

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	June 22, 2009
	Agenda Item No. 64 Roll Call No. 09- Communication No. 09-437 Submitted by: Randy Wetmore, Assistant City Manager	

AGENDA HEADING:

Authorizing the City Manager to submit an Energy Efficiency and Conservation Block Grant (EECBG) strategy to the Department of Energy (DOE).

SYNOPSIS:

As part of the American Reinvestment and Recovery Act, the City has been allocated \$1,982,300 in formula funding for an EECBG. Recommend approval for the Council to authorize the City Manager to submit an EECBG strategy to DOE.

FISCAL IMPACT:

Amount: \$1,982,300

Funding Source: Not reflected in this year’s budget.

ADDITIONAL INFORMATION:

In order to access the stimulus funds, an Energy Efficiency and Conservation Strategy (EECS) must be submitted by June 25th. The Public Technology Institute (PTI), Ronda Mosley, Assistant Executive Director, 1301 Pennsylvania Avenue, N.W., Suite 830, Washington, DC 20004, has assisted in the preparation of the strategy.

The primary purposes of the program are to reduce fossil fuel emissions, maximize benefits to local and regional communities, reduce total energy use of eligible entities and improve energy efficiencies in the building and transportation sectors and others. DOE has made it a priority for cities to work together to provide information about energy efficiency, on a regional basis.

The following list of projects has been developed to meet those and other requirements:

****Energy Performance Benchmarking and Associated Public Education and Outreach Campaign**
Will benchmark several municipal facilities over 5,000 square feet to be able to consistently monitor electric and gas use. As energy improvements are made, the efficiencies will become evident in the data. This information will then be provided to the public. \$7,000

****Program to Further Cycling and Walking in the Des Moines Regional Community**
The project proposes undertaking five action items in the Central Iowa Bicycle and Pedestrian Action Plan 2020. They include: pedestrian walkway improvements, cycling path/trail improvements, safety

training particularly for children (wearing helmets) and the promotion of using buses, bikes and walking trails. \$30,000

****Internal Municipal Operations Revolving Loan Fund**

These funds will be used to assist with energy efficient building retrofits, as well as, covering the incremental cost of purchasing fuel efficient hybrids, instead of conventional vehicles. \$250,000

****Preparation of Energy Efficiency and Conservation Strategy**

PTI assisted in the preparation of the strategy and required documentation. Requesting reimbursement of \$14,000.

****Mortgage Buy-Down Program for Energy-Efficient Residential Buildings**

The foundation of this program, developed by Ed Mazria of Architecture 2030, is to reduce monthly mortgage payments and reduce utility bills. This would be accomplished with the homeowner borrowing the money necessary to significantly improve the energy efficiency of their home. The loan amount for the energy improvements will be a part of the refinancing of their current mortgage, with the city providing a percentage buy-down of .5% to 2%, depending on the level of increased energy efficiency attained with the improvements. It is anticipated that the mortgage buy-downs will average around \$10,000 per home.

This will be an involved project, as it will include \$1 million from a local bank for the construction improvements and refinancing. It will require energy audits before and after to determine what is needed and what was installed, to determine the amount of energy efficiency gained. It will require significant public outreach and education for both the public and the bank. \$450,000 for mortgage buy-down costs, \$50,000 for administration.

Staff will meet with both private lending institutions and non-profits to discuss, in detail, how the program may be developed, creating processes, guidelines, marketing the program, etc. As this is a new program, we will monitor it closely to determine if all the funds can be disbursed within the given timeline. If not, a reallocation may be recommended.

****Energy Efficiency Public Building Retrofits**

It is proposed to put in new windows and doors in both City Hall and the Police Station. The new windows will increase the R value by three points and has the potential to save between 5% and 20% in energy costs. \$600,000 for City Hall and \$400,000 for the Police Station

****Administration**

The city may use 10% or \$198,000 for administration costs related to the grant process. The proposed budget has \$181,300, or 9.1%, for these costs.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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