



City of Phoenix

To: General Obligation Bond Executive Committee **Date:** October 19, 2022
From: Ginger Sykes Torres, Chair, Environment & Sustainability Subcommittee
Subject: ENVIRONMENT & SUSTAINABILITY SUBCOMMITTEE RECOMMENDATIONS

The Executive Committee charged subcommittees with recommending a rank-ordered list of priorities, including funding levels, for the GO Bond program. The Executive Committee emphasized there is greater need than bond capacity and further instructed subcommittees to only recommend projects that cannot reasonably be deferred to a future bond program.

The Environment & Sustainability Subcommittee held four hybrid meetings on August 22, 2022, September 12, 2022, September 22, 2022, and October 10, 2022. The Subcommittee was provided detailed information about the prioritized capital needs identified by City staff, which totaled \$25.1 million.

The general public and stakeholders submitted oral and written comments on their priorities, which were considered by the Subcommittee in formulating its recommendations.

After considering the Executive Committee's instructions, information provided by staff, and comments from the public, the Subcommittee identified \$25.1 million in projects for Executive Committee consideration. The recommended projects include energy and water efficiency and renewable energy upgrades, heat resiliency program expansion, vehicle electrification stations, and brownfields redevelopment. The projects will provide the City with the flexibility to implement a wide range of programs that reduce greenhouse gas emissions, reduce the impacts of climate change and urban heat on resident and visitor health, and support the goals of the Phoenix Climate Action Plan (PCAP). Importantly, a number of these projects will reduce costs to the City resulting in reduction of operational expenses. A rank-ordered list of projects and recommended funding amounts is attached.

The Subcommittee's recommendation was developed to remain within the original prioritized capital needs total identified by City staff, but the Subcommittee asks the Executive Committee to consider \$41.1 million in funding for the Subcommittee's projects: \$20.0 million for Energy and Water Efficiency and Renewable Energy Upgrades; \$11.0 million for Heat Resiliency; \$5.0 million for City Brownfields Redevelopment Projects; and \$5.1 million for City Vehicle Electrification Stations. The Subcommittee believes this level of funding more appropriately addresses these needs.

The initial presentation from staff on recommended projects to the subcommittee included the replacement of fuel tanks that have or will exceed their useful life during this bond period at a cost of \$5.1 million. While the subcommittee understands the importance of the replacement of the fuel tanks, it is felt that it is not appropriate for the Environment & Sustainability Subcommittee to make the recommendation to fund such a project. The committee does however recommend to the Executive Committee that this project be funded during this bond period through a different, more appropriate subcommittee.

I will present at a future Executive Committee meeting the recommendations of the Subcommittee. Vice Chair Daniel Stellar will attend Executive Committee meetings in my absence as needed.

ENVIRONMENT & SUSTAINABILITY SUBCOMMITTEE

2023 GO Bond Program

Subcommittee Recommendations to Executive Committee

Rank	Project Name	Total Cost	Other Funds	GO Bond Funds	<i>Ongoing Cost</i>
1	Energy and Water Efficiency and Renewable Energy Upgrades at City Facilities Location: Various District: Citywide	13,500,000	0	13,500,000	0
2	Heat Resiliency Location: Citywide District: Citywide	7,300,000	0	7,300,000	171,053
3	City Brownfields Redevelopment Projects Location: Citywide District: Citywide	3,000,000	0	3,000,000	0
4	City Facility Vehicle Electrification Stations Location: Various District: Citywide	1,300,000	0	1,300,000	20,000
Environment & Sustainability Recommended Total		25,100,000	0	25,100,000	191,053

ENVIRONMENT & SUSTAINABILITY SUBCOMMITTEE
2023 GO Bond Program
Subcommittee Recommendations to Executive Committee
Project Detail

Energy and Water Efficiency and Renewable Energy Upgrades at City Facilities

Rank: 1

Various (District: Citywide)

TOTAL PROJECT COST	OTHER FUNDING	GO BOND FUNDING
\$13,500,000	\$0	\$13,500,000

SCOPE

Install energy efficient HVAC equipment or other climate control systems to reduce energy consumption and greenhouse gas emissions from City facilities. Facility Condition Assessments identified the need to replace aging and inefficient HVAC systems at many facilities including City-operated community and recreation centers, arts and cultural facilities, and administrative buildings. Additionally, implement renewable energy solutions, such as solar, where appropriate.

BENEFIT

Avoid service disruptions that may result from unplanned equipment and/or systems failures. Reduce operating expenses of certain City facilities by integrating the best available technologies. Reduce greenhouse gas emissions and other climate impacts caused by City operations.

COST ELEMENTS	2024-25	2025-26	2026-27	2027-28	2028-29	5-YR TOTAL
STUDY	0	0	0	0	0	0
REAL PROPERTY	0	0	0	0	0	0
DESIGN / ENGINEERING	0	0	0	0	0	0
CONSTRUCTION / DEMO	0	0	0	0	0	0
EQUIPMENT	4,500,000	4,500,000	1,500,000	1,500,000	1,500,000	13,500,000
MOVE-IN EXPENSES	0	0	0	0	0	0
PERCENT FOR ART						0
TOTAL PROJECT COST	4,500,000	4,500,000	1,500,000	1,500,000	1,500,000	13,500,000

OTHER FUNDING	2024-25	2025-26	2026-27	2027-28	2028-29	5-YR TOTAL
N/A	0	0	0	0	0	0

ON-GOING EXPENSES	ANNUAL COST
STAFF	0
CONTRACTUALS	0
COMMODITIES	0
INTERDEPARTMENTAL	0
ON-GOING CAPITAL	0
TOTAL OPERATING	0

ENVIRONMENT & SUSTAINABILITY SUBCOMMITTEE

2023 GO Bond Program

Subcommittee Recommendations to Executive Committee

Project Detail

Heat Resiliency

Rank: 2

Citywide (District: Citywide)

TOTAL PROJECT COST	OTHER FUNDING	GO BOND FUNDING
\$7,300,000	\$0	\$7,300,000

SCOPE

Expand the City's Tree Planting, Green Infrastructure, Cool Roofs, Cool Corridors and Cool Pavements programs. Implement other emerging ideas to address heat resiliency within City facilities, infrastructure, land or rights-of-way.

