



Minutes City Council's Community Sustainability Technology Sub-Committee September 11, 2009

Minutes of the meeting of Friday, September 11, 2009, 8:00 a.m., in the 3rd Floor Conference Room, Tempe City Hall, 31 E. 5th Street, Tempe, Arizona.

Sub-Committee Members Present:

Vice Mayor Shana Ellis

City Staff Present:

Lisa Collins, Dev Svcs/Committee Liaison
Lisa Lathrop, Dev Svcs
Michael Green, Financial Svcs
Chris Salomone, Comm Dev
John Osgood, Pub Wrks

Bonnie Richardson, Dev Svcs
Robert Yabes, Comm Dev
Jerry Hart, Financial Svcs
Andrew Ching, City Atty
Shelley Hearn, Comm Rel

Guests Present:

Lew Alton, Azure Sky
Guy Carpenter, HDR Eng

Andrew Kent
Ben Montclair, Carbon Free Technology

Vice Mayor Ellis called the meeting to order at 8:00 a.m.

Agenda Item 1 – Approval of Meeting Minutes: August 21, 2009

Vice-Mayor Ellis asked that the spelling of **Architekton** be corrected on the August 21 2009 minutes. The minutes of August 21, 2009, were approved as amended.

Agenda Item 2 – Public Appearances/Call to the Public

None. Attendees were asked to introduce themselves.

Agenda Item 3 – Discussion of City Participation in Financing for Solar Installations

Lew Alton stated that he founded a 501(c) 3 organization to combat air pollutants. This presentation/proposal would allow banks to finance solar panel systems to be used by large corporations, with the participation of the City of Tempe. Mr. Alton stated that Tempe does have the authority, via Charter, to guarantee payments from a bank to a corporation without very minimal risks associated with this venture.

Mr. Alton explained that there are incentives, grants and guarantees at different government levels that make programs like this possible and highlighted the following information:

- Over 50% of bank loans made to corporations are repaid within the first year by virtue of acceptance of a federal grant, or acceptance of ITC (30% of the cost of solar panel installation)
- Per depreciation rules, solar panel systems appreciate within a couple years

- Over the next 6 years, the incentive plan created by APS will pay off the remainder of the bank loan – thus the corporation does not have to come up with any capital to finance this loan

Jeff Kulaga stated that Tempe is located in Salt River Project (SRP) territory. Andrew Kent stated that SRP is not currently subject to Arizona's renewable energy standards. However, if Tempe were to support this program it might impose political pressure on SRP to participate in this movement. As things stand, APS is financially poised to participate.

Andrew Ching referenced the 'City North' court case that questions public purpose when governmental entities enter into certain types of agreements.

Mr. Alton emphasized that bond funding is not part of this proposal.

John Osgood talked about the Energy Efficiency Conservation Block Grant (EECBG), which equates to an economic stimulus for local governments. Staff has been submitted an application for this \$1.87 million grant. One of the ideas staff had was to reserve approximately 15% of the grant for a revolving energy fund. These grants monies may be a candidate for this type of a project.

Vice-Mayor Ellis asked Michael Green how the City would go about selecting an entity to embark on this project. Mr. Green responded that staff would have to follow a competitive bid process.

John Osgood stated that staff is in the process of gathering information regarding energy efficiency programs and systems. Chris Salomone commented that a small pilot program might be worthy of consideration.

The next step in this process is to collect information on energy reduction systems. Additional financing mechanisms will also be researched.

Agenda Item 4 – Future Agenda Items

None.

Agenda Item 5 - Future Meeting Dates

November 20, at 8:00 a.m.

Agenda Item 6 – Announcements

Meeting adjourned at 9:05 a.m.

Prepared by: Kay Savard

Reviewed by: Lisa Collins

Jan Hort, City Clerk