the organization of the master plan and include key initiatives from each of the priority goal and outcome areas included in the plan. While the master plan is broad in its framework and direction, staff recommended that actions focus on what can be accomplished in the near term with existing resources and capacity.

BACKGROUND:

The Office of Sustainability was established in August 2009, and has since enhanced the City's resource conservation services to the community, and offered an increased opportunity for action by the Sustainability Commission. By providing facilitation and guidance the Office of Sustainability has advanced the City's sustainability goals and resource efficiency needs within City operations.

Sustainability Commission members focus on many areas of sustainability which include: water conservation, energy conservation, urban sustainability and mobility, green economy, and waste. A subcommittee was formed to concentrate efforts in each of these areas by researching best practices, reviewing existing policies utilized in other municipalities, and choosing feasible projects to implement.

The update to the Sustainability Master Plan is another step toward ensuring that the Office of Sustainability and the City as a whole continue to provide the award winning programs and projects that have become a trademark of Palm Springs. This includes national recognition for programs such as First Lady Obama's Let's Move Campaign, the Clinton Day of Action, Climate Registry Awards, Beacon Energy Awards and recognition from the Coachella Valley Association of Governments (CVAG) as an energy savings champion.

In recent years, the City has advanced on its path to sustainability by adopting the Mayor's Climate Protection Agreement by Resolution in 2008, and setting goals of reducing energy consumption by 20% and water use by 50% by 2012. The new

Sustainability Master Plan outlines goals and strategies to create a healthy and livable community for future generations.

The Palm Springs Sustainability Master Plan includes a variety of sustainability objectives, including the reduction of GHG emissions, the adaptation of green building practices and the use of renewable energy sources. Over the past few years, staff has recognized the need to integrate health and wellness initiatives into the Plan.

In May 2013, the City's Office of Sustainability applied for a SCAG Sustainability Planning Grant (formerly known as Compass Blueprint Grant Program). The grant was established as an innovative vehicle for promoting local jurisdictional efforts to test local planning tools. In October 2013, the City was chosen as a project eligible for the Green Region initiative through SCAG. On September 12, 2014, SCAG notified the City's Office of Sustainability that the City would be awarded a grant and received funding in the amount of $85,000 to update the master plan. This included the creation of a companion App called Walk and Roll Palm Springs (www.walkandrollpalmsprings.org). The app was developed to aid citizens in identifying their own GHG reductions when walking or biking to shop, dine, play or engage in civic activity.

The City of Palm Springs requested the assistance of SCAG to provide essential consultation services and the necessary tools in the evaluation and planning of the update of the Sustainability Plan to include a health and wellness framework that promotes local and regional sustainability. In agreement with the SCAG Sustainable Communities Strategy, the City of Palm Springs formally incorporated public health planning into its Master Plan by integrating health and wellness projects and policies into every chapter of the written document.

The firm Raimi and Associates was selected through an RFP process conducted by SCAG to aid in the City's development of a new Sustainability Master Plan. Raimi and Associates has worked closely with City department heads, staff and the commission to create the newly updated plan. Four public workshops were conducted including major public outreach events and on-street interviews with constituents. An online social media campaign, online public comment and special workshops were also produced to ensure we received maximum input on the plan. Special meetings and public outreach sessions were conducted as follows:

- June 8, 2015 – Sustainability Commission Study Session
- December 5, 2015 – Public Workshop at Welwood Murray Library
- January 24, 2016 – Outreach booth at Mayor's Wellness Festival
- March 5, 2016 – Study Session/Public Workshop at Desert Healthcare District
- Two online public forums with 60 day comment periods (web based)

A number of outcomes resulted from the many public input sessions and study sessions. Each section below gives an overview of some of the main objectives.

POLICIES AND PILOT PROGRAMS

New and expanded policies and ordinances will be brought forward through existing public processes with recommended changes in how the City operates and promotes sustainability in areas such as green building, sustainable purchasing, economic development, transportation impacts, and energy efficiency. The Sustainability Commission Policy Recommendations to Council for 2016-2021 specifically sets a goal to adopt 6 policies as listed in the table below:

	Policy	Goal Date for Adoption by Council
1.	A Policy Mandating Multi Family Recycling	(In-progress) Goal for end of 2016
2.	Product Stewardship Policies to ensure producers of waste create programs to take back their products and their packaging	First pilot program intended for medications in early 2017 and more products to be phased in through 2020
3.	Integrated Pest Management and a No Non-organic/Toxic Pesticide Use Policy for City Facilities	December 2017
4.	No Idling Policy	Early 2018 for City fleet and extend to commercial through 2020 by sector
5.	Tree Protection Ordinance	Fall 2017 City facilities policy on replacement/removal and for all City community trees by 2019.
6.	Mandatory Green Building Practices	Late 2016 and early 2017

PARTNERSHIPS IN ENERGY EFFICIENCY

Palm Springs will continue participation in the CVAG led Desert Cities Energy Partnership and continue to look for opportunities for energy efficiency retrofit programs, small business retrofits, multi-family incentives and energy audits. The City will continue to serve in a leadership role in community outreach and education campaigns on energy efficiency measures. Staff will seek grants to ensure an expanded fleet conversion to electric vehicles and continue to implement electric vehicle infrastructure through a business partnership program.

ACTION PLANS & POLICIES

City efforts toward zero waste are underway and staff will work with our franchise waste hauler to implement many upcoming state policies. The City has already passed a single-use plastic bag ban. Efforts will now focus on single-use bottle waste reduction, large scale composting and all residential composting including multi-family composting and recycling. Staff will also work towards expansion of our existing construction and demolition waste reduction programs. A next steps strategy for AB 1826 and AB 939

will be brought before the City Council in 2017.

TRANSPORTATION CHOICE

More waking paths will be created from existing paths by adding signage to increase activity and improve safety of our system of trails and walking paths. Staff will complete at least one new grant proposal to support expansion of our walking paths. In addition, the City will commit to a plan to increase rideshare and biking to work within our city and community workforce to reduce vehicle miles travelled (VMT) and associated emissions.

BASELINE MEASURES, TARGETS AND REPORTING

The Sustainability Office will be tasked with working with the community to identify measurable baselines and targets for our overall plan and program. This will include working with neighborhoods and not for profits to create a comprehensive plan for greenhouse gas emissions reductions. We will also ask the Sustainability Commission to create a new Sustainability Report Card and a process to monitor and report on progress.

HEALTH AND WELLNESS FRAMEWORK

Currently, the City participates in the Statewide Healthy Eating Active Living (HEAL) Cities Campaign. HEAL members work with city officials to identify pathways to health through three policy areas: land use, healthy food, and worksite wellness. City Council has signed a resolution in support of a local HEAL campaign that supports mixed-use neighborhoods where houses are located near schools, parks and public transportation, and where there are safe routes for walking and biking. This practice creates a healthy alternative to non-motorized transportation and lowers greenhouse gas emissions. Other HEAL projects include health and nutrition plans such as a workplace wellness program that decreases obesity and the risk or chronic diseases, resulting in an increase in overall productivity. Additional partnerships that promote healthy lifestyles are the City's partnership with the Clinton Foundation Health Matters Initiative and the National League of Cities Let's Move Campaign.

A comprehensive health and wellness network improves air quality, economic conditions and the general welfare of local residents. By incorporating health and wellness initiatives into every chapter of the Sustainability Master Plan, the City of Palm Springs can continue on its path towards a more livable, healthy community.

Palm Springs is one of two cities to receive the honor of working with the Clinton Foundation to develop the Health Matters Initiative. The Healthy Planet, Healthy You series of events is an offshoot of the program, which includes a race and wellness festival that registered over 650 walkers and runners in the 5k/10k events and over 600 children in the 1K fun run this past year. Palm Springs is proud to be a part of First Lady

Obama's Let's Move Project, which combats childhood obesity. The Let's Move program partners with the National League of Cities and challenges municipalities to strive to succeed in five areas which target nutrition, physical fitness and overall wellness.

In the complete master plan, the above-mentioned programs were incorporated and explained in detail, with a strong emphasis on environmental and economic benefits. Every plan concept relies heavily on outreach and education efforts. From the Let's Move Campaign to the HEAL project, local residents are informed and educated by the City's Office of Sustainability and Sustainability Commission regarding the plethora of available choices in the realm of nutrition, fitness, and safe and healthy living. The City employs educational pamphlets, events, lectures, seminars and film showings to increase awareness and encourage local citizens to start or continue on their journey towards a happier, healthier lifestyle.

The existence of a plan that acknowledges the importance of a complex health and wellness network to the functioning of the City, complemented by diverse outreach and education outlets, will allow the City of Palm Springs to progress more quickly towards its ultimate goal of sustainability. A detailed, comprehensive plan provides a multitude of benefits to the overall health of the environment and the community. The City of Palm Springs is committed to the creation of an urban landscape that promotes the use of public transportation, walking and biking as a healthy and convenient alternative to driving to work or recreational activities.

The City of Palm Springs' Health and Wellness Initiatives further the mission of the Sustainable Communities Strategy by developing a method to improve the health and welfare of the people that protects the environment, stimulates the economy and enhances the quality of life in the region. The update to the Sustainability Master Plan also implements the approved 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) that was developed with a bottom-up partnership for a livable and prosperous Southern California through 2035. The Sustainability grant program enables SCAG to partner directly with our city by providing financial assistance to local planning initiatives that help implement the 2012-2035 RTP/SCS and, at the same time, support local priorities. The City's proposal is consistent with SCAG's Sustainability Program's goals of improving livability, mobility, prosperity and sustainability and moves us one step closer to realizing our shared vision. The attached report provides a complete review of the Office of Sustainability's future planning.

Upon receipt of the Plan and acceptance of recommended key initiatives by the City Council, the Manager of the Office of Sustainability will work with the Sustainability Commission, neighborhoods and others to develop a detailed action plan with specific targets, roles/responsibilities and measures. An important early factor in implementation will be enhanced public engagement and outreach on community health and sustainability.

FISCAL AND STAFF IMPACTS:

The Office of Sustainability will implement projects based upon City Council budget appropriations on a project and program priority basis.

ENVIRONMENTAL IMPACT:

Staff finds that adoption of this Sustainability Master Plan is not a "project" under the California Environmental Quality Act, because the adoption of the plan does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4). Therefore no negative environmental impact is noted.

Michele C. Mician
Sustainability Manager

Marcus Fuller
Assistant City Manager/City Engineer

David H. Ready, Esq., Ph.D.
City Manager

Attachments:

1. Resolution for Adoption
2. Staff Report and Reference Materials from May 18, 2016 Council Meeting: http://www.ci.palm-springs.ca.us/home/showdocument?id=43326
3. Sustainability Master Plan full document: http://www.ci.palm-springs.ca.us/home/showdocument?id=43310
4. Power Point Presentation

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS CALIFORNIA ADOPTING THE NEW 2016-2021 CITY OF PALM SPRINGS SUSTAINABILITY MASTER PLAN

WHEREAS, due to the City of Palm Springs legacy of a decades of commitment to the environment and leadership in sustainability; and

WHEREAS, to address climate change the City of Palm Springs adopted the Palm Springs Path to a Sustainable Community Plan in 2008 to support efforts to curb global warming, adopt greenhouse gas emission (GHG) reduction goals for the City of Palm Springs, and call for continuing and new actions toward achieving those goals; and

WHEREAS, the City of Palm Springs was a signatory to the U.S. Mayor's Climate Protection Agreement, an agreement that more than 1000 mayors from the 50 states, the District of Columbia and Puerto Rico, have signed; and

WHEREAS, in 2008 the City of Palm Springs created and appointed the first members of the Sustainability Commission, formerly the resource Conservation Commission; and

WHEREAS, in 2010 the City of Palm Springs Office of Sustainability (OS) issued the first City Greenhouse Gas Inventory (GHG), which included a suite of actions to reduce GHG emissions; and

WHEREAS, OS took leadership in adopting the Coachella Valley Green for Life program and accompanying Energy and Climate Action Plans; and

WHEREAS, OS commissioned a technical study and convened technical committees to identify action options and potential pathways to climate change mitigation in the 2016 Palm Springs Sustainability Master Plan update; and

WHEREAS, input from the general public was actively sought during development of the 2016 Palm Springs Sustainability Master Plan through online surveys and public meetings; and

WHEREAS, the 2016 Palm Springs Sustainability Master Plan identifies actions to achieve City climate goals while also substantially contributing to many other City goals, including transportation choices, building energy efficiency, solid waste reduction, urban forest protection, sustainable economic development, and clean air;

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DETERMINES, RESOLVES AND APPROVES AS FOLLOWS:

The City of Palm Springs Sustainability Master Plan, dated May 2016, on file in the Office of the City Clerk, is hereby adopted.

Adopted this 23rd day of June, 2016.

CITY OF PALM SPRINGS

David H. Ready
City Manager

ATTEST:

James Thompson
City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. ____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on June 23, 2016, by the following vote:

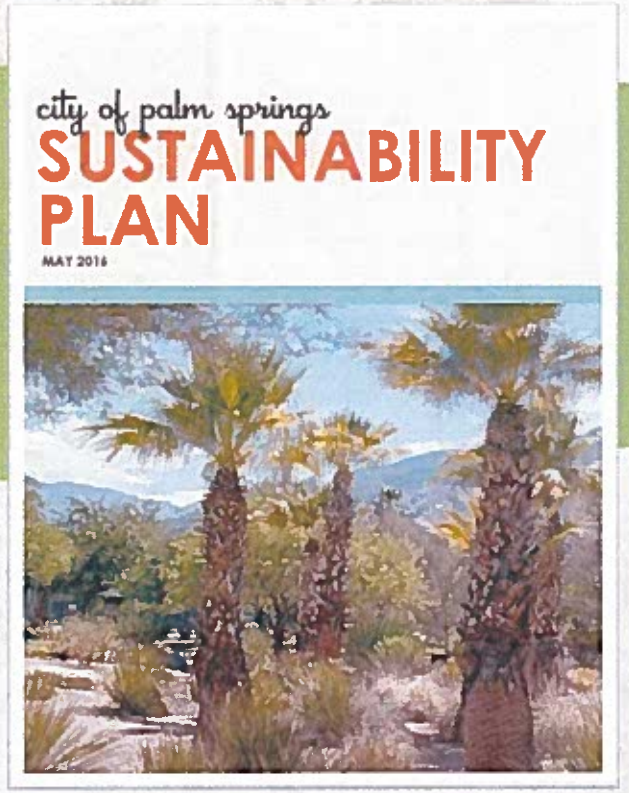
AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California

Sustainability Master Plan

City Council Sustainability Commission Study Session Meeting

June 23, 2016



What is the Sustainability Plan?

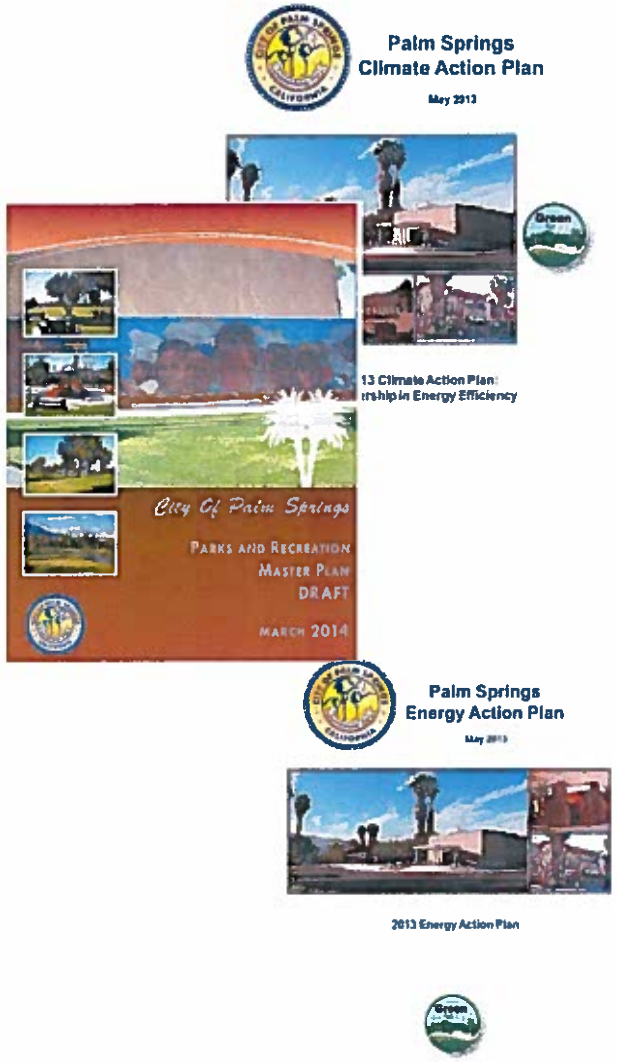
The Palm Springs Sustainability Plan is a roadmap for a healthier, more resilient, prosperous, equitable, and sustainable future. The Sustainability Plan charts a course for the next five years and beyond.

Benefits to the Community

- *Provides opportunities for community members to live more healthy and sustainable lifestyles.*
- *Reduces energy, water, waste consumption, saving money.*
- *Strengthens local environmental programs.*
- *Creates local jobs.*

Local Policy Framework

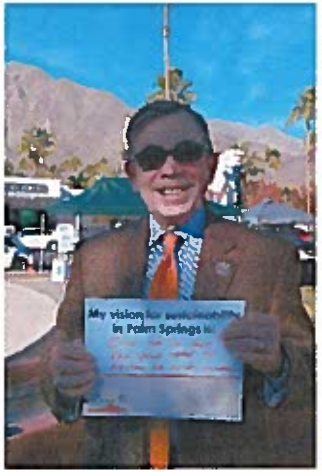
- 2009 Sustainability Master Plan
- General Plan
- Climate Action Plan
- Energy Action Plan
- Coachella Valley Association of Governments Non-Motorized Transportation Plan
- Bicycle Route Plan
- Urban Forest Management Report
- Coachella Valley Multiple Species Habitat Conservation Plan
- Park & Recreation Master Plan



Public Engagement

- Street campaign (downtown library + Mayor's Race)
- Pisnic
- Survey
- Workshop #1 (12/5/15 @ Library)
- Workshop #2 (1/24/16 @ Mayor's Race)
- Team building + SMP Overview Study Session

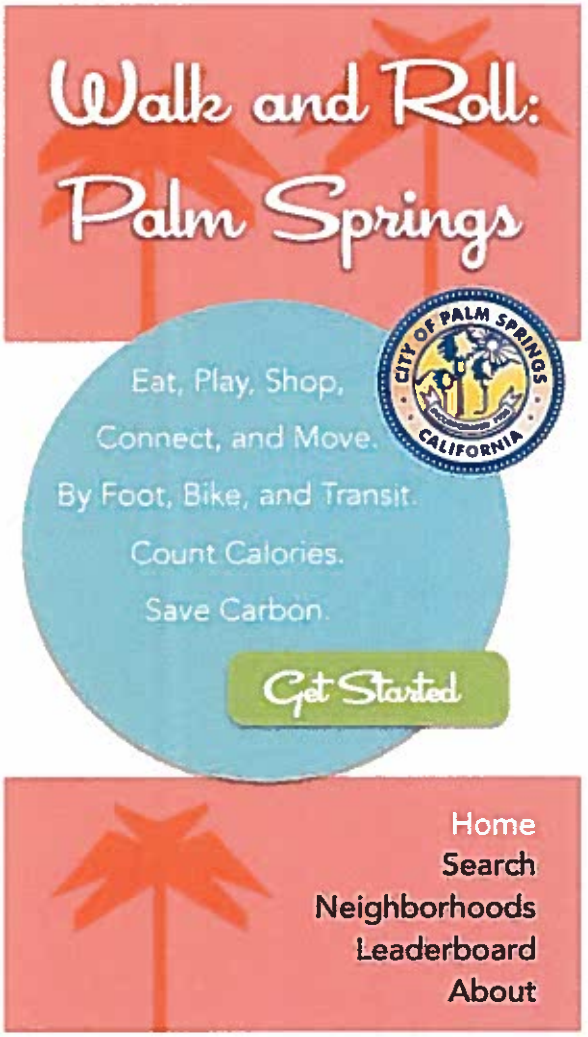
Public Engagement



Walk and Roll: Palm Springs

- Get directions for walking, biking, and transit.
- Browse popular routes to walk, hike and bike.
- Count calories & save carbon.
- Learn safety tips for walking and biking.
- Find your neighborhood organization.

http://www.walkandrollpalmsprings.org/



Chapter Overview


Climate Change + Resilience


Economic Prosperity + Green Businesses


Community Health + Wellness


Livable Neighborhoods


Active + Sustainable Transportation


Urban Forests + Natural Systems


Energy Conservation + Renewable Energy


Water Conservation + Efficiency


Solid Waste + Recycling


Food + Urban Agriculture


Lead by Example

Goals

1. **Climate Change:** Palm Springs is resilient and carbon neutral.
2. **Sustainable Economy:** Palm Springs is a center for clean tech, renewable energy, and innovation.
3. **Community Health:** Palm Springs citizens and all sectors of our community are engaged in an active, life-long process of becoming aware of and making choices to achieve one's potential and optimal well-being in life.
4. **Livable Neighborhoods:** Palm Springs is a City of vibrant and livable neighborhoods.
5. **Active and Sustainable Transportation:** Palm Springs is a leader in sustainable transportation.

