

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
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Legislation Title:

A RESOLUTION adopting a Citywide Resource Conservation Management Plan.

Summary of the Legislation:

This legislation adopts the City of Seattle's Resource Conservation Management Plan, which provides the City's framework for a 20% reduction in energy use in municipal buildings by 2020 from a 2008 baseline, and directs the Office of Sustainability and Environment to coordinate interdepartmental implementation of the Resource Conservation Management Plan, monitor progress on plan outcomes, and update the plan as needed.

Background:

The City owns more than 650 buildings, totaling approximately 10 million square feet. These buildings range from small storage sheds to community centers to fire stations to the Seattle Municipal Tower. Only 32 of the buildings—those built after the City's 2000 Sustainable Buildings Policy—were constructed to green building standards. In addition, approximately 30% of City buildings were built before 1980, the year the first state Energy Code was adopted.

The City has a goal to achieve 20% energy savings in municipal buildings by 2020 from a 2008 baseline. Over the years, departments have made many investments in the energy and water efficiency of City facilities, but the City has never had a comprehensive strategy to guide energy conservation investments across departments.

OSE established a Citywide Resource Conservation Initiative to provide centralized monitoring of resource use and to improve the operations of City facilities. Since April 2012, a temporary Citywide Resource Conservation Advisor in OSE has worked with capital departments to develop a Resource Conservation Management Plan (RCMP). The RCMP outlines the actions necessary to meet the 20% energy efficiency goal by 2020.

Funding is included in the proposed 2014 Proposed Budget to maintain a citywide Resource Conservation Advisor to work with capital departments to implement the RCMP, and it includes \$250,000 to make operations and maintenance investments in City facilities.

☐ This legislation does not have any financial implications.

☒ This legislation has financial implications.

Appropriations:

Fund Name and Number	Department	Budget Control Level*	2013 Appropriation	2014 Anticipated Appropriation
TOTAL				

**See budget book to obtain the appropriate Budget Control Level for your department.*

Appropriations Notes:

Adopting the Resource Conservation Management Plan does not immediately change spending or revenues for 2014. Work on many aspects of the plan is underway and funding is included in the 2014 Proposed Budget to maintain this work and to begin additional activities.

The plan assumes a multi-faceted, multi-year approach. It will evolve over time, as improvements are made and as more accurate data becomes available. For 2013 - 2014, the RCMP focuses on achieving energy savings through expanded measurement and tracking coupled with implementation of improvements to building function, while also conducting analyses to identify additional strategies and high impact energy efficiency projects (EEP). The EEPs identified would become part of a package for capital investment that groups together multiple facilities, lower and higher cost measures, and differing paybacks. OSE will work with the City Budget Office and capital departments to assess potential funding mechanisms for implementation of the comprehensive energy efficiency package. The package of improvements and proposed funding approach will form the framework for a budget request for 2015, for implementation in 2015 – 2016.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
TOTAL				

Revenue/Reimbursement Notes:

Reducing the energy use of existing facilities is expected to save money over time by reducing utility expenses. An OSE-commissioned study of the portfolio's conservation potential completed in December 2012 estimated the cost of reducing annual energy use by 20% to be about half the cost of purchasing energy to meet those needs over the life of the efficiency measures [Ecotope, prepared for Seattle Office of Sustainability, *Preliminary Energy Conservation Analysis for City of Seattle Buildings*, December 2012]. A 20% energy use reduction by 2020 (compared to 2008) would also result in utility cost savings of roughly \$2.75 million per year after reaching the 20% reduction goal. Incremental savings would be realized each year, dependant on the improvements completed to date.

Work done in 2013 and 2014 on O&M improvements alone is expected to yield savings of approximately 1% portfolio wide by 2015, above and beyond the status quo. These savings of

approximately \$75,000 will begin to accrue in 2014 for work completed in 2013 and early 2014. In 2015, those savings would grow to approximately \$120,000 - \$150,000.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2013 Positions	2013 FTE	2014 Positions*	2014 FTE*
TOTAL							

* 2014 positions and FTE are total 2014 position changes resulting from this legislation, not incremental changes. Therefore, under 2014, please be sure to include any continuing positions from 2013.

Position Notes:

Funding is included in the proposed 2014 budget to maintain a citywide Resource Conservation Advisor position in OSE.

Do positions sunset in the future?

No

Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2013 Expenditures	2014 Anticipated Expenditures
TOTAL				

* See budget book to obtain the appropriate Budget Control Level for your department.

Spending/Cash Flow Notes:

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

A 20% energy use reduction by 2020 (compared to 2008) would also result in utility cost savings of roughly \$2.75 million per year after reaching the 20% reduction goal.

b) What is the financial cost of not implementing the legislation?

Not implementing the plan would result in a continuation of the status quo, with higher utility costs than what could otherwise be achieved for City facilities of approximately

\$125,000-\$150,000 per year in 2015, growing incrementally to roughly \$2.75 million in savings per year by 2020.

c) Does this legislation affect any departments besides the originating department?

Implementation of the Plan affects the following capital departments who own and/or manage the City's buildings: Finance and Administrative Services, Department of Parks and Recreation, Seattle Center, Seattle Public Utilities, Seattle City Light, Department of Transportation and Seattle Public Libraries. Facilities staff from each of the capital departments and conservation staff from SPU and SCL are included in a Technical Advisory Group that helped to develop the Plan. This same group will continue to assist with implementation and continued evaluation of the plan's impacts.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

None are known at this time.

e) Is a public hearing required for this legislation?

No

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No

g) Does this legislation affect a piece of property?

No

h) Other Issues:

List attachments to the fiscal note below: