City of Seattle
Office of the Mayor

July 13, 2010

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill, which accepts $900,000 in funds for the City as a sub-recipient on a grant awarded to the Puget Sound Clean Cities Coalition (PSCCC) from the U.S. Department of Energy. This Council Bill also increases appropriations to reflect the expenditure of these funds.

In August 2009, PSCCC received a $15 million regional American Recovery and Reinvestment Act federal stimulus fund award. The City of Seattle was a named grant partner in the application. This legislation will authorize the Fleets and Facilities Department (FFD) to accept $900,000 to cover the incremental costs of installing advanced vehicle technologies in ten heavy duty trucks to be purchased by Seattle City Light (SCL) and at least five heavy duty trucks to be purchased by FFD. FFD will reimburse SCL for relevant costs from grant funds. Vehicles being purchased are planned and budgeted replacements for current heavy duty vehicles at or near the end of their lifecycle. Adding advanced technologies to the purchased vehicles will save at least 10,000 gallons of diesel fuel over the life of each truck.

Thank you for your consideration of this legislation. Should you have questions, please contact Chris Wiley, Green Fleets Coordinator, Fleets and Facilities Department, 233-7912.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
Office of the Mayor
600 Fourth Avenue, 7th Floor
PO Box 94749
Seattle, WA 98124-4749

Tel (206) 684-4000
Fax (206) 684-5360
TDD (206) 615-0476
mike.mcginn@seattle.gov

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ORDINANCE _____

AN ORDINANCE relating to a grant from the Department of Energy through the Puget Sound Clean Cities Coalition ("PSCCC") and allocated through the American Recovery and Reinvestment Act of 2009 ("ARRA") for the purpose of purchasing and installing advanced technologies that reduce greenhouse gas emissions in heavy-duty vehicles; accepting the grant funds, authorizing the Mayor or his designee to execute related agreements, increasing appropriations in the 2010 Adopted Budget for the Fleets and Facilities Department, and ratifying and confirming prior acts; all by a three-fourths vote of the City Council.

WHEREAS, the United States Congress has authorized $300,000,000 in the Clean Cities Transportation Sector Petroleum Reduction Technologies Project as part of the ARRA program; and

WHEREAS, the City submitted an application to the PSCCC in April, 2009 to request funds through this ARRA program; and

WHEREAS, based on the City's successful application, PSCCC has awarded $900,000 to the City of Seattle from these funds; and

WHEREAS, the ARRA grant funds constitute one-time funding to expand the use of alternative fueled vehicles and advanced technology vehicles; and

WHEREAS, the expenditure of these grant funds requires an increased appropriation in the 2010 Adopted Budget for the Fleets and Facilities Department as the conditions giving rise to this grant could not have been reasonably foreseen; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City of Seattle hereby accepts grant funds from PSCCC for the above application in the amount of $900,000. This project funds the incremental cost of purchase and

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installation of diesel hybrid, alternative fueled or advanced technology packages in heavy duty vehicles.

Section 2. The Mayor or his designee is authorized to execute and deliver and perform for and on behalf of the City of Seattle such agreements and certifications as may be necessary to accept and expend the PSCCC grant funds.

Section 3. The PSCCC grant funds, when received, shall be deposited into the Fleets and Facilities Fund (50300).

Section 4. Contingent upon the execution of the grant or other funding agreement authorized in Section 2 of this ordinance, and in order to pay for necessary costs and expenses for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time the 2010 Budget was adopted, the appropriations for the following items in the 2010 Budget are increased as follows:

Fund Name and Number	Department	Budget Control Level	Amount
Fleets and Facilities Fund (50300)	FFD	Fleet Services BCL (A2000)	$ 900,000
Total			$ 900,000

Unspent funds shall carry forward to subsequent years until they are exhausted or abandoned by ordinance.

Section 5. All acts authorized by this ordinance and taken after its passage are ratified and confirmed.

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Section 6. This ordinance shall take effect and be in force 30 days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2010, and signed by me in open session in authentication of its passage this _____ day of _____, 2010.

_____
President Richard Conlin of the City Council

Approved by me this ____ day of _____, 2010.

_____
Michael McGinn, Mayor

Filed by me this ____ day of _____, 2010.