Goals

6. **Urban Forests and Natural Systems:** Palm Springs cultivates a flourishing urban forest and desert ecosystem ensuring habitat protection and enhance and access to open space, recreation and natural resources.
7. **Energy:** Palm Springs is a high efficiency, renewable energy city.
8. **Water:** Palm Springs is a leader in water efficiency and reuse
9. **Solid Waste and Recycling:** Palm Springs is a zero waste community.
10. **Urban Agriculture:** Palm Springs is a healthier, more food-secure community that supports community-based agriculture.
11. **Lead by Example:** Palm Springs is a model for sustainable practices throughout every department in the City.

30 next steps

- *Identified 30 next steps*
- *Priority action items*
- *Immediate implementation*

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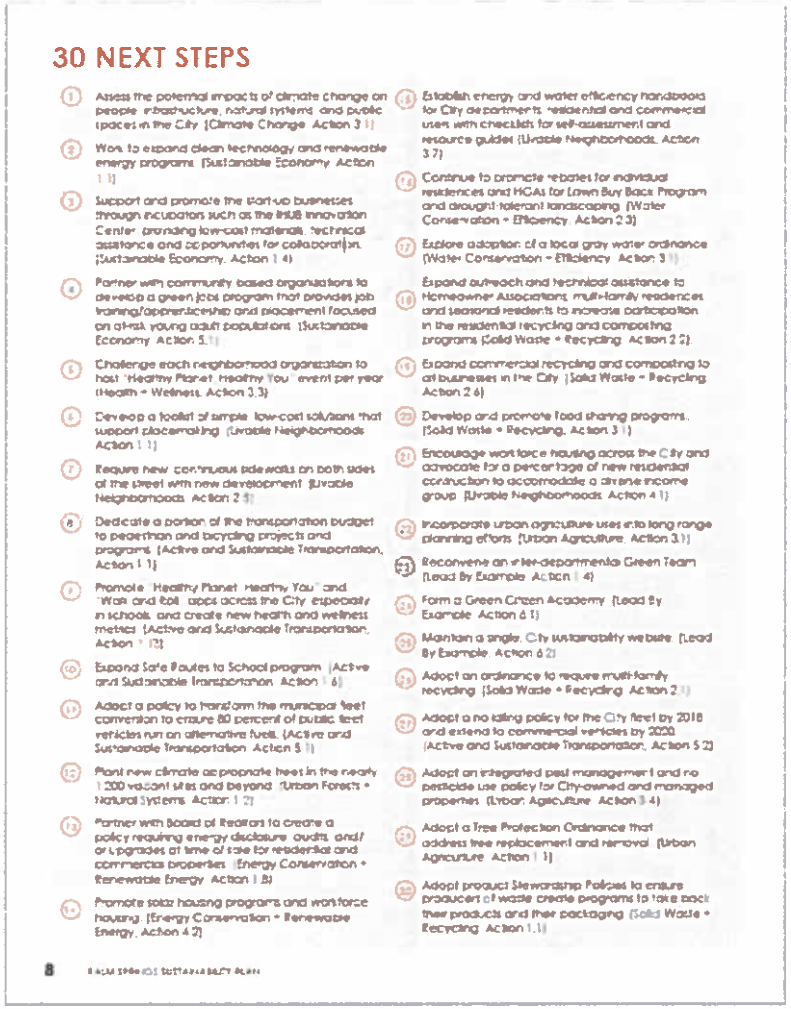

30 NEXT STEPS

1. Assess the potential impacts of climate change on people, infrastructure, natural systems, and public spaces in the City. (Climate Change, Action 3.1)
2. Work to expand clean technology and renewable energy programs. (Sustainable Economy, Action 1.1)
3. Support and promote the start-up businesses through incubators such as the RISE Innovation Center, providing low-cost materials, technical assistance and opportunities for collaboration. (Sustainable Economy, Action 1.4)
4. Partner with community based organizations to develop a green jobs program that provides job training/apprenticeship and placement focused on at-risk young adult populations. (Sustainable Economy, Action 5.1)
5. Challenge each neighborhood organization to host "Healthy Planet, Healthy You" event per year. (Health + Wellness, Action 3.3)
6. Develop a toolkit of simple, low-cost solutions that support placemaking. (Livable Neighborhoods, Action 1.1)
7. Require new, continuous sidewalks on both sides of the street with new development. (Livable Neighborhoods, Action 2.5)
8. Dedicate a portion of the transportation budget to pedestrian and bicycling projects and programs. (Active and Sustainable Transportation, Action 1.1)
9. Promote "Healthy Planet, Healthy You" and "Walk and Roll" apps across the City, especially in schools, and create new health and wellness metrics. (Active and Sustainable Transportation, Action 1.12)
10. Expand Safe Routes to School program. (Active and Sustainable Transportation, Action 1.6)
11. Adopt a policy to transform the municipal fleet conversion to ensure 80 percent of public fleet vehicles run on alternative fuels. (Active and Sustainable Transportation, Action 5.1)
12. Plant new climate appropriate trees in the nearly 1,200 vacant sites and beyond. (Urban Forests + Natural Systems, Action 1.2)
13. Partner with Board of Realtors to create a policy requiring energy disclosure, audits, and/or upgrades at time of sale for residential and commercial properties. (Energy Conservation + Renewable Energy, Action 1.8)
14. Promote solar housing programs and workforce housing. (Energy Conservation + Renewable Energy, Action 4.2)
15. Establish energy and water efficiency handbooks for City departments, residential and commercial users with checklists for self-assessment and resource guides. (Livable Neighborhoods, Action 3.7)
16. Continue to promote rebates for individual residences and HOAs for Lawn Buy Back Program and drought-tolerant landscaping. (Water Conservation + Efficiency, Action 2.3)
17. Explore adoption of a local gray water ordinance. (Water Conservation + Efficiency, Action 3.1)
18. Expand outreach and technical assistance to Homeowner Associations, multi-family residences and seasonal residents to increase participation in the residential recycling and composting programs. (Solid Waste + Recycling, Action 2.2)
19. Expand commercial recycling and composting to all businesses in the City. (Solid Waste + Recycling, Action 2.6)
20. Develop and promote food sharing programs. (Solid Waste + Recycling, Action 3.1)
21. Encourage workforce housing across the City and advocate for a percentage of new residential construction to accommodate a diverse income group. (Livable Neighborhoods, Action 4.1)
22. Incorporate urban agriculture uses into long range planning efforts. (Urban Agriculture, Action 3.1)
23. Reconvene an inter-departmental Green Team. (Lead By Example, Action 1.4)
24. Form a Green Citizen Academy. (Lead By Example, Action 6.1)
25. Maintain a single, City sustainability website. (Lead By Example, Action 6.2)
26. Adopt an ordinance to require multi-family recycling. (Solid Waste + Recycling, Action 2.1)
27. Adopt a no idling policy for the City fleet by 2018 and extend to commercial vehicles by 2020. (Active and Sustainable Transportation, Action 5.2)
28. Adopt an integrated pest management and no pesticide use policy for City-owned and managed properties. (Urban Agriculture, Action 3.4)
29. Adopt a Tree Protection Ordinance that address tree replacement and removal. (Urban Agriculture, Action 1.1)
30. Adopt product Stewardship Policies to ensure producers of waste create programs to take back their products and their packaging. (Solid Waste + Recycling, Action 1.1)

8

Thank you!

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YOUR SUSTAINABLE CITY

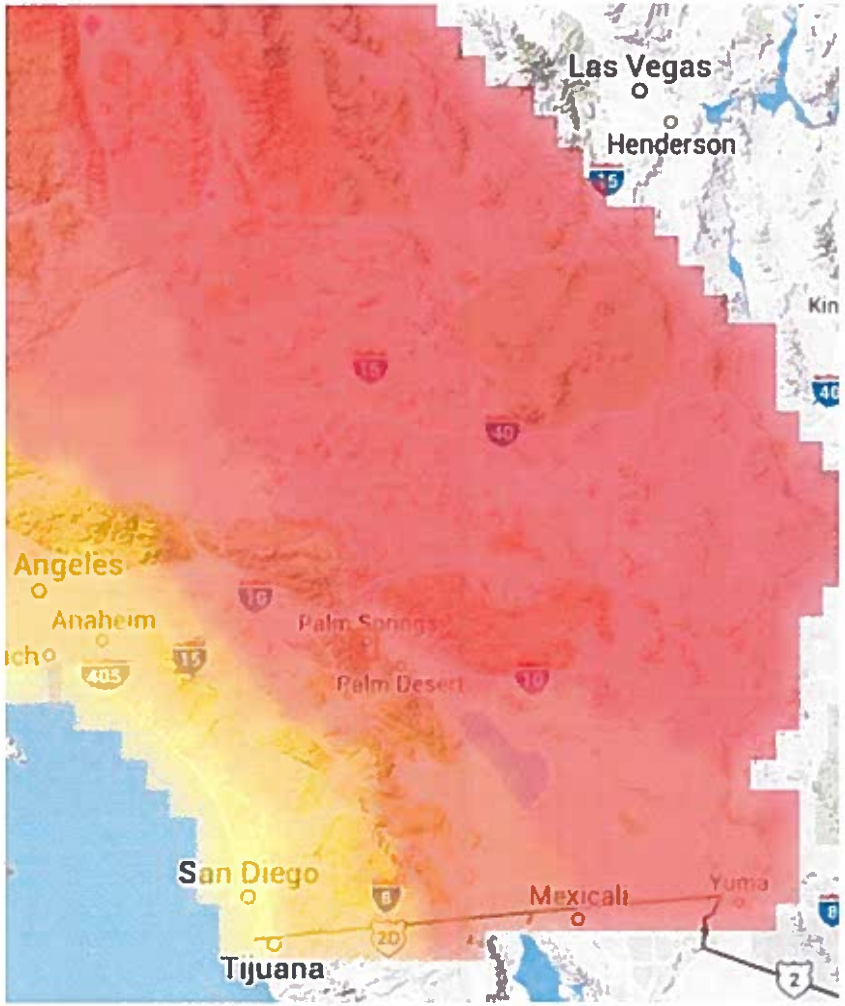
@BeSustainablePS /HealthyPlanetHealthyYou

Extra Slides

Climate Change + Resilience

Goal: *Palm Springs is resilient and carbon neutral.*

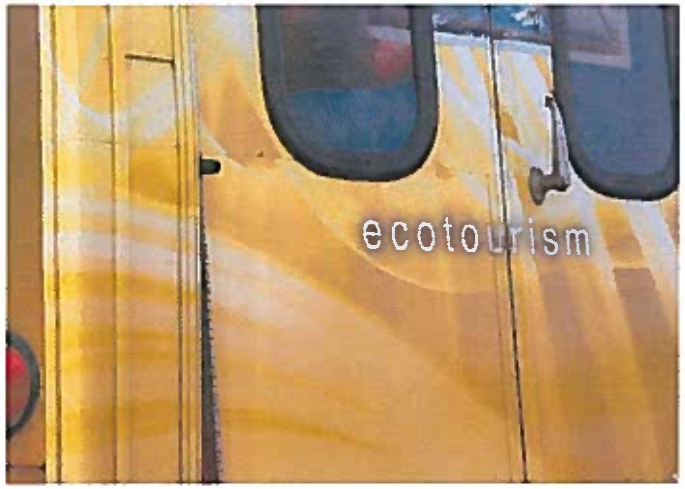
1. *Monitor and report greenhouse gas emissions.*
2. *Develop strategies to reduce community-wide contributions to GHG emissions to 1990 levels by 2020 and 80% below 1990 by 2050. Achieve carbon neutrality for municipal emissions by 2030.*
3. *Improve community resiliency to the potential impacts of climate change.*



Economic Prosperity + Green Business

Goal: *Palm Springs is a center for clean tech, renewable energy, and innovation.*

1. *Help to create 500 clean tech jobs by 2020.*
2. *Grow Palm Springs' local economy by retaining and expanding small and locally-owned businesses, increasing exports and decreasing imports.*
3. *Establish Palm Springs as a premiere ecotourism destination in the U.S. by improving existing industry practices and expanding cultural and nature-based tourism.*
4. *Encourage sustainable business practices.*
5. *Train and grow the City's green workforce.*



Community Health + Wellness

Goal: *Residents and all sectors of our community are engaged in an active, life-long process making choices to achieve one's potential and optimal well-being in life.*

1. *Increase the City's overall health status by 5% in 2020 by encouraging life-long recreational physical activity.*
2. *Engage community partners to provide health and wellness education and/or services.*
3. *Promote mental, social, and emotional health.*

Livable Neighborhoods

Goal: *Palm Springs is a City of vibrant and livable neighborhoods.*

1. *Actively promote transformation of public spaces to support placemaking and bring vibrancy into neighborhoods and community public spaces by piloting projects in two neighborhoods by 2020.*
2. *Promote smart growth.*
3. *Encourage the building or retrofitting of one million square feet of green buildings.*
4. *Promote Crime Prevention Through Environmental Design (CPTED) principles when designing sites, buildings, facilities and the surrounding areas.*
5. *Encourage the building and preservation of workforce housing in new and existing housing projects.*

Active + Sustainable Transportation

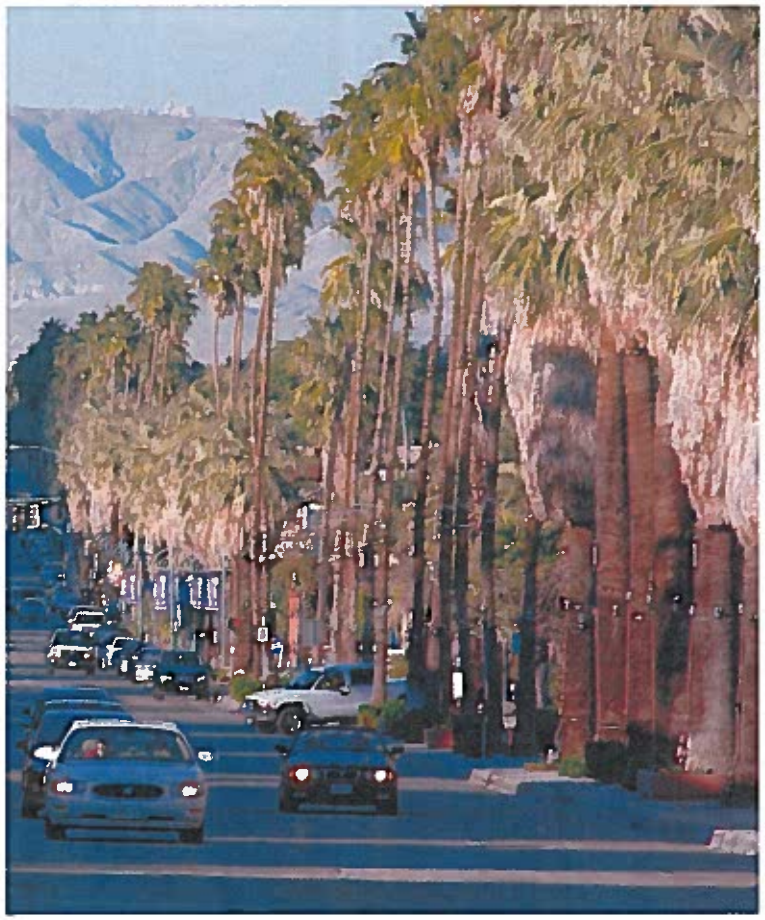
Goal: Palm Springs is a leader in sustainable transportation.

1. Promote transportation choices.
2. Promote transit-oriented development.
3. Integrate sustainable transportation infrastructure and programs through the development process and through partnerships with employers.
4. Promote clean transportation through alternative fuels and vehicles.
5. Develop policies and programs for the City of Palm Springs to lead the way in sustainable planning and operations.

