CITY COUNCIL COMMUNICATION
AGENDA ITEM 7J

SUBJECT: RESOLUTION NO. 21, SERIES OF 2024 – A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH BOULDER COUNTY PARTNERS FOR A CLEAN ENVIRONMENT FOR ENHANCED 1:1 COMMERCIAL ADVISING SUPPORT AND TO ESTABLISH ADD-ON REBATES FOR COMMERCIAL DECARBONIZATION

DATE: MAY 7, 2024

PRESENTED BY: HANNAH MILLER, SUSTAINABILITY SPECIALIST

SUMMARY:
The proposed intergovernmental agreement (IGA) would expand current Boulder County Partners for a Clean Environment (PACE) services and create new commercial rebates, for one year, supporting implementation of the Community Decarbonization Plan (CDP), the Cities Climate Action Goals, and Louisville businesses.

In the 2021 Boulder County Greenhouse Gas (GHG) Inventory, which generated an assessment of Louisville's greenhouse gas emissions, showed the commercial sector accounted for 63% of the emissions in the building energy sector, resulting in commercial buildings as the largest emission source in the City of Louisville.

In 2024, the City adopted the CDP. Barriers to decarbonization were assessed as part of the CDP process and it was found that the primary obstacle to decarbonization in both the residential and commercial sectors is cost. The CDP emphasizes the need for rebates and incentives that promote commercial energy efficiency and decarbonization efforts to increase participation in energy-related building upgrades. The CDP is also the basis of the newly adopted climate action goals, or Resolution 18-2024, that aim to reduce greenhouse gas emissions by 60% from the 2016 baseline by 2030 and be carbon-neutral by 2050.

Currently, staff collaborates with Boulder County EnergySmart to administer residential decarbonization rebates and the addition of commercial rebates would enable the City to adopt a holistic and equitable approach to decarbonization. The City currently partners with PACE, the commercial sector equivalent to EnergySmart, to administer commercial rebate programs and provide advising services to businesses interested in energy efficiency upgrades. Current PACE programming includes the following areas and in 2023 provided over $240,000 in monetary support.

- Building Energy Planning
- Energy Efficiency Rebates
- Heating and Cooling Rebates
- Electric Infrastructure Rebates

- Hot Water Rebates
- Commercial Kitchen Rebates

Upon approval of the IGA, the City will support a part-time PACE advisor in 2024. This advisor will work with Louisville businesses interested in Building Energy Planning, other PACE programs, and directly apply the findings from current research, identified as Business Strategy 1 in the CDP, analyzing the remaining useful life of carbon production equipment in commercial buildings (project in collaboration with Dr. Dickenson’s CU-Anschutz graduate students). Additionally, the advisor will assist staff with commercial outreach and engagement efforts and provide information about other business-related city program offerings. The scope of work for the PACE Advisor was created and reviewed by Community Development, with particular emphasis on Economic Vitality, ensuring interdepartmental collaboration, and continuing to showcase environmental stewardship paired with economic vitality.

In addition, current bag tax-funded programs focus on waste diversion. The bag tax ballot language explains that revenue collected shall be used for administrative costs or "other sustainability-related initiatives and programs." Based on the CDP, the newly adopted climate action goals, and survey results indicating that the largest inhibitor to decarbonization is cost, staff encourage the reallocation of additional bag tax funds to support commercial decarbonization add-on rebates. By establishing Louisville-specific add-on rebates, the City would prioritize the business community and commercial sustainability. These add-on rebates would result in more greenhouse gas emissions reduced per dollar spent.

Staff presented the aforementioned rebates and PACE advisor to the Finance Committee on March 21, 2024, and sent a memo regarding the program expansion and PACE advisor to Council on April 19, 2024.

FISCAL IMPACT:

The IGA includes $10,000 for expanding PACE advising and $50,000 for commercial rebates. This not currently budgeted, however, staff recommends using available bag tax revenue and supplementing with current Sustainability Division operating budget.

In 2022 and 2023, the disposable bag tax has resulted in $394,870 of revenue in the City’s general fund. After 2024 current and anticipated expenses, including the bag tax programs, net general fund revenue is $266,572. Staff believes this use is in line with the purpose of the tax.

PROGRAM/SUB-PROGRAM IMPACT:

The Administrative and Support Services program includes Sustainability with the direction to use environmental, economic, and human resources to meet present and future needs and to actively pursue energy efficient upgrades to reduce environmental impacts. By collaborating with Boulder County PACE, this is accomplished and the programmatic administrative burden is reduced on City staff.

