

**SUMMARY and FISCAL NOTE\***

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*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

**1. BILL SUMMARY**

**Legislation Title:** A RESOLUTION requiring a schedule for periodic building tune-ups for City-owned facilities and directing the Office of Sustainability & Environment to develop guidelines for energy efficient asset preservation.

**Summary and background of the Legislation:**

OSE is proposing legislation mandating that all owners of nonresidential buildings 50,000 square feet and larger perform periodic tune-ups of their buildings to ensure that energy and water systems are operating efficiently. The legislation is part of the larger process to implement the Climate Action Plan and ensure Seattle is on track to achieve its goal to be carbon-neutral by 2050. The City would be subject to the periodic tune-up requirement in the same manner as any other Seattle building owner.

This Resolution, City-Owned Building Tune-Ups, is a companion to the Building Tune-Up Ordinance that would apply citywide to both public and private building owners. The Resolution asks the City to implement the tune-up requirement on a schedule that precedes the mandatory compliance deadlines outlined in the Ordinance. During the stakeholder engagement process while developing the legislation, we heard a clear message that if the City is mandating actions by private building owners, the City should be taking a leadership role and modeling the actions expected of the private market.

The proposed Building Tune-Up Ordinance outlines a phased-in compliance schedule as follows:

1. Buildings with non-residential uses of 200,000 square feet or larger shall comply by October 1, 2018. Subsequent tune-ups shall be required by October 1 of every fifth year thereafter.
2. Buildings with non-residential uses of at least 100,000 and less than 200,000 square feet shall comply by October 1, 2019. Subsequent tune-ups shall be required by October 1 of every fifth year thereafter.
3. Buildings with non-residential uses of at least 70,000 and less than 100,000 square feet shall comply by October 1, 2020. Subsequent tune-ups shall be required by October 1 of every fifth year thereafter.
4. Buildings with non-residential uses of at least 50,000 and less than 70,000 square feet shall comply by October 1, 2021. Subsequent tune-ups shall be required by October 1 of every fifth year thereafter.

This resolution proposes that to meet the City's leadership role, City buildings would adhere to the following initial schedule:

1. Buildings with non-residential uses of 200,000 square feet or larger shall comply by October 1, 2017.
2. Buildings with non-residential uses of at least 100,000 and less than 200,000 square feet shall comply by October 1, 2018.
3. Buildings with non-residential uses of at least 50,000 and less than 100,000 square feet shall comply by October 1, 2020.

The schedule for subsequent tune-ups of City-owned buildings would correspond with the schedule in the Building Tune-Up Ordinance (e.g. the next compliance deadline for both private and City-owned buildings 200,000 square feet or greater would be October 1, 2023).

The Resolution does not alter the City's responsibility to adhere to the requirements of the Ordinance, but only changes the timeframe for compliance. In addition to showing City leadership, the revised schedule for City-owned buildings will allow the City to take full advantage of tune-up incentives currently offered by both SCL and PSE; these incentives would be altered once tune-up activities become mandated. It will assist OSE in program development by allowing staff to pilot and refine the compliance process for mandatory tune-ups before accepting reports from the private market. And, it will allow the City to track energy savings for tune-up activities which can be shared with the private market as encouragement to participate.

There are no additional costs implied by this Resolution. However, the cost to comply with the companion Building Tune-Up Ordinance would be approximately \$1.3 million, phased in over four years. With this resolution, the City would conduct tune-ups one year in advance of the private market, which would shift approximately \$450,000 from the 2018 budget to the 2017 budget and \$425,000 from the 2019 to the 2018 budget, leaving the remaining \$425,000 to be completed by 2020. Of the total \$1.3 million investment, savings would be approximately 3% of the overall energy use for City-owned buildings, and approximately \$350,000 per year in reduced utility costs. Corresponding utility savings would also be realized one year earlier.

The City has already committed to reducing the energy use of the overall portfolio of City-owned buildings 20% from 2008 – 2020 and passed Resolution 31491 in 2013 adopting the City of Seattle Resource Conservation Management Plan (RCMP). Conducting building investigations and making operational improvements, as required in the Building Tune-Up Ordinance, are necessary actions within the RCMP in order to meet the 20% target.

## **2. CAPITAL IMPROVEMENT PROGRAM**

This legislation creates, funds, or amends a CIP Project.

## **3. SUMMARY OF FINANCIAL IMPLICATIONS**

This legislation does not have direct financial implications.

#### 4. OTHER IMPLICATIONS

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**

No. The proposed resolution changes the year in which tune-ups would occur, but does not otherwise change the cost to conduct the tune-up.

- b) **Is there financial cost or other impacts of not implementing the legislation?**

No.

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

Yes, all Capital Departments participate in implementation of the Resource Conservation Management Plan.

- d) **Is a public hearing required for this legislation?**

(If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned for the future?)

No.

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

No.

- f) **Does this legislation affect a piece of property?**

No.

- g) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

No.

- h) **If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**

None.

- i) **Other Issues:**

None.

**List attachments/exhibits below:**