Urban Forests + Natural Systems

Goal: *Palm Springs cultivates a flourishing urban forest and desert ecosystem ensuring habitat protection and enhance and access to open space, recreation and natural resources.*

1. *Expand the urban forest by planting 5,000 new trees on public and private sites and become a Tree City USA community by 2020.*
2. *Promote access to sustainable, open space, recreation and natural resources.*
3. *Support efforts to protect and enhance regional ecosystems.*
4. *Exceed regional standards for stormwater control.*



Energy Conservation + Renewable Energy

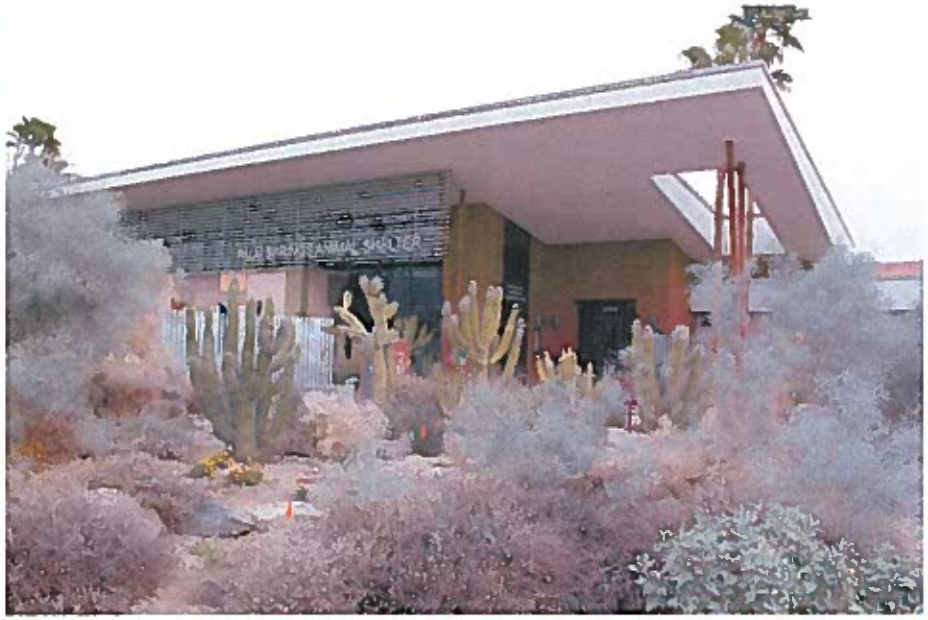
Goal: *Palm Springs is a high efficiency, renewable energy city.*

1. *Reduce the total energy use by all building built before 2012 by 10%.*
2. *Reduce energy use and carbon use from new homes and buildings.*
3. *Promote outdoor lighting standards that minimize light trespass and reduce light pollution and protect the surrounding outdoor environment from outdoor lighting impacts.*
4. *Supply 50% of the all energy renewable sources by 2030 and 75% of all City building's energy from renewable sources by 2020.*

Water Conservation + Efficiency

Goal: Palm Springs is a leader in water efficiency and reuse.

1. Reduce potable water use in City facilities by 50% by 2020.
2. Reduce potable water usage per capita in Palm Springs by 30% by 2020.
3. Increase recycled and gray water usage in Palm Springs by 10% by 2020.



Solid Waste + Recycling

Goal: *Palm Springs is a zero waste community.*

1. *Encourage an overall reduction in materials and goods consumption.*
2. *Expand programs to increase landfill waste diversion, recycling, and composting to recover 90% of all waste generated by 2030.*
3. *Reduce food scraps and green waste sent the landfills by 50% by 2025.*

Food + Urban Agriculture

Goal: *Palm Springs is a healthier, more food-secure community that supports community-based agriculture.*

1. *Reduce the consumption of resource-intensive foods.*
2. *Support community-based food systems that produce healthy foods and reduce food waste.*
3. *Evaluate existing regulation to better understand barriers to growing and producing food.*

Lead by Example

Goal: *Palm Springs is a model for sustainable practices throughout every department in the City.*

1. *Embed sustainable principles and practices into city operations.*
2. *Embed sustainability into capital improvement review, design, and construction.*
3. *Ensure all employees have a baseline understanding of sustainability principles and regular opportunities for learning.*
4. *Foster a safe and healthy work environment.*
5. *Adopt sustainable practices and purchasing policies.*
6. *Embed sustainability concepts and practices into the local culture through education, promotion, and community engagement.*
7. *Be a regional leader.*

CITY COUNCIL STAFF REPORT

DATE: June 23, 2016 STUDY SESSION

SUBJECT: DISCUSS REGULATIONS RELATED TO LEAF BLOWERS

FROM: David H. Ready, City Manager

BY: Office of Sustainability, Michele Mician, Sustainability Manager

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SUMMARY:

In 2012, members of the public, sustainability commissioners and city council members requested that the Office of Sustainability initiate a study on the use of leaf blowers and a review of regulations by various local agencies limiting their use. The Sustainability Commission assigned a subcommittee on the issue, and in coordination with staff, prepared a draft ordinance limiting leaf flower operation for discussion and public review. At that time, the draft regulations considered prohibiting the use and operation of gasoline leaf blowers in residential areas of the City; however, the draft regulations were not supported and approved by the Sustainability Commission. The purpose of this study session item is to reconsider initiating efforts to draft new regulations limiting the use of leaf blowers within the City.

RECOMMENDATION:

Provide direction to staff as appropriate.

BACKGROUND:

In 2012 the Office of Sustainability facilitated the formation of a leaf blower subcommittee of the Sustainability Commission as a response to a City Council request to investigate leaf blower regulations. The subcommittee met throughout the year to analyze the subject and review leaf blower ordinances enacted by cities throughout the country.

Educational materials and a draft ordinance regulating leaf blower operation were prepared for presentation at a Sustainability Commission study session that was open to the public and held on February 27, 2013. A power point (included as Attachment 1) was presented that detailed the impacts of leaf blowers as well as the results of

ITEM NO. 1.B.

research on other city's leaf blower ordinances. Over 100 people attended the meeting. The session was conducted in English and Spanish, and due to overwhelming opposition from commercial landscape maintenance businesses, the Sustainability Commission at that time did not take action to approve the draft ordinance and regulations limiting leaf blower operation. The Sustainability Commission requested that staff continue to increase education regarding the potential health issues associated with leaf blower operation, the use of proper safety gear when using leaf blowers, and promoting the use of alternative options to leaf blowers such as rakes and brooms. The Sustainability Commission also increased outreach encouraging use of electric rather than gasoline powered leaf blowers, and promoted the Air Quality Management District (AQMD) rebate programs. In furtherance of this direction, the City of Palm Springs has converted several gasoline powered landscape maintenance equipment to electrically powered.

In 2015 the Sustainability Commission initiated a new review of regulations limited the use of leaf blowers. The Sustainability Commission assigned review of the issue to the Health and Wellness Subcommittee, and the Subcommittee researched the issue and surveyed the various City neighborhood organizations on their support for or opposition to implementing regulations on the use of leaf blowers. Discussion of leaf blower regulations was held at a ONE-PS meeting, however, at that time there was not definitive support from the various neighborhoods on implementing restrictions on leaf blower use.

Proceeding with further review and consideration regulations limiting leaf blower use is pending direction at this Study Session.

STAFF ANALYSIS:

The purpose of this study session item is to discuss and consider regulations limiting the use and operation of gasoline leaf blowers in the City. There are various alternative approaches to implementing regulations limiting leaf blower use, including (but not limited to):

1. Limiting the use of all leaf blowers (gasoline and electrically powered) within the City, or
2. Limiting the use of gasoline powered leaf blowers within the City, or
3. Limiting the use of gasoline powered leaf blowers within certain areas of the City (i.e. residential, school sites, public facilities, etc.), or
4. Implementing a phased approach over a certain period of time to eliminate the use of gasoline and/or electrically powered leaf blowers within the City.

The Sustainability Commission has appointed a "Leaf Blower and Health and Wellness Subcommittee" to review the issue. A summary of research completed on the issue, and examples of regulations adopted by other cities, is included as Attachment 1.

The use of leaf blowers has been associated with potentially negative impacts associated with noise, air quality, and public health (particularly with those operating the leaf blowers). A 1999 California Air Resources Board report on Potential Health and Environmental Impacts of Leaf Blowers suggests that leaf blowers may be associated with potentially adverse effects, and the public perception of these adverse effects associated with leaf blower use has resulted in restrictions on their use in certain jurisdictions. The 1999 report is available at the following website:

http://www.arb.ca.gov/msprog/leafblow/leafblow.htm

The Sustainability Commission's Subcommittee's recommendation for a regulation limiting gasoline powered leaf blowers in residential areas is justified in part by the air quality impacts due to emissions caused by their use. A February 2000 report prepared by the California Environmental Protection Agency Air Resources Board estimated at that time that there were more than 400,000 gasoline-powered leaf blowers, plus approximately 600,000 electric leaf blowers, that were operating at an estimated 114,000 hours per day in California. The 2000 report is available at the following website:

http://www.noiseoff.org/document/cepa.report.pdf

The 2000 report provides an example of how to visualize the potential adverse effects of leaf blower operation by comparing their operation to miles traveled by car. The Air Resources Board calculated that hydrocarbon emissions from one-half hour of leaf blower operation equals about 7,700 miles of driving, at 30 miles per hour average speed.

Leaf blowers may also create excessive and unusual amounts of noise, operating at anywhere from 70 to up to 90 decibels. Depending on the distance from a dwelling area the noise level may be considered a disturbance. The U.S. Department of Labor Occupational Safety & Health Administration (OSHA) requires a hearing protection program for employees when sound exposures equal or exceed an eight-hour, time-weighted average sound level of 85 decibels. Most of the newer leaf blower machines are rated at, or less than, 70 decibels at 50 feet at full throttle.[1]

The Sustainability Commission Subcommittee conducted research and found evidence of various ordinances throughout the state of California. These ordinances varied in that some implemented limitations on gasoline powered leaf blowers in both residential and commercial areas, while others ordinances limited the use of gasoline powered leaf blowers in only residential areas. Several cities have implemented further restrictions and banned the use of all leaf blowers entirely (gasoline or electrically powered).

[1] California Landscape Contractors Association website: http://www.clca.org/leaf-blowers/index.php

After its review of the issue, the Sustainability Commission Subcommittee is recommending that the City consider implementing regulations that limit the use of gasoline powered leaf blowers within residential areas of the City.

Proceeding with further review and consideration of regulations limiting the use of leaf blowers within the City will require additional coordination with the City's various neighborhood organizations via ONE-PS, as well as public outreach with the commercial landscape maintenance industry.

FISCAL AND STAFF IMPACTS:

Staff time and associated fiscal impacts are yet to be determined.

ENVIRONMENTAL IMPACT:

Staff finds that discussion of leaf blower regulations is not a "project" under the California Environmental Quality Act, because the it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4). Therefore no negative environmental impact is noted and there is a negative declaration.

SUBMITTED:

Michele C. Mician, LEED GA
Sustainability Manager

Marcus Fuller, PE, PLS
Assistant City Manager/City Engineer

David H. Ready, Esq. Ph.D.
City Manager

Attachments:

1. Research Materials – Power Point

ATTACHMENT 1

Other City Actions

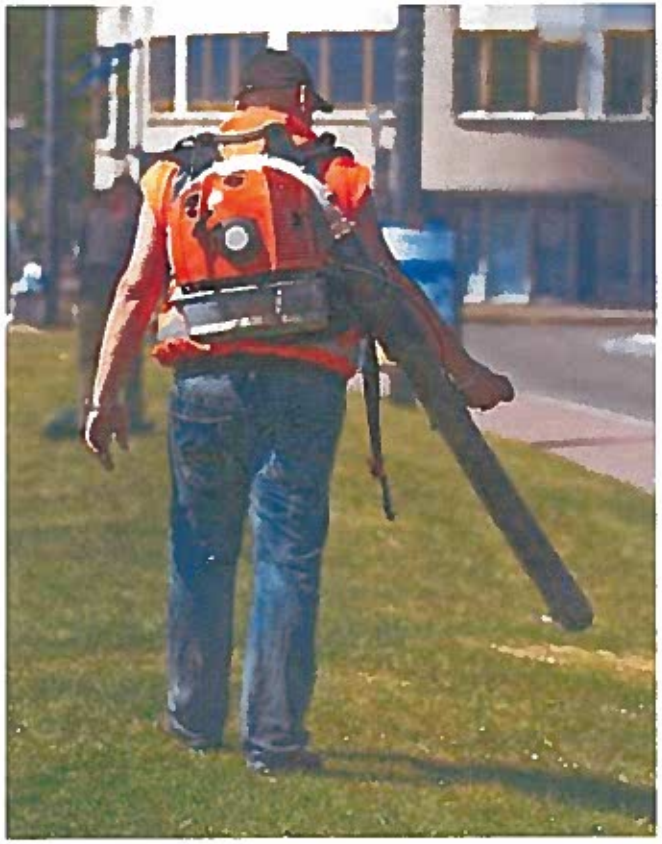
Current Leaf Blower Bans – Laguna Beach

- Garden/debris blowers prohibited.

  The use of electrical or gasoline powered **blowers, such as commonly used by gardeners and other persons for cleaning lawns, yards, driveways, gutters, and other property is prohibited at any time within the city limits.** (Ord. 1259 § 1, 1993: Ord. 535 § 1 (part), 1964).

Current Leaf Blower Bans – Berkeley

- 14.Notwithstanding Subsection B.11 of this section, it shall be **unlawful for any person, including any City employee, to operate any portable machine powered with a gasoline engine used to blow leaves, dirt, and other debris off sidewalks, driveways, lawns or other surfaces within the City limits**



Leaf Blower Use: Other Cities

- **Indian Wells (1990):** "Leaf blowers shall be prohibited in all zones within the City except: (i) individual property occupants may operate a single electrically powered leaf blower with use confined to his/her property; (ii) golf course operators may operate gasoline powered leaf blowers during the month of September 15th through December 1st of each year.
- **Hermosa Beach:** It is unlawful to use within the city limits or cause to be used electrical or gasoline powered backpack/leaf blower. Such as commonly used by gardeners, landscapers and other persons
- **Beverly Hills (1976):** It shall be unlawful for any person within the City to use or operate any portable machine powered with a gasoline engine used to blow leaves, dirt, and other debris off sidewalks, driveways, lawns, and other surfaces.

Other Cities (cont'd)

- **West Hollywood (1986): The purpose of this Ordinance is to prohibit the use and operation of gasoline blowers in the City of West Hollywood.** These devices, used to blow leaves, dirt and debris, create an excessive and unusual amount of noise, often operating at up to ninety decibels. The sustained operation of leaf blowers at this decibel level is literally deafening to persons who reside and work within earshot of many gardeners not only causes disturbance of those in the vicinity of users of leaf blowers but has the potential to cause hear damage. In additional, leaf blower tends to blow dirt, dust and other particulate matter in the air, thereby reducing the air quality in West Hollywood, aggravating persons with allergies and asthmatic conditions and depositing such debris on other public and private property. There are many alternate methods of methods disposing of leaves available to gardeners and property owners, including electrical blowers, rakes, brooms, vacuums and water. The use of gasoline powered blowers is hereby declared to constitute a public nuisance by virtue of the detrimental effect such blowers have on the community and residents of West Hollywood.

Leaf Blower Ban in California Cities

Summary of California Cities that have Leafblower Ban Ordinances

Ban Provisions	Ban on all Leaf blowers (Gas & Electric)	Ban on Gas- Powered Leaf blowers	Ban during Time Restrictions
Percentage	11%	47%	40%

Source: 2011 Consumer Report; Based on 55 California cities

Leaf blowers have an impact on Greenhouse Gas Emissions; currently contribute to emissions (statewide) in the following ways:
Hydrocarbons (reactive): 4.2 tons per day
Carbon Monoxide (CO): 9.8 tons per day
Fine Particulate Matter: 0.02 tons per day
(Source: California Environmental Protection Agency/Air Resources Board)

What are the Alternatives ?

- Rakes
- Brooms
- Outdoor Vacuum
- Electric powered leafblowers

Strategy: Leaf blower Alternatives and Impact

- **Educate residents and contractors (and their workers) regarding the hazards and impact of leafblower utilization**
  a. Impact on environment
  b. Impact on Leaf blower workers and compliance with OSHA requirements
  c. Impact on health and well being of the workers, residents and surrounding community
  d. Possibly create a "buy-back" or a "discount coupon" program to offer residents and others encouraging the trade in gasoline leaf blowers for a commercial grade push brooms and dust pans and electric powered leafblowers.

Key Elements of Leaf blower Ordinance

1. Propose ban on all gasoline powered leaf blowers; encourage the conversion to electric powered leaf blowers
2. The Office of Sustainability and the Sustainability Commission would be responsible for education and increasing public awareness and educational outreach campaign of residents and businesses
3. Investigate the feasibility of proposing and implementing a buy-back and/or discount coupon program to facilitate use of alternative method of debris clean up supported by the Sustainability funds.
4. Enforcement of the ordinance through infraction citation and subsequent fines for ordinance violations. Fines could vary from $25 to $250 per infraction.
5. Develop a phase-in "roll-out" ban approach during a one year period. Phase 1 could restrict use of leaf blowers during specified hours of the day; Phase 2 to restrict specified days of the week and final Phase 3 complete ban.

CITY COUNCIL STAFF REPORT

DATE: June 23, 2016 STUDY SESSION

SUBJECT: DISCUSSION REGARDING MANDATORY SOLAR INSTALLATION POLICY FOR NEW CONSTRUCTION.

FROM: David H. Ready, City Manager

BY: Office of Sustainability

SUMMARY

This item is being presented to discuss mandating solar energy installations for new construction by amendment of certain provisions of chapter 8.04 and adding section 8.04.71 relating to mandating.

RECOMMENDATION:

Provide direction to staff as appropriate.

BACKGROUND

The California Building Standards Commission approved the 2016 California Building Standards Code and this code will become effective on January 1, 2017. Health and Safety Code Sections 17958.7 and 18941.5 provide that the City may make changes or modifications to the building standards contained in the California Building Standards Code based upon express findings that such changes or modifications are reasonably necessary because of local climatic, geological or topographical conditions. Section 101.7.1 of the California Green Building Standards Code further provides that for the purposes of local amendments to the California Green Building Standards Code, local climatic, geological or topographical conditions may include local environmental conditions as established by the City.

On May 17, 2016, the Palm Springs Sustainability Commission discussed making recommendations to the City Council regarding proposed local amendments to the 2016 California Green Building Standards Code, and local climatic, geological and topographical conditions as related to mandating solar energy installations on new or re-modeled construction projects. At that meeting, the Sustainability Commission Green Building/Solar Subcommittee recommended that the City Council adopt a resolution to

ITEM NO. 1.C.

mandate solar making necessary local findings and adopt local amendments to the 2016 California Green Building Standards Code.

STAFF ANALYSIS:

The production of electricity by solar energy systems provides an environmentally friendly source of renewable energy thereby reducing the City's dependency on fossil fuels and greenhouse gas emissions. In 2016, California has seen a growing trend in the number of cities passing ordinances requiring all new buildings and additions to put up solar voltaic panels. The City's Sustainability Commission Subcommittee on Green Building/Solar began discussion of this issue and started researching green building and solar policies towards the end of 2015.

The Sustainability Commission's Green Building/Solar Subcommittee met on May 18, 2016 with the City's Director of Building and Safety, Solar Plans Examiner and Sustainability Manager to review a proposed ordinance. It was suggested that a phased approach to implementing new solar mandates affect single family new construction first. In addition, the Desert Valley Builders Association (DVBA) was contacted and met with staff on May 25, 2016 to review the proposed regulation. The DVBA preferred a phased approach e and requested that a number of public input meetings including all stakeholders such as the building industry, chamber of commerce and neighborhood groups be conducted prior to potential adoption. The DVBA also stated that they would like to see more remodels and old housing stock be upgraded to meet the new energy efficiency standards.

On June 15, 2016 the Sustainability commission Green Building/Solar Subcommittee met again with City Staff and the City Council subcommittee on sustainability. At that meeting further recommendations were made and revisions to a draft ordinance prepared by the Sustainability Commission Sub-Committee were recommended. The draft ordinance prepared by the subcommittee requiring solar systems has not yet been reviewed by the City Attorney.

The Sustainability Commission Green Building/Solar Subcommittee has reviewed the existing city building code as well as examples of solar mandates brought forward by other California cities. Other California cities have considered the advantages of solar installations and have adopted ordinances requiring them in new construction. Lancaster and Sebastopol adopted mandatory solar ordinances in 2013, and San Francisco and Santa Monica have also recently adopted ordinances. The Sebastopol ordinance requires solar to be installed in the event of large additions, remodels, alterations or repairs to an existing building.