RECOMMENDATION:
Staff recommends approval of the IGA to support the implementation of decarbonization efforts. In addition, approval of the Louisville add-on rebates for commercial decarbonization and the PACE advisor will reduce administrative burden on staff while providing needed decarbonization support to the business community. The rebates and advisor will support the newly adopted climate action goals, the CDP, Sustainability Division goals to support the business community, all while providing higher greenhouse gas emission reduction per dollar spent.

ATTACHMENT(S):
1. Resolution
2. Intergovernmental Agreement
3. Exhibit A- Louisville PACE Contract Scope of Work
4. Exhibit B- Louisville PACE Contract Fee Schedule
5. Sustainability Advisory Board Letter of Support

STRATEGIC PLAN IMPACT:

☐	**Financial Stewardship & Asset Management**	☐	**Reliable Core Services**
☒	**Vibrant Economic Climate**	☒	**Quality Programs & Amenities**
☐	**Engaged Community**	☐	**Healthy Workforce**
☐	**Supportive Technology**	☒	**Collaborative Regional Partner**

RESOLUTION NO. 21
SERIES 2024

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH BOULDER COUNTY PARTNERS FOR A CLEAN ENVIRONMENT FOR ENHANCED 1:1 COMMERCIAL ADVISING SUPPORT AND TO ESTABLISH ADD-ON REBATES FOR COMMERCIAL DECARBONIZATION

WHEREAS, an Intergovernmental Agreement has been proposed between the City and Boulder County authorizing Boulder County Partners for a Clean Environment (PACE) to allocate additional staff time in Louisville and establish and administer Louisville-specific add-on rebates for commercial decarbonization; and

WHEREAS, the proposed Intergovernmental Agreement supports the newly adopted, science-based climate action and clean energy goals as follows:

- Meet all of Louisville's municipal electric needs with 100% carbon-free sources by 2025.
- Reduce core municipal GHG emissions 60% below the 2016 baseline by 2030.
- Generate 75% of Louisville's residential and commercial/industrial electric needs from carbon-free sources by 2030.
- Reduce core community GHG emissions 60% below the 2016 baseline by 2030.; and

WHEREAS, the proposed Intergovernmental Agreement supports the Community Decarbonization Plan (CDP) implementation; and

WHEREAS, the transition to a low-carbon community reliant on the efficient use of clean energy resources will provide a range of benefits, including improved air quality, enhanced public health, increased national and energy security, local green jobs, and reduced reliance on finite resources; and

WHEREAS, the City of Louisville is committed to helping facilitate this transition alongside other national and international communities that have prioritized addressing climate change by investing in clean energy to enhance the well-being of current and future generations; and

WHEREAS, establishing add-on commercial decarbonization rebates supports the business community through the partnership of economic vitality and environmental stewardship; and

WHEREAS, the proposed rebates and advisor provide the largest greenhouse gas reduction per dollar spent; and

WHEREAS, City Council, by this Resolution, desires to approve said Intergovernmental Agreement and authorize its execution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

Section 1. The Intergovernmental Agreement (IGA) between the City of Louisville and the County of Boulder authorizing Boulder County PACE to allocate additional staff time in Louisville and establish and administer Louisville-specific add-on rebates for commercial decarbonization is hereby approved in essentially the same form as the copy of such IGA accompanying this Resolution.

Section 2. The Mayor is authorized to execute the IGA on behalf of the City, except that the Mayor is hereby further granted authority to negotiate and approve such revisions to said IGA as the Mayor determines are necessary or desirable for the protection of the City, so long as the essential terms and conditions of the IGA are not altered.

PASSED AND ADOPTED this 7th day of May, 2024.

____
Christopher M. Leh, Mayor

ATTEST:

____
Meredyth Muth, City Clerk

BOCC
INTERGOVERNMENTAL AGREEMENT
(Revenue)

DETAILS SUMMARY	
Document Type	New Contract
OFS Number	
County Contact Information	
Department	Office of Sustainability, Climate Action, and Resilience
Division/Program	OSCAR/PACE
Mailing Address	P.O. Box 471, Boulder, CO 80306
Contact 1 – *Name, email*	Elizabeth French, efrench@bouldercounty.gov
Contact 2 – *Name, email*	Kari Goodnight, kgoodnight@bouldercounty.gov
Municipality Contact Information	
Name	City of Louisville
Mailing Address	749 Main St. Louisville, CO 80027
Contact 1- *Name, title, email*	Jeff Durbin, City Manager, jdurbin@louisvilleco.gov
Contact 2- *Name, title, email*	Hannah Miller, Sustainability Specialist, hmiller@louisvilleco.gov
IGA Term	
Start Date	5/15/2024
Expiration Date	5/14/2025
IGA Amount	
IGA Amount	$60,000
Brief Description of Services	
Boulder County will provide additional staff time to support Louisville businesses with sustainability efforts. Additionally, Boulder County will administer rebate dollars provided by the City of Louisville that will be additive to existing commercial incentives provided by Boulder County.	
IGA Documents	
☑ Exhibit A – Scope of Work ☑ Exhibit B - Fee Schedule ☐ Exhibit C - ________ ☐ Exhibit D - ________	