_____
City Clerk

(Seal)

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Chris Wiley; cw
FFD ARRA CleanCitiesGrant FISC
May 7, 2010
Version # 1

Form revised February 4, 2010

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Fleets and Facilities Dept.	Chris Wiley, 233-7912	Greg Shiring, 386-4085

Legislation Title:
AN ORDINANCE relating to a grant from the Department of Energy through the Puget Sound Clean Cities Coalition ("PSCCC") and allocated through the American Recovery and Reinvestment Act of 2009 ("ARRA") for the purpose of purchasing and installing advanced technologies that reduce greenhouse gas emissions in heavy-duty vehicles; accepting the grant funds, authorizing the Mayor or his designee to execute related agreements, increasing appropriations in the 2010 Adopted Budget for the Fleets and Facilities Department, and ratifying and confirming prior acts; all by a three-fourths vote of the City Council.

- **Summary of the Legislation:** This legislation authorizes the acceptance of grant funds made available through the American Recovery and Reinvestment Act of 2009 ("ARRA") and increases the 2010 Adopted Budget to authorize new expenditures.

- **Background:** As part of a competitive application process, the Puget Sound Clean Cities Coalition (PSCCC) was awarded a $15 million grant through the ARRA program. PSCCC will assume financial responsibility for the agreement made with the Department of Energy. Cost sharing of at least 50% of the total grant is required. The City of Seattle, as a PSCCC member sub-recipient, will manage the $900,000 portion of the grant allocated for the purchase of hybrid diesel, alternative fueled or advanced technology vehicles.

  The amount awarded to the City will be applied toward funding one of FFD's Green Fleets program initiatives – Advanced Vehicle Technologies:

  - The City is responsible for developing the specifications and bidding the engine and complete chassis for heavy-duty diesel hybrid, alternative fueled or advanced technology vehicles. The City expects to provide these technologies to at least 15 vehicles. Each vehicle is expected to save over 10,000 gallons of diesel fuel over its period of use.
  - These vehicles are planned and budgeted replacements of existing equipment. Funds have already been collected toward purchase of the replacements.
  - Grant funds will be used to pay the incremental costs of purchasing and installing the hybrid packages, estimated to be about $40,000 - $60,000 per vehicle.
  - The City's local match, which is covered out of previously budgeted funds, is significant as heavy duty vehicles can cost more than $500,000. Excess cost share on this individual project will be credited toward the required minimum from the grant as a whole.

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X **This legislation has financial implications.**

Appropriations:

Fund Name and Number	Department	Budget Control Level*	2010 Appropriation	2011 Appropriation
Fleets and Facilities Fund (50300)	FFD	Fleet Services BCL (A2000)	$900,000	
TOTAL			**$900,000**	

Notes: Spending the appropriation in this section is contingent on ARRA funds being granted to, and received by, the City.

Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact: N/A

- Do positions sunset in the future? N/A

Spending/Cash Flow: *This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.*

Fund Name & #	Department	Budget Control Level*	2010 Expenditures	2011 Expenditures
Fleets and Facilities Fund (50300)	FFD	Fleet Services BCL (A2000)	$700,000	$200,000
TOTAL			**$700,000**	**$200,000**

Notes: City Light is providing funding for ten of these vehicles from its capital replacement fund. FFD is providing funding for at least five more vehicles from its capital replacement fund. These vehicle purchases are planned and previously budgeted replacements of existing heavy-duty trucks and the base cost of the vehicles are not reflected above. ARRA grant funds will pay the incremental cost of installing a hybrid diesel, alternative fueled or advanced technology package into at least 15 heavy-duty trucks over a three year period; payment is made after the vehicle is delivered. Seven vehicles were ordered in 2009; approximately five more will be ordered in 2010, and the remaining vehicles will be ordered in 2011. The chassis and hybridization packets on the 2009 vehicles have already been paid for by SCL. FFD will reimburse SCL for the hybridization costs from the ARRA grant funds once funding has been received.

- **What is the financial cost of not implementing the legislation?** Without this legislation, the City will not receive $900,000 in revenue to cover the cost of converting at least 15 vehicles to "green" technology.

- **Does this legislation affect any departments besides the originating department?** Ten of the vehicles are being purchased for Seattle City Light. The SCL contact is Lynn Best, 386-4586. FFD is purchasing the remaining vehicles for its customer departments. The FFD contact is Chris Wiley, 233-7912,

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- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** Acceptance of the grant award is a prerequisite for the receipt of these federal economic stimulus funds. There are no alternatives that could achieve the same or similar objectives.

- **Is the legislation subject to public hearing requirements:** No

- **Other Issues**: There is a separate ARRA grant-funded project currently being developed to install electric vehicle charging infrastructure for City fleets and public access. Acceptance of these funds will be proposed in future legislation.

- **List attachments to the fiscal note below:**

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