In light of these recent ordinance adoptions across the state, the Sustainability Commission Green Building/Solar Subcommittee has provided a proposed draft ordinance which limits the proposed mandate to residential construction for staff to review and consider. The new regulation proposes that new residential buildings, and specific alterations, additions and remodels require the installation of a solar electric

photovoltaic (PV) energy generation system with a nameplate wattage 2.0 times or greater than the square footage of the home (2.0 watts per square foot). These projects include:

- All new residential construction; i.e., one-and-two family dwellings, multi-family dwellings (three stories or less), and high-rise residential dwellings.
- Any addition to an existing residential building that increases the square footage by 25% or greater, provided that the increase is at least 500 square feet
- All residential remodels, alterations or repairs that are made involving demolition, remodel or repair of more than 50% of the structure or that have a permit valuation of $200,000 or more.

If any of the above criteria are met then at the time of submittal of a building permit application an applicant would be required to submit plans and specifications for a solar photovoltaic system to be included with application.

As an alternative for new one-and-two family dwellings and significant single-family additions and alterations, the builder / homeowner could install a solar system or other renewable energy system that will offset 75% - 100% of anticipated energy usage, or design single-family home or duplex to reduce annual energy usage below the allowed energy budget established by the California Energy Code by same amount of kilowatt hours as would be produced by solar system of 2.0 watts per square foot.

FISCAL IMPACT

Unknown at this time.

ENVIRONMENTAL IMPACT:

Staff finds that discussion of implementing requirements for solar installations is not a "project" under the California Environmental Quality Act, because the adoption of the ordinance does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4). Therefore no negative environmental impact is noted.

SUBMITTED:

Michele Mician, LEED GA
Manager, Office of Sustainability

Marcus Fuller, PE, PLS
Assistant City Manager

David H. Ready, Esq., Ph.D.
City Manager

Attachments:

1. Draft Ordinance
2. Sustainability Commission Green Building / Solar Subcommittee Recommendations for Joint Study Session with City Council June 23, 2016

06-23-2016

ATTACHMENT 1

DRAFT SOLAR ORDINANCE

ORDINANCE N0.

AN ORDINANCE OF THE CITY OF PALM SPRINGS, CALIFORNIA, UPDATING CHAPTER 8.04 OF THE PALM SPRINGS MUNICIPAL CODE, RELATING TO SOLAR ENERGY SYSTEM INSTALLATION REQUIREMENTS.

City Attorney's Summary

This Ordinance amends Chapter 8.04 of the City's Municipal Code to require the installation of a solar electric photovoltaic (PV) system in all new residential construction. It also requires the installation of a PV system in the case of significant additions, remodels, alterations or renovations to existing single-family residential buildings.

The City Council of the City of Palm Springs ordains:

SECTION 1. Chapter 8.04 of the Palm Springs Municipal Code is amended to add:

8.04.071. Solar Requirements.

The California Green Building Standards Code adopted herein by reference is hereby modified by the following additions:

4.201.2 Residential Solar Photovoltaic Installations.

1. All new one-and-two family dwellings are required to install a solar electric photovoltaic (PV) system. The required installation of the PV system shall be implemented using one of the following methods:

   (a) Install a solar PV system with a minimum total wattage 2.0 times the square footage of the dwelling (2.0 watts per square foot); or

   (b) Install a solar PV system or other renewable energy system that will offset 75-100% of the Time Dependent Valuation (TDV) energy budget; or

   (c) Demonstrate that the Time Dependent Valuation (TDV) energy budget is reduced by the same wattage required by 1(a).

2. The requirements set out in subdivision 1 of this Section shall also apply in the following cases:

   (a) Any addition to an existing single-family residential building that increases the square footage by 25% or greater, provided that the increase is at least 500 square feet; or

   (b) All single-family residential remodels, alterations or renovations that

are made involving demolition, remodel or renovation of more than 50% of the structure or that have a permit valuation of $200,000 or more.

3. At the time of submittal of a building permit application for a project meeting the thresholds set out in subdivisions 1 and 2 of this Section, an applicant shall be required to submit plans and specifications for a solar photovoltaic system included in the submittal application.

4.201.3. Low-Rise Residential Solar Photovoltaic Installations.

All new Low-Rise Residential dwellings are required to install a solar electric photovoltaic (PV) system. The required installation of the PV system shall be implemented by installing a solar PV system with a minimum total wattage 2.0 times the square footage of the building footprint (2.0 watts per square foot). The provisions of subdivision 3 of Section 4.201 shall also apply.

5.201.2 High-Rise Residential Solar Photovoltaic Installation.

All new high-rise residential buildings are required to install a solar electric photovoltaic (PV) system. The required installation of the PV system shall be implemented by installing a solar PV system with a minimum total wattage 2.0 times the square footage of the building footprint (2.0 watts per square foot). The provisions of subdivision 3 of Section 4.201 shall also apply.

8.04.072. Appeals.

A person aggrieved by an action taken by the city may appeal the action pursuant to Chapter 2.05 of the Palm Springs Municipal Code.

SECTION 2. EFFECTIVE DATE. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after passage.

SECTION 3. SEVERABILITY. If any section, subsection or clause of this Ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining section, subsection and clauses shall not be affected thereby.

SECTION 4. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after passage.

PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS ____ DAY OF ____, 2016.

_____
ROBERT MOON, MAYOR

ATTEST:

_____
JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) *ss.*
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, California, do hereby certify that Ordinance No. ____ is a full, true, and correct copy, and introduced by the City Council at a regular meeting held ___, and adopted at a regular meeting of the City Council held on this ___, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
JAMES THOMPSON, CITY CLERK
City of Palm Springs, California

Sustainability Commission Green Building / Solar Subcommittee Recommendations for Joint Study Session with City Council June 23, 2016

I. Introduction

The Sustainability Commission Green Building / Solar Subcommittee, together with Planning Commission liaison Lisa Middleton, has met several times over the past few months to consider recommendations to the full Commission and City Council on ways to establish the City as a leader in energy efficient and environmentally sustainable development and planning practices, in line with the objectives set out in the General Plan adopted in 2007, the 2013 Climate Action Plan and the new Sustainability Plan. The Subcommittee has also received input from Sustainability Manager Michele Mician, Building Director Jim Zicaro, Assistant City Manager / City Engineer Marcus Fuller, and Mayor Robert Moon and Councilmember Geoff Kors, the members of the City Council's Sustainability Subcommittee.

The 2007 General Plan establishes ambitious objectives for green building and planning practices. In particular, the General Plan sets out as policy goals requiring the use of energy-efficient and green building practices and requiring the use of green building techniques in the design and construction of public buildings and facilities (Goal CD29, page 9-62). The 2013 Climate Action Plan also suggests that we advance the voluntary green building program to a mandatory green building requirement for residential buildings, with technical support services (pages 25 - 26).

The Sustainability Plan calls on the City to develop strategies to reduce community-wide contributions to greenhouse gas emissions to 1990 levels by 2020 and 80% below 1990 by 2050, encourage the building or retrofitting of one million square feet of green buildings, reduce the total energy use by all buildings built before 2012 by 10%, reduce energy use and carbon use from new homes and buildings, and supply 50% of all energy from renewable sources by 2030 (pages 18, 33 and 50 - 51).

As noted in the Climate Action Plan, "building it right the first time" makes sense from all kinds of standpoints. A 2013 study of the cost-effectiveness of rooftop solar systems prepared in 2013 for the California Energy Commission confirmed that installing solar electric systems on new residential and non-residential buildings in the Palm Springs climate zone will be cost-efficient in 2017 and 2020. Indeed, the estimated return on investment for a solar installation new construction over a 20-year period is five times the cost of the initial installation.

II. Solar Recommendations

Other California cities have considered the advantages of solar installations and have adopted ordinances requiring them in new construction. Lancaster and Sebastopol adopted mandatory solar ordinances in 2013, and San Francisco and Santa Monica have just done so. The Sebastopol ordinance also requires solar to be installed in the event of large additions, remodels, alterations or repairs to an existing building. With its constant sunshine and deep local pool of solar installers, it is time for Palm Springs to lead the way in the Coachella Valley on this issue.

The Green Building / Solar Subcommittee thus recommends that the City require the installation of a solar electric photovoltaic (PV) system with a nameplate wattage 2.0 times or greater than the square footage of the home (2.0 watts per square foot). This requirement would be applicable to all new residential construction; i.e., one-and-two family dwellings, multi-family dwellings (three stories or less), and high-rise residential dwellings. The installation of a solar electric photovoltaic system should also be required for any addition to an existing single-family residential building that increases the square footage by 25% or greater, provided that the increase is at least 500 square feet, and all single-family residential remodels, alterations or renovations that are made involving demolition, remodel or renovation of more than 50% of the structure or that have a permit valuation of $200,000 or more.

The Subcommittee also recommends requiring solar installation on commercial building and will work with City staff to develop appropriate recommendations.

As an alternative for new one-and-two family dwellings and significant single-family additions and alterations, the builder / homeowner could install a solar system or other renewable energy system that will offset 75% - 100% of anticipated energy usage, or design single-family home or duplex to reduce annual energy usage below the allowed energy budget established by the California Energy Code by same amount of kilowatt hours as would be produced by solar system of 2.0 watts per square foot.

III. Green Building Recommendations

In September 2012, Palm Springs adopted the CVAG Green for Life Green Building Program on a voluntary basis to increase building efficiency 15% over current state requirements. The Program is in essence a LEED program that CVAG has adapted to reflect the specific climate of the Coachella Valley. The Palm Springs City Council recently decided to require the downtown redevelopment project follow the "Green Tree" level of standards, and the Planning Commission has done the same for the proposed Serena Park development on the site of the former Palm Springs Country Club.

The Green Building Program Manual is an excellent resource for residents, homeowners, building owners, designers, architects, contractors, developers and building officials determine how they can design their building or remodeling plans to include green building techniques and products. The City should require its use (at the "Green Leaf" level) for significant single-family residential additions, alterations remodels or renovations. As set out in the Sustainability Plan (page 50), the City should also partner with CVAG to increase educational and outreach efforts to the construction industry and local developers to participate in the Green Building Program, with additional training as necessary for relevant City staff so that they are familiar with the program and can provide counter assistance on what measures are available to increase building efficiency.

In addition to the above compliance with the Green Building Program, certain energy and water efficiency measures should be made mandatory for significant single-family additions, remodels, alterations or renovations. The Building Department has proposed a list of measures in consultation with the Green Building / Solar Subcommittee, as identified in the accompanying Staff Report.

IV. Procedural Recommendations

Taking account of feedback on the above recommendations from the full Sustainability Commission and City Council at our joint study session on June 23. the Green Building / Solar Subcommittee will work over the summer with relevant City staff to refine the proposals and review draft green building and solar ordinances and accompanying findings resolutions. The Subcommittee will also liaise as appropriate with the Planning Commission.

Study sessions with stakeholders should be scheduled for the fall, prior to submitting draft texts to the full Sustainability and Planning Commissions and City Council for their consideration. The green building standards described above should take effect on January 1, 2017, simultaneously with the effectiveness of the 2016 Building Codes. Final adoption of the solar ordinance would most likely be in late 2016, following the required approval by the California Energy Commission.

Respectfully submitted,

Sustainability Commission Green Building / Solar Subcommittee

David Freedman

Nate Otto

Lisa Middleton, Planning Commission liaison

CITY COUNCIL STAFF REPORT

DATE: June 23, 2016 STUDY SESSION

SUBJECT: "GREEN FOR LIFE" VOLUNTARY GREEN BUILDING PROGRAM

FROM: David H. Ready, City Manager

BY: Michele Mician, Manager, Office of Sustainability

SUMMARY

The Coachella Valley Green Building Program (included as Attachment 1), also identified as the "Green For Life" Program, was adopted as a voluntary program in 2012. The purpose of this study session is to review the Green for Life Program, and its viability as a mandatory program for building permits issued in the City of Palm Springs.

RECOMMENDATION:

Provide direction to staff as appropriate.

BACKGROUND:

"Green Building" is considered a holistic approach to siting, designing, constructing and efficiently operating buildings to reduce, eliminate or reverse the energy impacts of conventional building. Green Building benefits the environment, the community and the economy.

Green Building Objectives:

1. Increase energy efficiency and sustainability in new and existing residential & commercial buildings.
2. Assist the local economy by minimizing utility expenses where businesses and residents utilize the cost savings on local purchases.
3. Assist in job creation in the construction sector by helping drive the market in remodeling of existing residential buildings with energy efficiency and sustainability measures that are cost-effective.
4. Provide support to our local construction sector by educating them on the benefits of building sustainable buildings (health, comfort, cost effectiveness, and marketing). The California Public Utility Commission set a goal that new homes will be "net-zero" energy consumption by 2020.
5. Reduce greenhouse gas emissions to benefit the entire region.

ITEM NO. 1.D.

The demolition, construction, and use of buildings have an impact on the environment, the economy, and our health. Green buildings reduce energy use, conserve water indoors and out, limit solid waste during construction, and in urban areas reduce the amount of vehicle miles traveled by residents. All of these benefits have been found to reduce emissions of carbon dioxide, a greenhouse gas (GHG) and contributor to global warming.

In addition, green buildings are constructed from sustainable products that preserve natural resources through the use of local materials and recycled products. Green buildings benefit occupants through the use of healthy building materials, including zero to low Volatile Organic Compound (VOC) and formaldehyde free products. In addition, green buildings encourage the growth of additional businesses and jobs in order to support the needs of the green building industry.

In 2010, cities and tribes served by Southern California Edison and within the Coachella Valley Association of Governments (CVAG) region applied collectively for a grant to provide vital sustainability elements as they relate to the Sustainability Pledge that Mayors from each City signed at the Palm Springs Sustainability Summit in 2008. The CVAG application was among the largest awards and the program that was created through this effort is called the "Green for Life" program. Elements of the program included tools for enhancing the City's sustainability initiatives including a Greenhouse Gas Emission inventory, Energy Action Plan, Climate Action Plan and a Green Building Program

DISCUSSION:

The "Green for Life" Voluntary Green Building Program was reviewed and approved through a comprehensive public process, that included the following meetings:

- June 11, 2012, Architectural Advisory Committee
- June 13, 2012, Planning Commission
- June 5 and July 31, 2012, Sustainability Commission
- December 17, 2014, adoption by the City Council

A copy of the December 17, 2014, City Council staff report is included as Attachment 2.

As a voluntary program, similar to LEED certification, the Green for Life Program has three certification levels ("leaf", "branch" or "tree"). A checklist for the Green for Life Program is included as Attachment 3. Since its adoption in 2014 as a voluntary program, there have not yet been building permit applications submitted to the City that have utilized the program and certified under any of the levels.

GREEN LEAF 20 POINTS	GREEN BRANCH 40 POINTS	GREEN TREE 60 POINTS
Exceed Title 24, Part 6, California Energy Code by 15% = 20 points	Exceed Title 24, Part 6, California Energy Code by 15% = 20 points	Exceed Title 24, Part 6, California Energy Code by 15% = 20 points
base requirement	plus 20 additional points with sustainable credit selections	plus 40 additional points with sustainable credit selections

The Green for Life Program is structured to allow applicants to learn about the options available when they build or remodel their home, and work with their designer or contractor to achieve the potential energy savings and reductions. The Green for Life Program provides an opportunity for those constructing new buildings, or renovating existing buildings, to participate in a local climate specific program that provides similar recognition and objectives to that of the Leadership in Energy and Environmental Design (LEED). Just as LEED provides several levels of participation and recognition the Green for Life program provides local level recognition and checklists for participation in three levels that go from lowest level of participation to highest and are known as the Leaf, Branch and Tree awards.

A home or business owner can implement the design solutions identified in the Green for Life Program that are most appropriate for their particular building, and would potentially generate energy savings and have increased building efficiency. However, without being mandated, green building elements might only be implemented if the applicant is self-motivated or the green building features are specifically requested by a client.

The Green for Life Program identifies credits, or points, for implementing measures that exceed the then existing Title 24 requirements, for items that save energy but are not required in Title 24. The Green for Life Program has an online adds the points for the applicant, and gives them a total score, that can then be used by their designer or contractor in drawing up the plans. A sample checklist and summary of some of the program features are enclosed as Attachments 3 and 4. To increase participation there are several approaches that the City can take including mandating Green for Life participation when triggered by certain building permit applications as detailed in Table 1 in the Analysis section of this report. In addition participation in the Voluntary Green Building Program may be increased by providing a number of municipal incentives that the City Council may consider including rebates on permit fees and energy audits (Attachment 5).

When it was created, the Green for Life program addressed "green building" on a voluntary basis and was ahead of the mandatory State measures (2013 CAL Green) adopted on January 1, 2014. California's Building Energy Efficiency Standards (commonly identified as CAL Green Standards), are updated about every three years and the next CAL Green standards are set to be adopted in January 2017. The 2016 CAL Green

Standards will improve upon the 2013 CAL Green Standards for new construction of, and additions and alterations to, residential and nonresidential buildings. As is, the Green for Life program provides for voluntary compliance for all newly constructed and reconstructed (remodel) residential and non-residential structures currently subject to the 2013 CAL Green Standards, and would exceed the minimum energy efficiency standards by 15 percent. However, when the 2016 CAL Green standards are adopted in January 2017 more stringent regulations will apply and the Green for Life program may then be more applicable to remodels rather than new construction.

On June 15, 2016 the Green Building and Solar subcommittee of the Sustainability Commission met with the City Council subcommittee on sustainability and city staff to discuss the opportunities that may avail themselves when mandating certain levels of the Green for Life program to remodel projects. It was noted that in the current Title 24 standards a remodel project does not trigger or require any other energy efficiency updates to the remainder of the building. At the meeting the Sustainability Commission subcommittee on solar and green building members suggested several possible scenarios where the Green for Life program can be utilized. These include:

- Require that notification and link to Green for Life program resources be sent electronically to all building permit applicants upon processing
- Require participation in Green for Life program at the lowest level (Leaf Level) and apply the program principles to the remainder of the home when constructing a single family addition
- Require participation in Green for Life program at lowest level for Single Family Remodels and apply it to the specific project

These recommendations are included with additional recommendations for water and energy efficiency measures that can be mandated for remodel projects and are detailed in Table 1.

TABLE 1: Proposed New Building Regulations for Water and Energy Efficiency
All new projects • Require that building department send notification and link to Green for Life program resources be sent electronically to all building permit applicants upon processing.
New Single Family Detached Residences: Since water heating makes up approximately 15 – 25% of the annual energy usage of a home, require all new single family residences to have one of the following water heating systems: 1. Installation of a tankless/on demand water heater(s) large enough to supply the demand requirements in gallons per minute for each fixture served **OR** 2. Install a conventional storage tank water heater(s) with a hot water circulation loop

where no fixture served is farther than 10 running feet from the loop. **AND**

3. Install a device such as an indoor smart water meter that helps the consumer understand exactly when, where and how much water they consuming on a daily basis within their building allowing for owner utilized monitoring

Single Family Additions:

Where more than 500 square feet is added to a detached single family home an energy audit must be performed by a third party agency for the existing structure. The existing structure must make upgrades to the envelope, and or energy systems as identified in the audit. At a minimum all of the following items must be completed:

1. All existing HVAC systems that are more than ten years old must be replaced with heating and air units which meet the current code requirements.
2. All HVAC ducting must be insulated to current code standards.
3. All thermostats must be replaced with programmable thermostats
4. Meet the requirements and participate in the lowest level (Leaf) of the Green for Life program and apply it to the remainder of the home.

Single Family Remodels:

Where an interior remodel of a single family detached residence exceeds $50,000 or changes to 25% of the structure, at least one of the following items must be included in the scope of work:

1. Replace fenestration to comply with the current code requirements for U factor and Solar Heat Gain.
2. Install a tankless/on demand water heater(s) of sufficient size to meet the demands in gallons per minute for each fixture supplied.
3. Provide photovoltaic solar system which supplies at least 50% of the energy demand for the residence.
4. Require participation in Green for Life program at lowest level (Leaf) for Single Family Remodels and apply it to the specific project.

Commercial New Construction and Remodel

1. When constructing door openings larger than seven feet on commercial glass door barriers an air conditioning kill switches will be installed

ANALYSIS:

Adopting the Green for Life program as a mandatory program for certain remodel projects will result in new energy-efficient buildings, upgrading and modernizing our existing building stock and increasing the community's level of understanding of the benefits of energy efficient construction. However, perception of added costs and actual added costs will be a concern and should be addressed. Studies show that long term operations and maintenance costs for green buildings are reduced compared to conventional code compliant construction. Upfront cost increases in green buildings are often offset by a decrease in long-term life cycle costs, particularly in the case of green buildings that

feature high-performance façades and energy-efficient building systems[1]. Added valuation to buildings and ultimate return on investment will be a positive incentive. However, some builders may not anticipate the savings or increase in costs that may result from building green and may see it as a hindrance.

The Sustainability Commission Green Building/Solar Subcommittee made a request of CVAG to review and update the program considering the new 2016 CAL Green Standards to be adopted in 2017. The council may consider adoption of one or all of the energy and water efficiency measures recommended for building projects as identified in Table 1. The Green Building/Solar Subcommittee also recommended that an incentive program be established for the Green for Life program. The Sustainability fund includes $25,000 in the fiscal year 2016-17 for a green building incentive program. This program is detailed in Attachment 5.

FISCAL IMPACT:

Although mandating regulations such as the proposed new building standards for water and energy efficiency and the Green for Life program may increase costs for the builder and/or homeowner these costs may be offset by long term energy savings.

Funding to establish the Green for Life program was awarded through a Southern California Edison grant obtained by CVAG on behalf of the City of Palm Springs as part of the Desert Cities Energy Partnership. Funding for implementation of the Green for Life program was not allocated by CVAG. If the program were to be adopted as a mandatory measure more staff time dedicated to ensure compliance with the program will be required.

ENVIRONMENTAL IMPACT:

Staff finds that discussion of Green For Life Program in itself is not a "project" under the California Environmental Quality Act, because the adoption of the program does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4). Therefore no negative environmental impact is noted.

[1] See The Business Case For Green Building A Review of the Costs and Benefits for Developers, Investors and Occupants, World Green Building Council , pp. 18-25 , www.worldgbc.org

SUBMITTED:

Michele Mician, LEED GA
Manager, Office of Sustainability

Marcus Fuller, PE, PLS
Assistant City Manager

David H. Ready, Esq., Ph.D.
City Manager

ATTACHMENTS:

1. Link to Green for Life Program Guide https://www.greenforlifecv.org/green-building-program/ and https://www.greenforlifecv.org/uploaded-assets/pdfs/GreenBuildingProgramManual.pdf
2. December 2012 Staff Report Adopting Green for Life Program
3. Green Building Checklist Sample
4. Summary of Green for Life Program
5. Sample Incentive and Rebate Program Application

ATTACHMENT 1

https://www.greenforlifecv.org/green-building-program/

ATTACHMENT 2

CITY COUNCIL STAFF REPORT

DATE: December 17, 2014 CONSENT

SUBJECT: ADOPT A RESOLUTION ENDORSING THE CITY OF PALM SPRINGS GREEN FOR LIFE PROGRAM INCLUDING GREENHOUSE GAS INVENTORY, ENERGY ACTION PLAN, CLIMATE ACTION PLAN, BENCHMARKING POLICY, AND COMMISSIONING-RETRO-COMMISSIONING POLICY

FROM: David H. Ready, City Manager

BY: Michele C. Mician, Manager, Office of Sustainability

SUMMARY

A resolution endorsing the Green for Life Program, including a Climate Action Plan with Greenhouse Gas Inventory, an Energy Action Plan, Benchmarking Policy and Commissioning/Retro-Commissioning Policy.

RECOMMENDATION:

Adopt Resolution _____ of the City Council of the City of Palm Springs endorsing the Green for Life Program, including a Climate Action Plan with 2010 Greenhouse Gas Inventory, an Energy Action Plan and Benchmarking Policy and Commissioning/Retro-Commissioning Policy.

BACKGROUND:

Since 2009, the City of Palm Springs has partnered with the Coachella Valley Association of Governments (CVAG) and other valley cities and Tribes as part of its Desert Cities Energy Partnership. In the fall of 2011, CVAG developed a "Green Government Initiative" on behalf of member jurisdictions to promote energy efficiency, green building and sustainability, with funding received from Southern California Edison (SCE) and the California Public Utilities Commission. Through this initiative, the Green for Life program, a comprehensive suite of energy and sustainability elements, has been developed and customized for the City with input from city officials and staff as well as community stakeholders.

ITEM NO. 2I

The purpose of this item is for the City Council to endorse a comprehensive suite of elements that support the City's efforts to save energy, cut costs, and use resources more efficiently. The City of Palm Springs has already taken steps to initiate the Green for Life program by adopting the Voluntary Green Building Program (September 18, 2012). These additional items include the Palm Springs Climate Action Plan with associated Greenhouse Gas Inventory, the Palm Springs Energy Action Plan, and the Energy Benchmarking and Commissioning/Retro-commissioning policies.

STAFF ANALYSIS:

The Green for Life program builds on the sustainability efforts and environmental accomplishments of the City. For a number of years, Palm Springs has demonstrated leadership in efforts to improve energy efficiency, livability and promote wise use of our resources. The Opterra, formerly Chevron Energy Solutions, energy efficiency project and the significant expansion of electric vehicle charging stations are but a few examples.

Through the Green for Life program, the City of Palm Springs will have even more prospects for greater resource efficiency, tools to reach sustainability goals, reduced energy costs and provide green opportunities for residents, businesses and community members. The adoption of the Green for Life Program brings multiple benefits including:

- ✓ Identify ways to save energy and money at home, at work, at city facilities
- ✓ Stimulate job growth
- ✓ Encourage new "clean and green" businesses to come to the region.
- ✓ Take advantage of free training and tools that provide your staff, boards and commissions with green expertise
- ✓ Become eligible for higher rebates and incentives from electric and gas utilities
- ✓ Find new ways to guide your residents and businesses on how to become more energy efficient and save money
- ✓ Enhance compliance with state and federal requirements; improve grant opportunities
- ✓ Give a significant boost to valley-wide efforts to achieve energy independence, find energy cost reductions, and thus have more revenue for local projects and services

Other CVAG member cities, Tribes, and Riverside County are taking action as well. Through funding from SCE and the California Public Utilities Commission, seven cities (served by Southern California Edison) and the Agua Caliente Band of Cahuilla Indians have completed greenhouse gas inventories and Energy and Climate Action Plans. Riverside County completed a greenhouse gas inventory and climate action plan in 2011.

The elements of the Green for Life program are described below. The Green for Life program has been developed for your city as a voluntary program, offering choices that will help meet your goals to reduce energy use, save money on energy bills, and promote sustainable use of resources. CVAG staff and consultant team are available to

assist the City with implementation of these programs. It is anticipated that the City will want to update the plans and we are looking for ways to support those efforts, including possible internship programs with local community colleges and universities, ongoing training for staff, and workforce development opportunities.

Voluntary Green Building Program. The Green Building Program is a voluntary program to increase building efficiency 15% over current state requirements. It targets both new and existing construction. It offers ideas for residential and commercial property owners to cut their energy use and improve the comfort of their homes and businesses, and save money! It provides a simple, easy to use checklist of green building measures. The Green Building Program has been endorsed by the Desert Valleys Builders Association and the Desert Contractors Association. More information about the Green Building Program is available at: http://www.greenforlifecv.org/green-building-program/. CVAG recently hosted a Green Building Tour including sites in Palm Springs and a Green Building app will soon be available.

Climate Action Plan As part of Green for Life program, a 2010 greenhouse gas inventory was completed and a Climate Action Plan (a greenhouse gas reduction plan), was prepared for Palm Springs. The 2010 greenhouse gas emissions inventory can be used to serve as the baseline against which to measure emission reduction progress in recent years. Conducting an inventory involves measuring the amount of energy/fuel/water used and waste generated by the entire community and calculating the number of metric tonnes of greenhouse gases (CO2e) that result from those activities. Emission reduction targets were determined based on the results of the inventory as well as the requirements of current legislation (AB 32 and SB 375).

The Climate Action Plan is the strategic blueprint for the City to reach the greenhouse gas (GHG) reduction targets identified through the GHG inventory. Emissions reduction measures are presented in eight separate focus areas – how we build, where we work, how we get around - are some examples. Actions focus on "low hanging fruit" and cost effectiveness; opportunities for job creation have been identified and woven throughout the Climate Action Plan. The proposed measures build on actions already taken by the city – including use of alternative fuel vehicles, electric vehicle infrastructure, energy efficient lighting, and solar ready efforts. Some examples of greenhouse gas emissions reduction measures from the Climate Action Plan include:

- Encourage shade trees and building design features to reduce air conditioning demands
- Implement measures in residential and commercial areas to reduce heat island effects
- Explore private-public partnerships for renewable energy installations and energy-efficiency upgrades on municipal facilities
- Promote green building and energy efficiency measures for residents and businesses

Energy Action Plan: The Energy Action Plan is a roadmap of energy standards and policies to guide the City in achieving its long-term objectives in energy efficiency, renewable energy, and carbon emissions reductions. It describes a range of strategies to reduce energy demand, improve efficiency, and transition to renewable energy sources at all city-owned/operated facilities. Using data from electric and gas utilities, the Energy Action Plan describes current energy use at city-facilities and describes ways for the City to cut energy consumption, energy costs, and to benefit from higher incentives through the Desert Cities Energy Partnership. The Energy Action Plan includes two policies to be adopted as part of the Plan:

1) Benchmarking Policy will give the City tools to monitor and improved the energy performance of its municipal buildings and compare that performance with other like buildings in the same climate zone.

2) Commissioning/Retro-Commissioning Policy applies to new and existing buildings and equipment to promote proper operation of major equipment, proper indoor air quality, desired occupant comfort, and optimum energy consumption. The focus of this policy is on "tuning up" how building equipment and systems function together.

City staff has participated in ongoing coordination and review with CVAG and the Green for Life consultant team on these program elements. Staff has been actively involved throughout the process of gathering data and preparing these plans. They have reviewed the plans and policies. Meetings with the Sustainability Commission have occurred regularly throughout this process, including the November 18 and December 16, 2014, meetings. Throughout the process of developing these plans and policies, the CVAG's Green for Life team has sought input from city officials and staff as well as community stakeholders. Regular updates on the Green for Life program have been provided to CVAG's Energy and Environmental Resources Committee as well.

The Climate and Energy Action Plans provide a roadmap for the City to meet our energy efficiency and sustainability goals. The plans provide for flexibility in the selection of measures to be implemented through a phased approach. The plans are intended to be living documents, to be used and updated as new opportunities to achieve energy efficiency and greenhouse gas reductions arise.

FISCAL IMPACT:

The Climate Action Plan, Energy Action Plan and policies, do not by themselves commit City funds. Although, these policies are intended to act as guidelines for the City, some actions may require upfront capital costs, or additional staff time to implement and maintain. However, any element of the policies that suggest or require ordinance or zoning code amendments, or any additional costs or personnel, will require separate City Council review and approval prior to implementation.

Moreover, the City could choose to offer incentives to businesses or residents and CVAG may have some funding available through the Green for Life program to support training for staff and commissioners, outreach, and educational materials. Additionally, there may be various sources of possible revenues for these programs and measures such as grants, rebates and incentives, on-bill financing, and other options. The preparation of the Green for Life elements is supported by funds from Southern California Edison and the California Public Utilities Commission, through CVAG; reimbursement for staff time spent is available through this funding.

Michele Mician, Sustainability Manager

Sustainability Manager

David H. Ready, City Manager

City Manager

Attachments:

1. Resolution No.
2. Palm Springs Climate Action Plan
3. 2010 Palm Springs Greenhouse Gas Inventory
4. Palm Springs Energy Action Plan
   a. Energy Benchmarking Policy and Procedures for Municipal Buildings in the City of Palm Springs
   b. Commissioning and Retro-commissioning Policy for Municipal Buildings in the City of Palm Springs

RESOLUTION NO. __

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA ENDORSING THE GREEN FOR LIFE PROGRAM, INCLUDING THE CLIMATE ACTION PLAN AND GREENHOUSE GAS INVENTORY, THE ENERGY ACTION PLAN, ENERGY BENCHMARKING POLICY FOR MUNICIPAL BUILDINGS, AND COMMISSIONING/RETRO-COMMISSIONING POLICY

WHEREAS, the City of Palm Springs is committed to the long-range goal of protecting the natural environment, enhancing our economy, increasing sustainability efforts and improving overall quality of life; and

WHEREAS, the carbon dioxide (CO_2) and other greenhouse gases released into the atmosphere have been found to have a profound effect on the Earth's climate and reducing the potential magnitude of climate change may lower its harmful effects on public health and safety; and

WHEREAS, in September 2006, the State of California adopted the Global Warming Act of 2006 (AB 32) which created a statewide greenhouse gas emission requirement and goal to reduce emissions to 1990 levels by 2020; and

WHEREAS, at the 2009 Coachella Valley Energy Summit all CVAG jurisdictions signed the Coachella Valley Sustainability Pledge committing all to take leadership roles and commit to a valley wide effort to ensure the maintenance of our air quality, encourage sustainable use of resources, and preserve our environment for future generations through collaboration on regional greenhouse gas emissions and the promotion of energy efficiency and clean alternative energy; and

WHEREAS, the City of Palm Springs authorized participation in the Coachella Valley Association of Government's coordinated application and subsequent award from Southern California Edison via the California Public Utilities Commission for a coordinated suite of energy efficiency and sustainability elements known as Green for Life; and

WHEREAS, the City's elected officials, appointed committees, staff and residents helped to determine climate action efforts included in the Climate Action Plan that contain numerous community co-benefits such as utility savings, better air quality, reduced traffic congestion, local economic development, and improved quality of life; and

WHEREAS, the City of Palm Springs, as a member of the Desert Cities Energy Partnership with partners Southern California Edison, Southern California

Gas Co, and Imperial Irrigation District joins all CVAG Jurisdictions in a regional effort to promote energy independence by the adoption and implementation of the elements contained in these documents; and

WHEREAS, the greenhouse gas reduction activities contribute to the achievement of many of the City's environmental values and is consistent with the City's efforts to promote clean and efficient energy use, commuter trip reduction efforts and other clean air initiatives, solid waste reduction and recycling; and promoting jobs and economic development; and perform related environmental studies as required; and

WHEREAS, the City shall consider an amendment to its General Plan to integrate this Climate Action Plan endorsing measures for climate protection and the reduction of greenhouse gas emissions, noting that the Climate Action Plan and all future amendments to such plan shall remain in effect and applicable to all development within the City; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Palm Springs as follows:

1. The City Council endorses by Resolution 2014-__ adopting the Green for Life program including a Climate Action Plan with accompanying Greenhouse Gas Inventory, an Energy Action Plan with accompanying Benchmarking Policy and Commissioning/Retro-Commissioning Policy.

2. It is also understood that where policy measures require or suggest ordinance or zoning code amendments, or any additional costs or personnel, further evaluation and analysis will be conducted to determine feasibility; and will require separate City Council review and approval prior to implementation.

BE IT FURTHER RESOLVED that the City will pursue the energy efficiency and greenhouse gas emission reduction goals highlighted in the Energy Action Plan for City operations through City activities and programs.

BE IT FURTHER RESOLVED that the City will pursue the greenhouse gas emission reduction goals highlighted in the Climate Action Plan for City and non-City "community" goals through the various actions and policies as well as cooperative incentive-based programs.

BE IT FURTHER RESOLVED that the City will monitor and report progress towards meeting the State's commitment to reduce GHG emissions. Since all levels of government will continue to monitor, lead and participate in these broader emission reduction activities, it may be necessary to adjust the measures described therein as necessary to ensure AB 32 and other related legislation if fully implemented.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Palm Springs, California, at a regular meeting held on this 17th day of December, 2014.

ADOPTED THIS 5TH DAY OF JUNE 2013

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. ____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California

ATTACHMENT 3

Green for Life

Voluntary Green Building Program Summary

Multifamily New

City of _____

Plan Check # _____ Building Permit # _____ VGBP Total Points 0

Project Owner's Name - _____

Project Address - _____

Architect/Designer Name - _____

T24 Consultant - _____

Builder Name - _____

Use this worksheet to qualify projects under the Voluntary Green Building Program for Existing Home Remodel with a shared means of egress (as governed by the California Building Code). All system components, materials, and equipment must be designed & installed per code and manufacturer's instructions.

GREEN LEAF 20 POINTS	GREEN BRANCH 40 POINTS	GREEN TREE 60 POINTS
Exceed Title 24, Part 6, California Energy Code by 15% = 20 points	Exceed Title 24, Part 6, California Energy Code by 15% = 20 points	Exceed Title 24, Part 6, California Energy Code by 15% = 20 points
base requirement	plus 20 additional points with sustainable credit selections	plus 40 additional points with sustainable credit selections

Summary of Rating Categories	Points
Base Requirement	
Site	0
Envelope	0
Structure	0
Equipment	0
Passive Energy - Comfort & Health	0
Conservation of Material	0
On-site Generation	0
Total Points	**0**

ATTACHMENT 4

GREEN FOR LIFE PROGRAM

SUMMARY

In 2010, cities and tribes served by Southern California Edison and within the Coachella Valley Association of Governments (CVAG) region applied collectively for a grant to provide vital sustainability elements as they relate to the Sustainability Pledge that Mayors from each City signed at the Palm Springs Sustainability Summit in 2008. The CVAG application was among the largest awards and the program stemming from it has been titled "Green for Life." Elements of the program being developed for each city/tribe include:

- Greenhouse Gas Inventories
- Energy Action Plans
- Climate Action Plans
- City Facility Benchmarking
- City Facility Retro-Commissioning
- City Facility Utility Management Software
- A Voluntary Green Building Program

On June 11, 2012, the Architectural Advisory Committee reviewed the draft Green for Life Voluntary Green Building Program and provided comments.

On June 13, 2012, the Planning Commission received a presentation on the Voluntary Green Building Program from CVAG and adopted Resolution No. 6276 recommending the program to the City Council.