THIS INTERGOVERNMENTAL AGREEMENT ("IGA") is entered into by and between the Board of County Commissioners on behalf of the County of Boulder, State of Colorado, a body corporate and politic, for the benefit of Office of Sustainability, Climate Action, and Resilience ("County"), and City of Louisville ("Municipality"). Municipality and County are each a "Party," and collectively the "Parties."

In consideration of the mutual covenants contained in this IGA, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Incorporation into IGA: The **IGA document(s)** is(are) incorporated into this IGA by reference.

2. Services to be Performed: County will perform the services described in **Exhibit A – Scope of Work** (the "Services").

3. Term of IGA: The **IGA Term** begins on the **Start Date** and expires on the **Expiration Date**, unless terminated sooner. All the Services must be performed during the **IGA Term**.

4. Liability: Each Party agrees to be responsible for its own actions or omissions, and those of its officers, agents and employees in the performance or failure to perform work under this IGA. By agreeing to this provision, neither Party waives or intends to waive, as to any person not a party to the IGA, the limitations on liability that are provided to the Parties under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq.

5. **Independent Entities: Each Party is an independent legal entity from the other for all purposes. Neither Party, its agents, personnel or subcontractors are employees of the other Party for any purpose, including the Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, the Colorado Workers' Compensation Act, the Colorado Unemployment Insurance Act, and the Public Employees Retirement Association.**

6. Termination

a. Breach: Either Party's failure to perform any of its material obligations under this IGA, in whole or in part or in a timely or satisfactory manner, will be a breach. In the event of a breach, the non-breaching Party may provide written notice of the breach to the other Party. If the breaching Party does not cure the breach, at its sole expense, as reasonably determined by the non-breaching Party in its sole discretion, within thirty (30) days after delivery of notice, the non-breaching Party may exercise any of its remedies provided under this IGA or at law, including immediate termination of this IGA.

b. Non-Appropriation: The other provisions of this IGA notwithstanding, Municipality is prohibited by law from making commitments beyond the current fiscal year. Payments of any nature beyond the current fiscal year are contingent on the appropriation and continuing availability of funding in any subsequent year. Any payment obligation of the Parties is expressly dependent and conditioned upon appropriation, budgeting, and availability of specific funds to discharge such obligations. Municipality may terminate this IGA without penalty by providing seven (7) days' written notice to County, provided that Municipality is not relieved of any payments obligations incurred prior to the effective date of termination.

7. Notices: All notices provided under this IGA must be in writing and sent by Certified U.S. Mail (Return Receipt Requested), electronic mail, or hand-delivery to the other Party's **Contact** at the address specified in the **Details Summary**. For certified mailings, notice periods will begin to run on the day after the postmarked date of mailing. For electronic mail or hand-delivery, notice periods will begin to run on the date of delivery.

8. Entire Agreement/Binding Effect/Amendments: This IGA represents the complete agreement between the Parties and is fully binding upon them and their successors, heirs, and assigns, if any. This IGA terminates any prior agreements, whether written or oral in whole or in part, between the Parties relating to the Services. This IGA may be amended only by a written agreement signed by both Parties.

9. Assignment/Subcontractors: This IGA may not be assigned or subcontracted by either

Party.

10. Governing Law/Venue: The laws of the State of Colorado govern the construction, interpretation, performance, and enforcement of this IGA. Any claim relating to this IGA or breach thereof may only be brought exclusively in the Courts of the 20th Judicial District of the State of Colorado and the applicable Colorado Appellate Courts.

11. No Waiver: The failure of either Party to exercise any of its rights under this IGA will not be deemed to be a waiver of such rights or a waiver of any breach of the IGA. All remedies available to a Party in this IGA are cumulative and in addition to every other remedy provided by law.

12. Severability: If any provision of this IGA becomes inoperable for any reason but the fundamental terms and conditions continue to be legal and enforceable, then the remainder of the IGA will continue to be operative and binding on the Parties.