BENEFIT

Reduce the impacts of climate change and urban heat on resident and visitor health. This program will be most impactful in locations where residents tend to have limited access to vehicles, and must walk or bike to their destinations with greater frequency. This program can help to address historical equity issues in parts of the City where residents are more vulnerable to heat-related hazards.

COST ELEMENTS	2024-25	2025-26	2026-27	2027-28	2028-29	5-YR TOTAL
STUDY	400,650	0	0	0	0	400,650
REAL PROPERTY	0	0	0	0	0	0
DESIGN / ENGINEERING	0	360,875	360,875	0	0	721,750
CONSTRUCTION / DEMO	0	3,056,625	3,056,625	0	0	6,113,250
EQUIPMENT	0	0	0	0	0	0
MOVE-IN EXPENSES	0	0	0	0	0	0
<i>PERCENT FOR ART</i>						64,350
TOTAL PROJECT COST	400,650	3,417,500	3,417,500	0	0	7,300,000

OTHER FUNDING	2024-25	2025-26	2026-27	2027-28	2028-29	5-YR TOTAL
N/A	0	0	0	0	0	0

ON-GOING EXPENSES	ANNUAL COST
STAFF	117,053
CONTRACTUALS	54,000
COMMODITIES	0
INTERDEPARTMENTAL	0
ON-GOING CAPITAL	0
TOTAL OPERATING	171,053

ENVIRONMENT & SUSTAINABILITY SUBCOMMITTEE
2023 GO Bond Program
Subcommittee Recommendations to Executive Committee
Project Detail

City Brownfields Redevelopment Projects

Rank: 3

Citywide (District: Citywide)

TOTAL PROJECT COST
\$3,000,000

OTHER FUNDING
\$0

GO BOND FUNDING
\$3,000,000

SCOPE

Funding to assist City departments with pre-development costs associated with environmentally contaminated properties. Preference would be given to projects located within the following targeted areas: Rio Reimagined Project Area, West Phoenix Revitalization Area, Infill Incentive Area, Transit-Oriented Development Areas, Downtown Development Area, Designated Redevelopment Areas and Neighborhood Initiative Areas.

BENEFIT

Mayor and Council approved the Phoenix Climate Action Plan (PCAP) in 2021. This program supports the PCAP by addressing public health and environmental hazards, expanding green space, and creating sustainability opportunities (e.g. green buildings and infrastructure). Without this funding source, contaminated properties may remain blighted, undeveloped, and a burden to the local community.

COST ELEMENTS	2024-25	2025-26	2026-27	2027-28	2028-29	5-YR TOTAL
STUDY	1,000,000	1,000,000	1,000,000	0	0	3,000,000
REAL PROPERTY	0	0	0	0	0	0
DESIGN / ENGINEERING	0	0	0	0	0	0
CONSTRUCTION / DEMO	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
MOVE-IN EXPENSES	0	0	0	0	0	0
PERCENT FOR ART						0
TOTAL PROJECT COST	1,000,000	1,000,000	1,000,000	0	0	3,000,000

OTHER FUNDING	2024-25	2025-26	2026-27	2027-28	2028-29	5-YR TOTAL
N/A	0	0	0	0	0	0

ON-GOING EXPENSES	ANNUAL COST
STAFF	0
CONTRACTUALS	0
COMMODITIES	0
INTERDEPARTMENTAL	0
ON-GOING CAPITAL	0
TOTAL OPERATING	0

ENVIRONMENT & SUSTAINABILITY SUBCOMMITTEE

2023 GO Bond Program

Subcommittee Recommendations to Executive Committee

Project Detail

City Facility Vehicle Electrification Stations

Rank: 4

Various (District: Citywide)

TOTAL PROJECT COST	OTHER FUNDING	GO BOND FUNDING
\$1,300,000	\$0	\$1,300,000

SCOPE

Provide electrification infrastructure at city facilities to support the city's fleet, residents and employees. The number and type of installations funded by this item are driven by capital needs identified by an ongoing fleet electrification study.

BENEFIT

Mayor and Council approved the Phoenix Climate Action Plan (PCAP) in 2021. This program supports the PCAP by reducing aggregate greenhouse gas emissions related to automobile activity. Not funding this program could delay the availability of charging infrastructure.

COST ELEMENTS	2024-25	2025-26	2026-27	2027-28	2028-29	5-YR TOTAL
STUDY	0	0	0	0	0	0
REAL PROPERTY	0	0	0	0	0	0
DESIGN / ENGINEERING	0	0	0	0	0	0
CONSTRUCTION / DEMO	0	0	0	0	0	0
EQUIPMENT	650,000	650,000	0	0	0	1,300,000
MOVE-IN EXPENSES	0	0	0	0	0	0
<i>PERCENT FOR ART</i>						0
TOTAL PROJECT COST	650,000	650,000	0	0	0	1,300,000

OTHER FUNDING	2024-25	2025-26	2026-27	2027-28	2028-29	5-YR TOTAL
N/A	0	0	0	0	0	0

ON-GOING EXPENSES	ANNUAL COST
STAFF	0
CONTRACTUALS	20,000
COMMODITIES	0
INTERDEPARTMENTAL	0
ON-GOING CAPITAL	0
TOTAL OPERATING	20,000