On June 5 and July 31, 2012, the Sustainability Commission reviewed the Voluntary Green Building Program and recommended approval of the program.

BACKGROUND:

Green Building is a holistic approach to siting, designing, constructing and efficiently operating buildings to reduce, eliminate or reverse the energy impacts of conventional building. Green Building benefits the environment, the community and the economy. In summary, Green Building is good design, construction, operation and maintenance!

Green Building Objectives:

1. Increase energy efficiency and sustainability in new and existing residential & commercial buildings.
2. Assist the local economy by minimizing utility expenses where businesses and residents utilize the cost savings on local purchases.
3. Assist in job creation in the construction sector by helping drive the market in remodeling of existing residential buildings with energy efficiency and sustainability measures that are cost-effective.

4. Provide support to our local construction sector by educating them on the benefits of building sustainable buildings (health, comfort, cost effectiveness, and marketing). The California Public Utility Commission set a goal that new homes will be "net-zero" energy consumption by 2020.
5. Reduce greenhouse gas emissions to benefit the entire region.

Why is Green Building Important?

The demolition, construction, and use of buildings have an impact on the environment, the economy, and our health. Green buildings reduce energy use, conserve water indoors and out, limit solid waste during construction, and in urban areas reduce the amount of vehicle miles traveled by residents. All of these benefits have been found to reduce emissions of carbon dioxide, a greenhouse gas (GHG) and contributor to global warming.

The Green for Life Voluntary Green Building Program addresses "green building" on a voluntary basis, ahead of mandatory measures anticipated for January 1, 2014. It provides for voluntary compliance for all newly constructed and reconstructed (remodel) residential and non-residential structures currently subject to the 2010 California Green Building Standards Code (Cal Green) regulations, and would exceed the minimum energy efficiency standards established in the 2010 California Energy Code (Energy Code) by 15 percent.

Many of the items addressed in the Voluntary Green Building Program are consistent with the proposed mandatory update of Title 24 of the Uniform Building Code, which will be effective January 1, 2014. It is important to note that this updated Title 24 code will only affect new residential and commercial buildings which are much more efficient than most of our existing building stock from decades ago.

Finally, the Voluntary Green Building Program provides an opportunity to educate the region's construction industry on how to build sustainably as the marketplace changes. It is in keeping with California's goal of producing the "Net Zero Home" by 2020 which means that newly built homes will be both energy efficient and create the energy they require to support comfortable living. The City's support for this program will help our local contractors by showing how sustainable buildings can be constructed in a cost-effective manner. The program will also help build our contractors' knowledge base to ensure that they are not displaced from the market when the State's new rules take effect in 2014.

The program also facilitates the City's ability to work with the residents and building owners on "green initiatives" when building, remodeling or replacing equipment at their homes and businesses. Additional advantage to early adoption includes local green job development because the Program includes educational workshops with designers, contractors and builders that will occur during the summer.

ATTACHMENT 5

ATTACHMENT 5

CITY OF PALM SPRINGS OFFICE OF SUSTAINABILITY
GREEN BUILDING PROGRAM REBATE APPLICATION

APPLICANT INFORMATION

Name:	
Street Address:	
City, State, Zip	
Phone:	
Email:	
Building Permit No.	

By signing this application I agree to submit a completed rebate application including receipts. I understand that by not submitting my completed application I will not be eligible for the rebate from the City of Palm Springs. By signing this application I also affirm that I will not receive the rebate from the City of Palm Springs if my rebate application does not qualify. Rebate application must be submitted with an original store receipt that is dated within the program months.

APPLICANT SIGNATURE: _____ DATE: _____

PROGRAM DESCRIPTION:
As part of the City of Palm Spring's continued effort to promote energy efficiency and encourage residents to protect the environment, the City's Office of Sustainability is offering a rebate program for property owners who participate in the Green Building Program (see http://greenforlifecv.org/Images/gbmfulllores.pdf). The program will continue until rebate funds are no longer available. Customers are required to submit a completed rebate application during the timeframe of the campaign to be eligible for the rebate from the City of Palm Springs. Once the applications are reviewed and approved, approximately 8-10 weeks, the customer will receive the rebate from The City of Palm Springs.

If you are processing a **Green Leaf Permit** (20 points on the Green Building Permit Form), you are eligible for one rebate.
If you are processing a **Green Branch Permit** (30 points on the Green Building Permit Form), you are eligible for two rebates.
If you are processing a **Green Tree Permit** (40 points on the Green Building Permit Form), you are eligible for three rebates.

- ☐ *Energy Audit Rebate ($200 or the cost of the audit, whichever is less)*
- ☐ *Building Permit Rebate (up to $500 or the amount of the City's Building Permit fee, whichever is less*

Gift Card for Home Improvement or Hardware Store

- ☐ *$5,000 in Green Building Program improvements = $250*
- ☐ *$10,000 in Green Building Program improvements = $500*

Please submit this completed form to: City of Palm Springs, Office of Sustainability
3200 East Tahquitz Canyon Way
Palm Springs, CA 92264

You may also email to: michele.mician@palmspringsca.gov or fax to: 760-322-8360

City Council Staff Report

Date: June 23, 2016 CONSENT CALENDAR

Subject: APPROVAL OF AN ADMINISTRATIVE SERVICES AGREEMENT FOR COUNTY SERVICE AREA 152 NATIONAL POLLUTANT DISCHARGE ELIMINATION PROGRAM WITH RIVERSIDE COUNTY AND SETTING OF THE FISCAL YEAR 2016/2017 CSA 152 SPECIAL ASSESSMENT RATE

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

SUMMARY

The City and Riverside County first entered into an administrative services agreement for the County Service Area 152 ("CSA 152") for the National Pollutant Discharge Elimination System ("NPDES") on August 3, 1994 (Agreement No. 3349). The current agreement with the County expires July 11, 2016, and must be replaced with a new agreement with a 5-year term to continue the County's levy of special assessments for the CSA 152 Fund.

RECOMMENDATION:

1) Adopt Resolution No. ____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS CALIFORNIA, MAKING FINDINGS AND REAFFIRMING THE ESTABLISHMENT AND SETTING OF RATES FOR COUNTY SERVICE AREA 152 FOR FISCAL YEAR 2016/2017 TO FUND THE CITY'S NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT IN ORDER TO OPERATE AND MAINTAIN THE CITY'S DRAINAGE AND FLOOD CONTROL SYSTEMS;"

2) Approval of an Administrative Services Agreement No. _____, for CSA 152 NPDES Program between Riverside County and the City of Palm Springs; and

3) Authorize the City Manager to execute all necessary documents.

ITEM NO. 2.A.

STAFF ANALYSIS:

The NPDES Program is a federally mandated program to control non-point sources of runoff pollution. In 1972, the Federal Water Pollution Control Act ("Clean Water Act" or "CWA") was amended to provide that discharge of pollutants to waters of the United States from any point source is effectively prohibited, unless the discharge is in compliance with a NPDES Permit. The Clean Water Act was amended in 1987 to establish a framework for regulating municipal and industrial stormwater discharges under the NPDES Program. In 1997, the City adopted Chapter 8.70 of the Municipal Code which incorporates regulations of the NPDES Program.

The CWA made it unlawful to discharge any pollutant from a point source into navigable waters, unless a permit was obtained. EPA's National Pollutant Discharge Elimination System (NPDES) permit program controls discharges. Point sources are discrete conveyances such as pipes or man-made ditches. Individual homes that are connected to a municipal system, use a septic system, or do not have a surface discharge do not need an NPDES permit; however, industrial, municipal and other facilities must obtain permits if their discharges go directly to surface waters.

The CWA establishes requirements for the discharge of urban runoff from the Municipal Separate Storm Sewer System ("MS4") under the NPDES program. The Colorado River Basin Regional Water Quality Control Board ("RWQCB") issued Permit Order No. R7-2013-0011 to authorize the discharge of urban runoff from within the City on June 20, 2013. The permit regulates the operation and maintenance of the City's Municipal Separate Storm Sewer System (or "MS4" – the system of streets and storm drainage systems that convey storm water runoff to the various waters of the U.S., including the Tahquitz Creek, Palm Canyon Wash, and Whitewater River). The NPDES permit regulates the discharge of pollutants in urban stormwater runoff generated from development projects, and from existing industrial facilities, restaurants, and commercial sites. The goal of the NPDES permit is to prevent polluted runoff generated on public or private properties from passing directly to the MS4 and thereby polluting the waters of the U.S.

The NPDES permit requires the City to inspect construction sites, industrial facilities, restaurants and commercial sites. Inspection frequency is based on various factors, such as: the type of business and activities; the types of potential pollutants present; whether the business is in significant non-compliance and proximity to impacted waters. Businesses are assigned to a high, medium or low priority inspection based on the Standard Industrial Code (SIC). Businesses that are classified as high priority must be inspected annually, medium priority businesses once every two years and low priority businesses once every five years.

Examples of polluted stormwater runoff that are to be prevented through the City's NPDES inspection program are shown in the following photos. The examples identify erosion and sediment pollution caused by an active construction site; oils and polluted

contaminants in a drainage gutter; leaking fluids from stored equipment; and leaking toxic chemicals and other pollutants from a commercial trash enclosure.


02/23/2010

Riverside County originally formed CSA 152 to finance a portion of its programs and obligations associated with its NPDES Permit. The City annexed into CSA 152 in 1993, to allow for the levy of special assessments to offset the City's costs related to administering the NPDES Program. The Administrative Services Agreement with Riverside County facilitates the County's administration of the NPDES Program on the City's behalf, to be offset by the special assessments collected in CSA 152. The special assessment rate in Palm Springs is $9.50 annually per Benefit Assessment Unit ("BAU"). The BAU is defined as a single family home on a 7,200 square feet (1/6 acre) lot. The agreement with Riverside County restates the formalities between the City and County in administering the NPDES Program and using the CSA 152 special assessments for that purpose.

Staff recommends that the City Council adopt a Resolution making certain findings and setting the BAU for CSA 152 at the currently adopted and existing rate of $9.50 which does not exceed the prior BAU special assessment rate originally adopted by the City Council in 1994. Staff also recommends that the City Council approve the new Administrative Services Agreement with Riverside County as it continues an existing cooperative agreement between the City and County regarding the NPDES Program and ensures the City's continued receipt of special assessments through CSA 152.

ENVIRONMENTAL IMPACT:

The requested City Council action is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

FISCAL IMPACT:

In the 2015/2016 fiscal year, the City will have received approximately $636,000 in special assessment revenue through the CSA 152 special assessment collected on the property tax roll coordinated by Riverside County on the City's behalf. The 2016/2017 fiscal year budget anticipates a slight increase in CSA 152 revenue with an estimated budget of $652,000. These funds are allocated into a separate Enterprise Fund (Fund 124) for special purpose uses specifically relating to the stormwater pollution prevention and the NPDES Program. The CSA 152 Administrative Services Agreement accommodates payment to the County of a 6% administrative fee from its CSA 152 assessments which is reflected in the assessments remitted to the City.

Approval of the Administrative Services Agreement provides for the continued collection of the CSA 152 special assessment.

SUBMITTED:

Marcus L. Fuller, MPA, P.E., P.L.S.
Assistant City Manager/City Engineer

David H. Ready, Esq., Ph.D
City Manager

Attachments:

1. Resolution
2. Agreement

ATTACHMENT 1

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS CALIFORNIA, MAKING FINDINGS AND REAFFIRMING THE ESTABLISHMENT AND SETTING OF RATES FOR COUNTY SERVICE AREA 152 FOR FISCAL YEAR 2016/2017 TO FUND THE CITY'S NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT IN ORDER TO OPERATE AND MAINTAIN THE CITY'S DRAINAGE AND FLOOD CONTROL SYSTEMS

WHEREAS, the Riverside County Service Area 152 (CSA 152) was created under the Benefit Assessment Act of 1982 (Government Code Section 54702, et seq.), which authorized local agencies to impose benefit assessments to finance the maintenance and operation costs of flood control and drainage systems, based on the proportionate storm water runoff from each parcel; and

WHEREAS, under the federally-mandated but unfunded National Pollutant Discharge Elimination System (NPDES) Program, the City is required to have a valid permit from the Regional Water Quality Control Board to discharge water runoff from properties within the boundaries of the City; and

WHEREAS, street sweeping is a pro-active method of ensuring pro-active maintenance from street runoff into the flood control and drainage systems of the City; and

WHEREAS, the City is a co-permittee of NPDES Permit No. CAS-617002 with the Coachella Valley Water District, County of Riverside and the incorporated cities therein; and

WHEREAS, the City, by its Resolution No. 18088 adopted on May 5, 1993, requested the Local Agency Formation Commission to undertake proceedings to annex the City of Palm Springs into CSA 152 for the purpose of partially funding the City's implementation of the NPDES Program; and

WHEREAS, the Count of Riverside, by its Resolution No. 93-454 adopted December 21, 1993, annexed the City of Palm Springs into CSA 152 to partially fund the costs of maintaining and operating the City's flood control and drainage systems under the NPDES Permit; and

WHEREAS, the City by its Resolution No. 18351 adopted March 16, 1994, recommended that the County Board of Supervisors adopt the City's proposed initial budget for the portion of CSA 152 contained within the City; and

WHEREAS, the CSA 152 charges assessed on each parcel within the City are determined in proportion to the storm water runoff attributable to each parcel; and

WHEREAS, the City uses revenues from the CSA 152 assessments solely for the purpose of complying with the terms of the NPDES Permit, and for maintaining and operating the City's flood control and drainage system; and

WHEREAS, Proposition 218, adopted by voters on November 6, 1996, established new procedures and approval requirements for all existing assessments, unless the assessment is exempt from the new requirements; and

WHEREAS, certain assessments that existed on November 6, 1996, are specifically exempt from the Proposition 218 procedures and approval requirements, including assessments imposed exclusively to finance the capital costs and maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council finds the foregoing recitals to be true and correct.

Section 2. The City Council finds and declares that the City's CSA 152 charges are assessments within the definition of California Constitution Article XIIID, Section 2(b), in that they confer special benefits upon each parcel of property subject to the assessments.

Section 3. The City Council finds and declares that pursuant to Article XIIID, Section 5(a), the City's CSA 152 assessments are exempt from the new procedures and approval requirements of Article XIIID, Section 4, because the City's CSA 152 assessments existed before November 6, 1996, and the assessments are imposed exclusively to finance the capital costs and maintenance and operation expenses for flood control and drainage systems in the City.

Section 4. The City Council hereby reaffirms its adoption of the annual assessment for CSA 152 and hereby determines that the annual assessment rate for Fiscal Year 2016/2017 for CSA 152 is to be set at Nine Dollars and Fifty Cents ($9.50) per Benefit Assessment Unit. The method of computation has not been changed nor has the rate of assessment been increased since the assessment was first approved the City in accordance with Resolution No. 18351 adopted March 16, 1994.

Section 5. The City Council hereby authorizes the County of Riverside to levy assessments under CSA 152 for the benefit of the City.

ADOPTED this 23rd day of June, 2016.

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. ____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on June 23, 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California

ATTACHMENT 2

ADMINISTRATIVE SERVICES AGREEMENT

FOR CSA 152 NPDES PROGRAM

BETWEEN

COUNTY OF RIVERSIDE AND CITY OF PALM SPRINGS

The Administrative Services Agreement for CSA 152 NPDES Program ("Agreement"), entered into as of this _____ day of _____ 2016 by the COUNTY OF RIVERSIDE ("COUNTY") and the CITY OF PALM SPRINGS ("CITY") (individually "Party" and collectively "Parties") establishes the responsibilities and obligations of each Party concerning the management and financing of COUNTY SERVICE AREA 152 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM ("CSA 152").

RECITALS

WHEREAS, Congress in 1987 added Section 402(p) to the Federal Clean Water Act (CWA) [33 U.S.C. 1342(p)]; and,

WHEREAS, Section 402(p) requires certain municipalities, construction and industrial facilities to obtain a National Pollutant Discharge Elimination System (NPDES) Permit before discharging storm water into the waters of the United States; and,

WHEREAS, COUNTY and CITY have obtained or will obtain the appropriate municipal NPDES Permit as applicable for each of the three watersheds of the County of Riverside; and,

WHEREAS, COUNTY has formed CSA 152 to finance a portion of its programs and obligations associated with the municipal NPDES Permits and individual General NPDES Permits; and,

WHEREAS, cooperation between COUNTY and CITY in the administration and implementation of the NPDES Permits is in the best interests of COUNTY and CITY; and,

WHEREAS, CITY was formally annexed into CSA 152 by COUNTY Resolution No. 93-454 on December 21, 1993; and,

WHEREAS, COUNTY and CITY are to perform certain duties prescribed in this Agreement that will benefit all Parties;

NOW, THEREFORE, the Parties hereto do mutually agree as follows:

1. **DELEGATION OF RESPONSIBILITIES**. The responsibilities of each Party shall be as follows:

    a. CITY shall assume the responsibilities and meet the requirements of CSA 152 administration for CITY by:

        i. Providing additions to previous year's tax roll (if any) to be placed on the upcoming fiscal year tax roll.

        ii. Providing agenda item approving Benefit Assessment Unit (BAU) Levy and CITY'S CSA 152 budget for each fiscal year.

        iii. Notify COUNTY of any changes to Tax Rate Area of individual parcels to be placed on Tax Roll.

        iv. Research parcels that were rejected from list of Assessor Parcel Numbers (APNs) submitted to COUNTY.

        v. Notify COUNTY of any corrections to rejected parcels to be placed on Tax Roll prior to Auditor Controllers deadline for submittal of APNs.

        vi. Submit to COUNTY requests for reimbursement of actual expenditures incurred under provision of approved CITY CSA 152 budget.

    b. COUNTY shall assume the responsibilities and meet the requirements of CSA 152 administration for COUNTY and CITY by:

        i. Forwarding of APNs received from CITY to Auditor Controller to be placed on Tax Roll.

        ii. Notify CITY of any rejected parcels.

        iii. Forward CITY'S corrections of rejected parcels to Auditor Controller.

        iv. Provide spreadsheet of CSA 152 assessments placed on tax roll and fiscal year financial summary.

        v. Collect assessment for CSA 152 on behalf of CITY.

        vi. Reimburse CITY for actual expenditures incurred under provision of approved CITY CSA 152 budget.

2. **FEES AND PAYMENT**. COUNTY shall administer CSA 152 for the benefit of COUNTY and CITY. COUNTY shall charge six (6%) percent of new CITY CSA 152 annual revenue for administration.

3. **TERM OF AGREEMENT**. The term of this Agreement shall commence on the date the Agreement is approved by the COUNTY. This agreement duration shall be for a period of five (5) years from the date of execution and with two (2) two-year renewal options subject to the written consent of both Parties.

4. **WITHDRAWAL FROM AGREEMENT**. Either Party may terminate this Agreement thirty (30) days after submitting written notice to the other Party. In the event termination becomes effective, termination shall constitute forfeiture by the terminating Party of its share of costs and administrative fees paid as described in Section 2 of this Agreement up to the effective date of termination. The terminating Party shall be responsible for all lawfully assessed penalties as a consequence of termination.

5. **AMENDMENTS TO THE AGREEMENT**. This Agreement may be amended by mutual consent of the Parties to the Agreement. No amendment to this Agreement shall be effective unless it is in writing and signed by the duly authorized representatives of the Parties.