13. Colorado Open Records Act: Both Parties are required to disclose any records that are subject to public release under the Colorado Open Records Act, C.R.S. § 24-72-200.1, et seq.

14. Conflict of Provisions: If there is any conflict between the terms of the main body of this IGA and the terms of any of the **IGA Documents**, the terms of the main body of the IGA will control.

15. Governmental Immunity: Nothing in this IGA shall be construed in any way to be a waiver of either party's immunity protection under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq., as amended.

16. Delegation of Authority: The Parties acknowledge that the Board of County Commissioners has delegated authority to the Department Head or Elected Official that leads the beneficiary **Department** and their designees to act on behalf of the County under the terms of this IGA, including but not limited to the authority to terminate this IGA.

17. Execution by Counterparts; Electronic Signatures: This IGA may be executed in multiple counterparts, each of which will be deemed an original, but all of which will constitute one agreement. The Parties approve the use of electronic signatures, governed by the Uniform Electronic Transactions Act, C.R.S. §§ 24 71.3 101 to 121. The Parties will not deny the legal effect or enforceability of this IGA solely because it is in electronic form or because an electronic record was used in its creation. The Parties will not object to the admissibility of this IGA in the form of electronic record, or paper copy of an electronic document, or paper copy of a document bearing an electronic signature, because it is not in its original form or is not an original.

18. Limitation of Liability: NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES ARISING FROM OR RELATING TO THIS IGA, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES.

19. Insurance: Each Party is a "public entity" under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq., as amended, and shall always during the terms of this IGA maintain such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the Act. This insurance shall have minimum limits, which shall match or exceed the maximum governmental liability limits set forth in C.R.S. § 24-10-114, as amended.

20. Provisions construed as to fair meaning: The provisions of this IGA shall be construed as to their fair meaning, not for or against any party based upon any attributes to such party of the source of the language in question.

21. Third party beneficiaries: None of the terms or conditions in this IGA shall give or allow any claim, benefit, or right of action by any third person not a party hereto. Any person other than the Parties receiving services or benefits under this IGA shall be only an incidental beneficiary.

IN WITNESS WHEREOF, the Parties have executed and entered into this IGA as of the latter day and year indicated below.

SIGNED for and on behalf of Boulder County		**SIGNED for and on behalf of Municipality**
Signature:		Signature:
Name:		Name:
Title:		Title:
Date:		Date:
↓↓For Board-signed documents only↓↓		
Attest Signature:	*Initial*	
Attestor Name:		
Attestor Title:		

City of Louisville

Exhibit A

Scope of Work

Background

The City of Louisville (the “City”) is committed to supporting businesses with transitioning from fossil fuel-powered equipment to heat commercial buildings to electric alternatives while ensuring buildings are operating as efficiently as possible. Additionally, the City is committed to supporting businesses in navigating rebates, incentives, and additional financial resources available to assist with costs associated with energy efficiency, electrification and sustainability-related building upgrades and accessing City programs.

The purpose of this contract is to provide additional staff support from Partner’s for a Clean Environment (PACE) to assist businesses with this effort in the City. In addition to staff support, Boulder County will administer rebate dollars provided by the City of Louisville that will be additive to the existing incentives provided by Boulder County. Exhibit B – Fee Schedule contains details on what will be rebated and the amounts. The funds will be administered as part of the PACE program, requiring businesses to work with a PACE advisor to qualify. Boulder County will promote the additional funding through the PACE program website, newsletters, and advisors.

Partnership Objectives:

- Provide in-person and digital outreach to commercial buildings throughout the City
- Target the City’s list of priority buildings, which includes but is not limited to areas/buildings who are identified as likely having equipment that is nearing or has reached its end of life
- Offer PACE rebates/incentives for electrification and efficiency upgrades as well as electrification feasibility studies
- Offer and administer City of Louisville rebates/incentives for electrification upgrades and electrification feasibility studies
- Utilize and offer Xcel Energy rebates for eligible upgrades as well as the direct install program to upgrade fluorescent tube lighting at no cost to qualifying businesses; support businesses in applying for applicable rebates/incentives
- In-kind direct mail outreach promoting electrification feasibility study incentives will be sent to all commercial buildings 5,000 square feet and larger in the City
- Business site visits will be sent to City staff as directed, including, but not limited to, Sustainability and Economic Vitality.
- Provide businesses with information about the available bag tax-funded commercial programs, including but not limited to, sharing general information regarding program options, encouraging waitlist registration and collecting feedback to inform program innovations
- Supply businesses with additional information provided by the City about additional programs and resources, including but not limited to, the Green Business Program, Property Improvement Program, Business Assistance Program and Economic Vitality contact information