6. **GOVERNING LAW AND SEVERABILITY**. This Agreement will be governed and construed in accordance with laws of the United States and the State of California. Any conflict between the terms of this Agreement and the provisions of such laws and regulations, the latter shall control. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired hereby.

7. **CONSENT TO BREACH NOT A WAIVER**. No term or provision hereof shall be deemed waived and no breach excused, unless such a waiver or consent is in writing and signed by the Party so waiving or consenting. Any consent by any Party to, or waiver of, a breach by the other Party, whether expressed or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

8. **APPLICABILITY OF PRIOR AGREEMENTS.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter; all CSA 152 prior agreement, representations, customs, usage, statement, negotiations, and understandings are superseded hereby.
9. **HOLD HARMLESS.** Each Party shall indemnify and hold harmless the other party from liability or damages resulting from its own acts or omissions including those of its officers or employees in the performance of this Agreement.
10. **AUTHORIZED SIGNATURES.** The Parties warrant and represent that the individuals signing this Agreement on their behalf can and do bind the Parties to the terms of this Agreement.

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IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

COUNTY OF RIVERSIDE, On behalf of CSA 152	CITY OF PALM SPRINGS
_____ Chairman, Board of Supervisors	_____ City Manager
Approved as to Form County Counsel	Approved as to Form City Attorney
BY_____	BY_____
ATTEST: Clerk of the Board	ATTEST: City Clerk
BY_____	BY_____

S:\Community Services\CSA 152 NPDES\Admin Services Agreements 2016\City of Palm Springs\NPDES MOU 2016_

City Council Staff Report

Date: June 23, 2016 NEW BUSINESS

Subject: APPROVAL OF VARIOUS AGREEMENTS WITH SOLARCITY CORPORATION FOR SOLAR PHOTOVOLTAIC SYSTEMS AT THE PALM SPRINGS ANIMAL SHELTER AND PALM SPRINGS CONVENTION CENTER, AND APPROVAL OF A CEQA CATEGORICAL EXEMPTION, AS PART OF THE CITYWIDE SOLAR PROJECT, CITY PROJECT NO. 15-03

From: David H. Ready, City Manager

Initiated by: Marcus L. Fuller, Assistant City Manager/City Engineer

SUMMARY

On September 2, 2015, the City Council received a presentation on the final selection of firms to provide solar photovoltaic systems at various City facilities, and authorized staff to proceed with final contract negotiations with SunEdison and SolarCity for design-build services. Final agreements were previously negotiated and approved with SolarCity for solar photovoltaic systems at the Wastewater Treatment Plant and Sunrise Plaza on October 7, 2015. Contract negotiations with SunEdison for solar photovoltaic systems at 6 other sites continued through January 2016, however, SunEdison could not honor its original pricing, and submitted revised pricing requiring the City to solicit new pricing proposals from all short-listed firms. On the basis of the final pricing proposals received from the short listed firms, staff is recommending that the City Council approve agreements with SolarCity for design-build services for photovoltaic systems at the Palm Springs Animal Shelter and Palm Springs Convention Center.

RECOMMENDATION:

1) Adopt Resolution No. ____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, MAKING FINDINGS AND AUTHORIZING THE CITY MANAGER TO ENTER INTO CERTAIN INFRASTRUCTURE FINANCING AGREEMENTS AND ASSOCIATED CONTRACTS WITH SOLARCITY CORPORATION PURSUANT TO GOVERNMENT CODE 5956, ET SEQ., FOR THE COMPLETE DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE OF SOLAR PHOTOVOLTAIC SYSTEMS AT THE PALM SPRINGS ANIMAL SHELTER AND AT THE PALM SPRINGS CONVENTION CENTER, AND APPROVING AND ORDERING THE FILING OF A CEQA NOTICE OF EXEMPTION;"

2) Authorize the City Manager to execute all necessary documents.

ITEM NO. 2.B.

BACKGROUND:

On September 18, 2013, the City Council approved an agreement with Newcomb/Anderson/McCormick, Inc., ("NAM"), with an initial scope to perform photovoltaic feasibility analysis related to potential development of photovoltaic ("PV") systems at various City facilities. Also on September 18, 2013, the City Council approved a funding agreement in the amount of $1,175,225 with South Coast Air Quality Management District ("AQMD") for funding to install PV systems at four City facilities, as follows:

1) $284,915 for the Palm Springs Visitors Center
2) $311,680 for Fire Station #3
3) $190,365 for Train Station
4) $388,265 for the James O' Jessie Desert Highland Unity Center

The AQMD funds were awarded to the City through its application in May 2012 under the AB 1318 Mitigation funds associated with the construction and operation of the Sentinal Energy Project Power Plant near Desert Hot Springs.

Subsequently, NAM performed the feasibility analysis and on June 4, 2014, the City Council received a presentation on the results of their analysis of 11 various City facilities. At that time, the City Council approved Amendment No. 1 to the agreement with NAM, in the amount of $85,000, for development of a Request for Proposals ("RFP") to solicit proposals from the solar industry for design-build of PV systems at the 11 City facilities originally included in NAM's scope of services.

On November 19, 2014, the City Council approved Amendment No. 2 to the agreement with NAM, in the amount of $12,088, to include the four additional sites funded by the AQMD grant as part of the comprehensive RFP being prepared for PV systems Citywide. The full list of 14 City facilities included in the City's RFP for PV systems included:

- Animal Shelter
- Convention Center
- Community Center
- Demuth Park
- Downtown Parking Structure
- Fire Station #1
- Fire Station #3
- Fire Station #4
- Sunrise Plaza
- Tahquitz Creek Golf Course
- Train Station
- Visitor's Center
- Wastewater Treatment Plant
- Unity Center

On January 21, 2015, the City Council received a presentation on the status of the project, and approved the City's release of the RFP, identified as RFP 03-15, Design-Build of Solar Electric Systems, which was officially released the next day.

On March 19, 2015, the City received 10 formal proposals from the following solar firms by the required deadline to receive proposals in response to the RFP:

- Baker Electric, Inc.; Escondido, CA
- BAP Power Corporation, dba Cenergy Power; Carlsbad, CA
- Borrego Solar; San Diego, CA
- La Salle Solar Systems, Inc.; Cathedral City, CA
- NEXTera Energy; Juno Beach, FL
- Nobell-MD Energy Partners, LLC; Palm Springs, CA
- Performance Contracting, Inc.; Anaheim, CA
- SolarCity Corporation; Thousand Palms, CA
- SunEdison; Belmont, CA
- SunPower Corporation Systems – Renova Energy Corp; Anaheim, CA

Subsequently, from March through June 2015 an Evaluation Committee reviewed the 10 proposals in terms of financial benefits, proposal package completeness, technical strengths, the amount of solar PV experience and qualifications of the firm and proposed team, the proposed schedule of performance, system aesthetics, implementation approach, and the use of local contractors and local expertise. The type of solar PV system proposed for each of the 14 sites and each site's aesthetic considerations were also taken into account in this analysis.

It is important to note that some solar firms did not propose on all 14 City facilities. Baker Electric proposed solar arrays at all 14 sites, and Borrego Solar proposed solar PV systems at the Convention Center, Sunrise Plaza Complex, Tahquitz Creek Golf Course, and Wastewater Treatment Plant. Cenergy Power and Nobell Energy Solutions proposed solar PV systems only at the Wastewater Treatment Plant, and LaSalle Electric proposed PV systems at all sites except for Fire Station #3.

After thoroughly reviewing all of the proposals submitted, a short-list of three solar firms was selected to present formal interviews conducted on June 11, 2015. The three finalists were:

- SolarCity Corporation; Thousand Palms, CA
- SunEdison; Belmont, CA
- SunPower Corporation Systems – Renova Energy Corp; Anaheim, CA

Final and best offers were originally submitted by the three short-listed solar firms for the City's review, and the evaluations were completed. On July 20, 2015, staff presented its final recommendation to the City Council sub-committee appointed at that time (Lewin/Mills); the sub-committee concurred with staff's recommendation with direction to schedule City Council approval to enter into final contract negotiations with SunEdison and SolarCity to provide design-build services for solar PV systems at the following sites shown in Table 1:

	Selected Vendor	Procurement Type	Power Offset
Animal Shelter	SunEdison	PPA*	64%
Convention Center	SunEdison	PPA*	71%
Demuth Park	SunEdison	Purchase**	91%
Downtown Parking Structure	SunEdison	Purchase**	88%
Fire Station 1	SunEdison	Purchase**	91%
Sunrise Plaza	SolarCity	PPA*	71%
Waste Water Treatment Plant	SolarCity	Purchase***	88%
Unity Center	SunEdison	Purchase**	TBD[1]

*PPA = power purchase agreement (lease)
**Purchase will be via AQMD grant funds
***Purchase will be via WWTP Funds (Fund 420)

Table 1

Not all sites were selected for solar PV systems due to the very marginal benefits of systems proposed at the Demuth Community Center, Fire Station #3 & #4, Tahquitz Creek Golf Course, Train Station and Visitor's Center. It was also necessary to evaluate the direct purchase price of the various solar PV systems to aggregate the total cost of those systems within the available $1.2 Million AQMD grant.

On September 2, 2015, the City Council authorized staff to proceed with final contract negotiations with SunEdison and SolarCity for design-build services for solar PV systems at the City facilities identified in Table 1. Subsequently, on October 7, 2015, the City Council approved various agreements with SolarCity for design-build services to construct solar PV systems at the City's Wastewater Treatment Plant and Sunrise Plaza.

Separately, staff continued contract negotiations with SunEdison through January 2016, at which time on January 8, 2016, SunEdison submitted notice to the City that it would not honor its pricing submitted in 2015, and provided increased pricing for installation of solar PV systems at the six sites previously awarded to SunEdison. This fact caused staff to reevaluate whether the increased pricing submitted by SunEdison remained the best net financial benefit to the City, prompting staff to request revised Best and Final Offers ("BAFOs") on those sites from the other solar firms, SolarCity and SunPower.

[1] The final solar PV system size was to be determined due to the new HVAC system being installed at the Unity Center Gym.

ANALYSIS:

On the basis of the original pricing for solar PV systems submitted by SunEdison to the City in March 2015, staff recommended and on September 2, 2015, City Council agreed that for the six City facilities listed in Table 1 that SunEdison provided the overall best net financial benefit to the City and authorized staff to proceed with contract negotiations. However, as contract negotiations continued through January 2016, SunEdison would not honor their original pricing and submitted revised pricing. SunEdison's revised pricing significantly decreased the overall net financial benefit to the City (over 25 years) by $8.6 Million. A comparison of the original and revised SunEdison pricing is included in Table 2.

Facility	Contract Type	SunEdison Original Proposal Size (kW)	Production (kWh)	Offer	25 Year Net Benefit
Animal Shelter	PPA	638.4	1,380,603	$0.068/kWh	$4,725,034
Convention Center	PPA	957.6	1,573,806	$0.077/kWh	$5,693,472
Demuth Park	Cash	161.7	278,875	$460,576	$1,256,154
Downtown Parking Structure	Cash	75.6	117,930	$255,314	$456,899
Fire Station #1	Cash	50.4	78,761	$169,795	$200,379
Unity Center	Cash	20	31,549	$118,607	($220)

Facility	Contract Type	SunEdison Revised Proposal Size (kW)	Production (kWh)	Offer	25 Year Net Benefit
Animal Shelter	PPA	638.4	1,380,603	$0.075/kWh	$155,330
Convention Center	PPA	957.6	1,573,806	$0.097/kWh	$3,218,904
Demuth Park	Cash	162.8	167,272	$663,976	$177,948
Downtown Parking Structure	Cash	72.4	117,930	$381,921	$253,923
Fire Station #1	Cash	48.2	78,761	$234,295	$104,884
Unity Center	Cash	36.2	31,549	$290,951	($171,696)

Facility	Contract Type	SunEdison Cost/Benefit Changes Size (kW)	Production (kWh)	Offer	25 Year Net Benefit
Animal Shelter	PPA	No Change	No Change	+$0.007/kWh	($4,569,704)
Convention Center	PPA	No Change	No Change	+$0.02/kWh	($2,474,568)
Demuth Park	Cash	+1.1kW	-111,603 kWh	$203,400	($1,078,206)
Downtown Parking Structure	Cash	-3.2kW	No Change	$126,607	($202,976)
Fire Station #1	Cash	-2.2kW	No Change	$64,500	($95,495)
Unity Center	Cash	+16.2kW	No Change	$172,344	($171,476)

Original Net Benefit	$12,331,718
Revised Net Benefit	$3,739,293
Difference:	($8,592,425)

Table 2

As a result of the SunEdison's revised pricing, staff requested updated pricing from the other two short-listed firms, SolarCity and SunPower, such that a competitive comparison between all three short-listed firms could be completed. Simply on the basis of the overall revised financial net benefit to the City over 25 years, SunEdison's pricing provided the highest net benefit for five of the six City facilities as noted in Table 3.

Facility	Contract Type	Revised Net Benefit Comparison Between Firms			
		SolarCity	SunEdison	SunPower	Best Offer
Animal Shelter	PPA	$715,641	$155,330	$369,349	SolarCity
Convention Center	PPA	$3,083,601	$3,218,904	$3,090,991	SunEdison
Demuth Park	Cash	$169,254	$177,948	Did Not Offer	SunEdison
Downtown Parking Structure	Cash	Did Not Offer	$253,923	($229,789)	SunEdison
Fire Station #1	Cash	($293,509)	$104,884	($348,942)	SunEdison
Unity Center	Cash	($272,906)	($171,696)	($251,319)	SunEdison

Table 3

As noted in Table 3, the four solar PV systems to be purchased with cash (through the AQMD grant funds) at Demuth Park, the Downtown Parking Structure, Fire Station #1, and the Unity Center, all have very marginal, or no financial net benefit to the City. On this basis, the City requested and AQMD staff agreed with a concept to assign the $1,175,225 in AQMD grant funds awarded to the City for the four City facilities, to direct purchase of a solar PV system at the City's Animal Shelter. Thus, on March 22, 2016, the City requested revised BAFOs from all three short-listed firms for the largest size and most efficient solar PV system to be purchased directly for a not to exceed cost of $1,175,225. On April 12, 2016, the City received revised BAFOs for the Animal Shelter, as summarized in Table 4.

	Size (kW)	Production (kWh)	Construction Cost	Guarantee	Revenue (Bill Savings & Incentives)	Costs (Capital, O&M, etc.)	Net Benefit
SunEdison	501.6	1,114,950	$1,078,440	$21,500	$4,130,070	$1,379,325	$2,750,745
SolarCity	429.97	775,663	$1,173,811	$60,600	$3,036,742	$1,492,164	$1,544,578
SunPower	234.9	467,815	$1,145,093	$0	$1,892,225	$1,481,925	$410,300

Table 4

As shown in Table 4, SunEdison submitted the best offer resulting in the highest net financial benefit to the City, followed by SolarCity, with SunPower submitting an offer resulting with the lowest net financial benefit to the City.

SunEdison Bankruptcy

On April 21, 2016, SunEdison filed for Chapter 11 bankruptcy. The City was officially notified via e-mail from SunEdison as shown here:

From: SunEdison Corporate [mailto:sunedisoncorporate@sunedison.com]
Sent: Thursday, April 21, 2016 9:13 AM
To: Craig Gladders
Subject: Important Business Update from SunEdison

Important Business Update from SunEdison

Craig Gladders
City of Palm Springs

Dear Valued Customer,

Thank you for engaging with SunEdison as you consider your future renewable energy investments. As we strongly value our relationship, I am writing to share an important announcement about our plan to restructure and strengthen SunEdison for the future.

We have made the decision to initiate a chapter 11 restructuring process for SunEdison and certain of our domestic and international subsidiaries in order to address our capital structure.

In the U.S. and elsewhere, we anticipate that work will proceed as planned on our ongoing projects and services will continue. The chapter 11 filing is at the corporate level and the Company is working to minimize the impact to our work at our subsidiaries and the project level.

At this time, we anticipate no changes to our business relationship and your point of contact at the Company will remain the same.

This is a difficult but important step that we believe will place us in an even better position over the long term to continue to deliver outstanding results for our customers and business partners. Companies that file under chapter 11 use the flexibility and protections afforded by the process to implement financial and operational restructurings. Importantly, this is in contrast to chapter 7 of the U.S. Bankruptcy Code, which provides for the liquidation of a business. The court process will allow us to right-size our balance sheet and reduce our debt.

We recognize this has been a challenging time, and I want to assure you that we are committed to working with you as we reorganize and strengthen SunEdison for the future.

We will make every effort to keep you informed of significant developments and notify you of any changes in the ordinary course. We have established a Restructuring Information microsite at www.restructuringupdates.com, which you can check for updates on our progress. We also have established a Restructuring Information line at (855) 388-4575 (or, if you are calling from outside the U.S. or Canada, at +1 (646) 795-6966), which you can call if you have questions.

Thank you again for considering SunEdison, and we look forward to continuing our discussions in the near future.

Sincerely,

Ahmad Chatila
President & Chief Executive Officer

Many news outlets reported this bankruptcy filing of one of the largest solar industry firms in the United States; as an example, an article from the Wall Street Journal is included as **Attachment 1**, noting that SunEdison's shares have lost 99% of their value in the past 12 months. These facts caused staff to request a direct statement from the local SunEdison office, to understand how the Chapter 11 bankruptcy filing would affect the BAFOs recently submitted to the City for the Animal Shelter and Convention Center solar PV systems. On May 2, 2016, the City received a letter from SunEdison indicating that as part of its corporate and financial restructuring, SunEdison would be focusing on their "core markets" with an emphases on PPAs, and not design-build projects where solar PV systems are purchased directly by the property owner. Pursuant to their letter, SunEdison officially retracted its BAFO for the Animal Shelter; a copy of the SunEdison letter is included as **Attachment 2**. The financial instability of SunEdison is sufficient cause for concern, and staff does not recommend that the City give any further consideration to the remaining BAFO from SunEdison for a solar PV system installation at the Convention Center.

Recommendation

Staff's analysis now focused on which of the two remaining firms provides the best net financial benefit for a solar PV system to be purchased at the Animal Shelter, and for a solar PV system to be operated via PPA at the Convention Center. As noted in Table 4, SolarCity provides the better offer to the City for a solar PV system at the Animal Shelter, and staff is recommending the City Council approve various agreements with SolarCity for that site. As noted in Table 3, the BAFOs submitted by both SolarCity and SunPower for a solar PV system at the Convention Center result in nearly identical net financial benefit to the City over 25 years, with a difference of only $7,390.

These estimates over 25 years are within the margin of error in the financial analysis completed by NAM, and cause for further review of the specifics of each BAFO, as noted in Table 5.

Firm	PPA Comparison Between Firms - Convention Center				
	Contract Type	System Size (kW)	System Production (kWh)	PPA Price per kWh	Best Offer
SolarCity	PPA	848.16	1,309,002	$0.078	Yes
SunPower	PPA	878.98	1,720,075	$0.099	No

Table 5

SunPower has proposed a slightly larger system that generates more power than the system proposed by SolarCity; however, SunPower proposed a higher price of $0.099/kWh. The price proposed by SolarCity is very competitive at only $0.078/kWh which is $0.021/kWh less than SunPower. On this basis, NAM recommends approval of the proposal submitted by SolarCity, as indicated in the letter dated April 29, 2016, included as **Attachment 3**.

Animal Shelter Solar PV System

Staff has negotiated the terms and conditions, including pricing, for SolarCity to design, install, operate, and maintain the Animal Shelter Solar PV System. The initial design and construction will be completed pursuant to a Design-Build contract for a 400.52 kW solar PV system capable of initially producing (beginning in Year 1) a total of 722,940 kWh, which can offset 100% of the typical annual electric load at the Animal Shelter of 646,102 kWh with the balance of over-production net metered with electrical load at Demuth Park. The Design-Build contract provides for a 25-year product warranty on the solar PV modules, a 20-year minimum product warranty on power conditioning equipment, and a 10-year "no-cost repair and component replacement" SolarCity guarantee for repairs and replacement not covered by manufacturer's warranties. The capital cost for the Animal Shelter Solar PV System remains fixed at $1,118,523.97. A copy of the Design-Build contract is included as **Attachment 4**.

The conceptual layout for the Animal Shelter Solar PV System is an array of ground-mount solar PV modules as shown in Figure 1:

Figure 1
Animal Shelter Solar PV System

Associated with the Design-Build contract is a Performance Guarantee Agreement guaranteeing the production of electricity produced by the Animal Shelter Solar PV System for a 20-year period, concurrent with the proposed term of the associated Operation and Maintenance Agreement. Pursuant to the Performance Guarantee, SolarCity commits to the following:

If at the end of each successive sixty (60) month anniversary of the Commercial Operation Date the cumulative Actual kWh generated by the System is less than the Guaranteed kWh, then (SolarCity) will send (City) a refund check equal to the difference between the Guaranteed kWh and the cumulative Actual kWh multiplied by the Guaranteed Energy Price per kWh. (SolarCity) will make that payment within thirty (30) days after the end of the relevant calendar year.

The Performance Guarantee stipulates to the following guaranteed energy production during each 5-year period of the 20-year term of the guarantee, as shown in Table 6:

True Up Term Years	Guaranteed kWh
Years 1-5	3,578,726
Years 6-10	3,490,148
Years 11-15	3,403,763
Years 16-20	3,319,516

Table 6

As the age of the solar PV modules increases, it is anticipated and agreed that the energy production will decrease, as noted in Table 6. The Guaranteed Energy Price by which SolarCity commits to paying the City in the event energy production falls below the amounts identified in Table 6, are identified in Table 7:

True Up Term Years	Guaranteed Energy Price per kWh
Years 1-5	$0.212
Years 6-10	$0.246
Years 11-15	$0.285
Years 16-20	$0.331

Table 7

The cost of the 20-year Performance Guarantee is a fixed price of $56,701.03; a copy is included as **Attachment 5**.

Associated with the Design-Build contract and Performance Guarantee Agreement is an Operation and Maintenance ("O&M") Agreement. As the City will own the Animal Shelter Solar PV System, it is critically important that the system be appropriately maintained during its operational life. Therefore, as a requirement of the Performance Guarantee, the O&M Agreement will provide the City with preventive maintenance on all of the solar PV system components an annual basis for a period of 20-years. The cost of the O&M Agreement is a fixed price of $5,908.34 (Year 1), escalating to $10,360.30 (Year 20), for a total cost of $158,759.22 for the 20-year period; a copy is included as **Attachment 6**.

Convention Center Solar PV System

Staff has negotiated the terms and conditions, including pricing, for SolarCity to design, install, operate, and maintain the Convention Center Solar PV System pursuant to a Power Purchase Agreement ("PPA") for a 848.16 kW solar PV system capable of initially producing (beginning in Year 1) a total of 1,309,002 kWh, which offsets 59% of the typical annual electric load at the Convention Center of 2,205,371 kWh. The PPA is a turn-key contract where SolarCity agrees to fund all costs to design, construct, operate, and maintain the solar PV system for a 20-year period, and where the City agrees to purchase electricity produced by the solar PV system at the fixed rate of $0.078 per kWh[2]. There are options for the City to purchase the solar PV system at a fixed price of $1,592,858 in Year 6, or at a fixed price of $1,442,726 in Year 10. A copy of the PPA is included as **Attachment 7**.

The conceptual layout for the Convention Center Solar PV System is flat roof-mounted solar PV modules that will not protrude over the parapet wall, as shown in Figure 2 and 3:

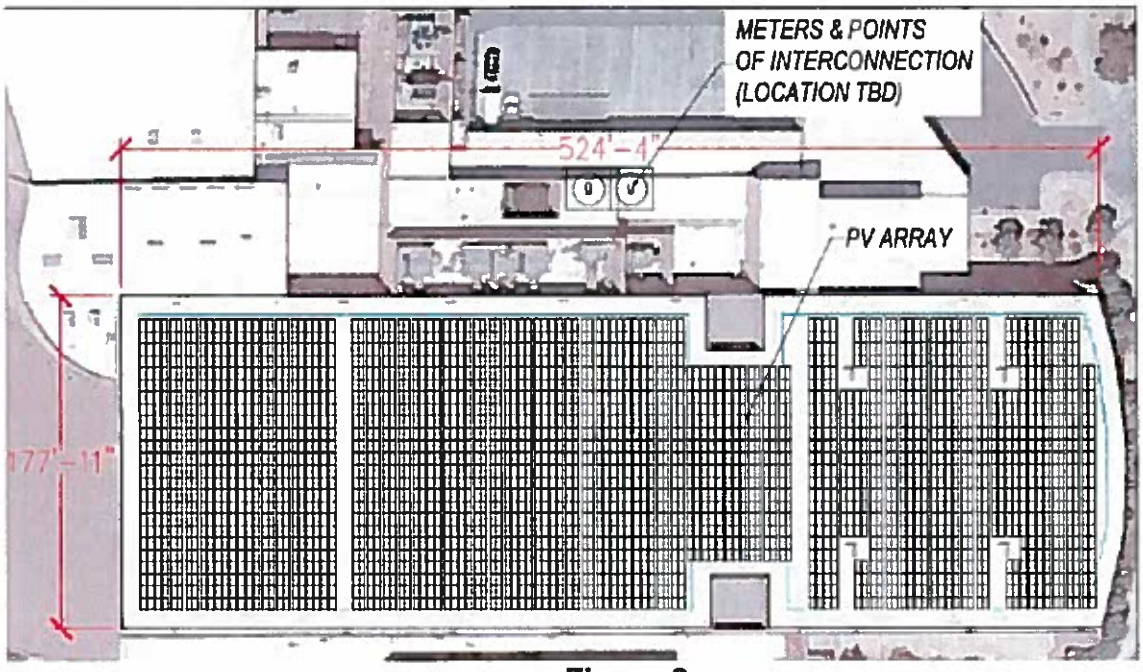

Figure 2
Convention Center Solar PV System

[2] As a comparison, the City currently pays SCE an average rate of $0.164 per kWh at the Convention Center; the PPA will lock in a rate of $0.078 per kWh (52% less than we currently pay) fixed for the 20-year term of the PPA.

Figure 3
Convention Center Solar PV System

Associated with the PPA is a Performance Guarantee Agreement guaranteeing the production of electricity produced by the Convention Center Solar PV System for a 20-year concurrent with the term of the PPA. Pursuant to the Performance Guarantee, SolarCity commits to the following:

If at the end of each successive sixty (60) month anniversary of the Commercial Operation Date the cumulative Actual kWh generated by the System is less than the Guaranteed kWh, then (SolarCity) will send (City) a refund check equal to the difference between the Guaranteed kWh and the cumulative Actual kWh multiplied by the Guaranteed Energy Price per kWh. (SolarCity) will make that payment within thirty (30) days after the end of the relevant calendar year.

The Performance Guarantee stipulates to the following guaranteed energy production during each 5-year period of the 20-year term of the guarantee, as shown in Table 8:

True Up Term Years	Guaranteed kWh
Years 1-5	6,479,886
Years 6-10	6,319,501
Years 11-15	6,163,086
Years 16-20	6,010,541

Table 8

As the age of the solar PV modules increases, it is anticipated and agreed that the energy production will decrease, as noted in Table 8. The Guaranteed Energy Price by which SolarCity commits to paying the City in the event energy production falls below the amounts identified in Table 8, are identified in Table 9:

True Up Term Years	Guaranteed Energy Price per kWh
Years 1-5	$0.050
Years 6-10	$0.060
Years 11-15	$0.070
Years 16-20	$0.080

Table 9

The cost of the 20-year Performance Guarantee is $0, with its cost included in the terms and conditions of the PPA; a copy is included as **Attachment 8**.

Construction Phase Support

Given the highly technical and specialized nature of the solar industry, staff recommends that the City coordinate the construction phase with the selected solar firms with NAM, who can ensure the solar PV systems are design and installed in accordance with the requirements provided in the various contracts approved by Council. If the City Council approves the recommended agreements with SolarCity, staff will submit for approval at a subsequent City Council meeting an Amendment to the agreement with NAM, to administer and coordinate all of the construction phase services associated with the Animal Shelter and Convention Center solar PV systems.

ENVIRONMENTAL IMPACT:

Construction of the Animal Shelter Solar PV System and Convention Center Solar PV System are considered "Projects" as defined by California Environmental Quality Act ("CEQA"). Pursuant to Section 15378(a) of Title 14 of the California Code of Regulations, (the "CEQA Guidelines"), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and that is (1) an activity directly undertaken by any public agency including but not limited to public works construction and related activities, clearing or grading of land, improvements to existing public structures, etc.

Section 21084 of the California Public Resources Code requires Guidelines for Implementation of CEQA. The Guidelines are required to include a list of classes of projects which have been determined not to have a significant effect on the environment and which are exempt from the provisions of CEQA. In response to that mandate, the Secretary for Resources identified classes of projects that do not have a significant

effect on the environment, and are declared to be categorically exempt from the requirement for the preparation of environmental documents.

With respect to the Animal Shelter Solar PV System, it is proposed to be installed on 1.5 acres of currently vacant land surrounding by urban uses located adjacent to the City's Animal Shelter and Wastewater Treatment Plant, consistent with the applicable general plan designation and all applicable general plan policies, applicable zoning designation and regulations, on a project site that has no value as habitat for endangered, rare, or threatened species, and would not result in any significant effects relating to traffic, noise, air quality or water quality. Pursuant to California Public Resources Code 21084, and Section 15332 of the CEQA Guidelines, the Animal Shelter Solar PV System is considered an "In-Fill Development Project," defined as a Class 32 Categorical Exemption, and construction of the Animal Shelter Solar PV System is considered Categorically Exempt from CEQA. A Notice of Exemption for the Animal Shelter Solar PV System has been prepared and is recommended for approval by the City Council; a copy of the Notice of Exemption is included as **Attachment 9**.

With respect to the Convention Center Solar PV System, it is proposed to be installed on the roof of an existing building. Senate Bill 226, effective January 1, 2012, enacted California Public Resources Code 21080.35, which created a new Categorical Exemption under CEQA for the installation of solar energy systems, including associated equipment, on the roof of an existing building or at an existing parking lot. Therefore, the Convention Center Solar PV System is considered categorically exempt from CEQA, and a Notice of Exemption has been prepared and will be filed with the Riverside County Clerk. A copy of the Notice of Exemption is included as **Attachment 10**.

FISCAL IMPACT:

Animal Shelter Solar PV System

The City currently incurs an annual cost of $81,476 for electricity purchased for operation of the City's Animal Shelter. This cost is anticipated to escalate to $156,637 over the next 20 years as a result of continued utility rate increases by SCE, resulting in a total energy cost of $2,304,102. The Animal Shelter PV System will construct a 400.52 kW solar PV system capable of initially producing (beginning in Year 1) a total of 722,940 kWh, which can offset up to 100% of the typical annual electric load at the Animal Shelter of 646,102 kWh. The balance of over-production will offset additional electric load at the adjacent Demuth Park.

Thus, the anticipated cost to purchase electricity from SCE in Year 1 will reduce from $81,476 to $12,820 or less as a result of the power generated by the Animal Shelter Solar PV System. The electrical production from the Animal Shelter Solar PV System will result in an immediate offset (bill savings) of $68,656 or more in Year 1, with utility bill savings escalating commensurate with anticipated utility rate increases, to an

estimated $119,544 or more in Year 20, resulting in a total utility bill savings of at least $1,837,713 at the Animal Shelter.

In addition to direct Animal Shelter savings, the Animal Shelter solar system will also benefit two Demuth Park utility bills. The anticipated cost to purchase electricity from SCE in Year 1 will reduce from $23,098 to $11,235 as a result of the power generated by the Animal Shelter Solar PV System. The electrical production from the Animal Shelter Solar PV System will result in an immediate offset (bill savings) of $11,862 in Year 1, with utility bill savings escalating commensurate with anticipated utility rate increases, to an estimated $20,018 in Year 20, resulting in a total utility bill savings of $296,523 at the Demuth Park meters.

The total net benefit from the Animal Shelter solar system resulting from the offset of energy at Animal Shelter and the two Demuth Park meters is estimated at $2,134,236 over 20 years.

The capital cost to design and construct the Animal Shelter Solar PV System is $1,118,524 – however, this capital cost is offset by a utility incentive of $314,929 paid in equal installments over the first 5-year period of the solar PV system's operation, effectively reducing the City's capital cost to purchase this system to $803,595. This represents an effective cost of $2 per kW – an excessively low price when compared to other vendors for similar systems.

The cost of the 20-year Performance Guarantee associated with the Animal Shelter Solar PV System is a fixed price of $56,701.03.

The cost of the O&M Agreement associated with the Animal Shelter Solar PV System is a fixed price of $5,908.34 (Year 1), escalating to $10,360.30 (Year 20), for a total cost of $158,759.22 for the 20-year period. The annual cost to be paid to SolarCity for maintenance of the Animal Shelter Solar PV System will be budgeted with each annual fiscal year budget for the Animal Shelter; payment of the 20-year total cost is not due and payable upon execution of the agreement.

The City is the recipient of a grant in the amount of $1,175,225 from AQMD for funding to install PV systems at City facilities; these funds have been appropriated in Capital Projects Fund (Fund 261), Account No. 261-4491-50327. Certain costs associated with services provided by NAM associated with development of the RFP solicited to solar firms, and analysis of the proposals received in response to the RFP completed by NAM, have been incurred. A portion of these costs have been paid from the AQMD grant funds received, leaving a current balance of $1,062,812 available.

Staff recommends that the City Council directly purchase the Animal Shelter Solar PV System using the available AQMD grant funds, supplemented by previously budgeted and available funds in the Capital Project Fund, Account No. 261-9002-50000.

The first annual payment of $5,908.34 pursuant to the O&M Agreement will be paid from funding budgeted and available for costs associated to the Animal Shelter in the General Fund in Account No. 001-3305-43240 (Other Contractual Services).

The Animal Shelter is located on a 20 acre parcel of land originally purchased by and for the benefit of the Wastewater Treatment Plant in 1989. The Animal Shelter facility is located on approximately 3 acres of this parcel, and the proposed solar panel system will be located on an additional 1 acre of this parcel. It will be necessary for the City to appraise the value of the use of this land and pay the Wastewater Fund lease payments, the cost of which will be paid from the energy savings realized from installation of the Animal Shelter Solar PV System.

Convention Center Solar PV System

Under its contract with SMG, the City pays SMG for operation and maintenance of the City's Convention Center. As part of that contract, SMG currently pays all utility costs, including electrical utility bills from SCE. SMG currently incurs an annual cost of $326,549 for electricity purchased for operation of the Convention Center. This cost is anticipated to escalate to $627,791 over the next 20 years as a result of continued utility rate increases by SCE, resulting in a total energy cost of $9,234,706. The Convention Center Solar PV System will construct a 848.16 kW solar PV system capable of initially producing (beginning in Year 1) a total of 1,309,002 kWh, which offsets 59% of the typical annual electric load at the Convention Center of 2,205,371 kWh. The PPA for the Convention Center Solar PV System is a turn-key contract where SolarCity agrees to fund all costs to design, construct, operate, and maintain the solar PV system for a 20-year period, and where the City agrees to purchase electricity produced by the solar PV system at the fixed rate of $0.078 per kWh.

Thus, the anticipated cost to purchase electricity from SCE in Year 1 will reduce from $326,549 to $136,009 as a result of the power generated by the Convention Center Solar PV System. The electrical production from the Convention Center Solar PV System will result in an immediate offset (bill savings) of $190,540 in Year 1, with utility bill savings escalating commensurate with anticipated utility rate increases, to an estimated $338,783 in Year 20, resulting in a total utility bill savings of $5,158,720.

However, the avoided SCE utility costs occur through the purchase of electricity from SolarCity at the fixed rate of $0.078 per kWh, which is anticipated to cost $102,102 in Year 1, and reduces (due to reduced electricity production given degradation of the solar PV modules over time) to an estimated cost of $92,827 in Year 20, for a total estimated electricity cost of $1,947,895 over 20 years.

The SCE meter providing power to the Convention Center is currently assigned to SMG, as SMG is the operator of the Convention Center and under the City's contract is responsible for paying the SCE utility bill. However, in order to facilitate approval of the PPA with SolarCity for the Convention Center Solar PV System, the City will be required

to assume responsibility for and pay the SCE utility bill, and the SCE meter for the Convention Center will be assigned to the City. It will be necessary for the City to amend its annual operating budget with SMG for the Convention Center to deduct the current budget paid to SMG for electricity costs, such that these funds are retained by the City to pay SCE directly for incurred electric utility costs, and to pay SolarCity for the incurred costs pursuant to the PPA.

Therefore, upon assuming responsibility for the SCE utility bills at the Convention Center, the City will incur an estimated expense of $102,102 from SolarCity plus an estimated expense of $136,009 from SCE for a total estimated annual electricity cost of $238,111. This total cost is an annual savings of $88,438 from the total electricity cost currently paid by SMG to SCE for the Convention Center.

The net positive cash flow over the 20-year term of the PPA is $3,083,601.

The cost of the 20-year Performance Guarantee associated with the Sunrise Plaza Solar PV System is $0, and is included in the purchase price of electricity via the PPA.

The expenditure paid to SMG for purchase of electricity at the Convention Center will be reallocated to the General Fund in Account No. 001-2180-42000. This prior expense paid to SMG for their responsibility to pay the SCE utility bills will be significantly reduced by the lower cost of electricity purchased from SolarCity via the PPA, which will be paid from the funds reallocated to Account No. 001-2180-42000.

SUBMITTED:

Marcus L. Fuller, MPA, P.E., P.L.S.
Assistant City Manager/City Engineer

David H. Ready, Esq., Ph.D.
City Manager

Attachments:
1. Wall Street Journal Article, 4/21/16
2. May 2, 2016, SunEdison Letter
3. NAM Recommendation Letter
4. SolarCity Animal Shelter Design-Build Contract
5. SolarCity Animal Shelter Performance Guarantee
6. SolarCity Animal Shelter O&M Agreement
7. SolarCity Convention Center Power Purchase Agreement
8. SolarCity Convention Center Performance Guarantee
9. Animal Shelter Solar PV System Notice of Exemption
10. Convention Center Solar PV System Notice of Exemption
11. Resolution