- Attend Colorado Green Business Network technical trainings to understand state assessment requirements and, if necessary, adapt PACE assessments to meet minimum requirements
- Support the City with site assessments and technical assistance for Colorado Green Business Network participants within the City
- Attend City of Louisville and partner events, including but not limited to Business Forums, Economic Vitality Committee pop ups and Chamber of Commerce events to provide businesses with information about PACE programs and encourage business registration

Reporting:

- During monthly meetings and as requested, PACE will provide written updates on outreach efforts and participation in electrification feasibility studies/upgrades as well as efficiency upgrades

- Boulder County will provide data reports of how the funds from the City of Louisville have been spent monthly and after the funding is exhausted or after the term of the agreement is complete, whichever comes first

City of Louisville

Exhibit B

Fee Schedule

<u>Staff time:</u>

Costs:

$30.52 per hour

Invoices will be sent:

The amount will be billed once per year in quarter 2.

Total annual costs will not exceed:

$10,000

<u>Rebates:</u>

Costs:

$50,000

Invoices will be sent:

The amount will be billed in advance of program expenditures once per year in quarter 2.

The budget will be applied as rebates for Louisville businesses according to the table below.

Upgrade	**Equity Priority Rebate**	**Standard Rebate**
Building Electrification Feasibility Study	100% of costs covered capped at $2,500 when/if the total project costs exceeds PACE’s cap of $20,000	20% of costs capped at $2,500
Cold Climate Air Source Heat Pumps (split, mini-split, or multi-split)	$3,000/ton	$1,500/ton
Ground Source Heat Pumps	$4,000/ton	$2,000/ton
Non-Cold Climate Air Source Heat Pumps (split, mini-split, or multi-split)	$1,500/ton	$750/ton

Variable Refrigerant Flow (VRF) Heat Pump	$3,000/ton	$1,500/ton
All-Electric Heat Pump Rooftop Unit	$3,000/ton	$1,500/ton
TABLE CTND.		
Upgrade	**Equity Priority Rebate**	**Standard Rebate**
Electric Infrastructure Upgrade	100% of costs capped at $4,000.	
EnergyStar Certified Heat Pump Water Heater	$3,000/unit	$1,500/unit
Replacing Gas Water Heater with ENERGY STAR Certified Electric Water Heater	$2,000/unit	$1,000/unit
Window Film with SHGC ≤ 0.35	$3.00/SF	$1.50/SF
Roof insulation* standard	$0.62/SF	$0.32/SF
Roof insulation* for businesses <2,500 square feet and nonprofits that serve low-income populations	$1.28/SF	$0.64/SF
Attic insulation R-49 standard	$0.32/SF	$0.16/SF
Attic insulation R-49 for businesses under 2,500 square feet and nonprofits that serve low-income populations.	$0.64/SF	$0.32/SF
Wall insulation** standard	$0.12/SF	$0.06/SF
Wall insulation** for businesses under 2,500 square feet and nonprofits that serve low-income populations.	$0.24/SF	$0.12/SF

*All City of Louisville rebates are capped at $5,000 per business participant

Fees	Amount per check
Third party check processing fee	$10.10

COLORADO ▪ SINCE 1878

Letter of Support

To: City Council Members

From: Sustainability Advisory Board

Date: April 26, 2024

Re: Boulder County PACE IGA

Dear Louisville City Councilors,

The Louisville Sustainability Advisory Board understands that City staff have proposed to offer efficiency and electrification rebates for Louisville businesses funded by the City's bag tax revenue and administered by the County's Partners for a Clean Environment (PACE). These rebates would stack with certain rebates currently offered by PACE. The Board enthusiastically supports City staff's proposal.

While revenue from Louisville's bag tax has primarily funded waste diversion and reduction programs for participating businesses, the language of the City's bag tax allows for revenue to fund other sustainability initiatives. At the present moment the most important sustainability initiatives are those that effect deep and rapid decarbonization. Efficiency and electrification rebates represent one of the best means to accelerate decarbonization of Louisville's businesses. Moreover, incentivizing efficiency and electrification upgrades at Louisville businesses will further achievement of goals and objectives from the City's Sustainability Action Plan and Community Decarbonization Plan.

Louisville businesses generally reflect our community's commitment to sustainability; in particular, our businesses would like to contribute to the community's efforts to reduce our greenhouse gas emissions. (For instance, a few members of Louisville's business community contributed to development of the Community Decarbonization Plan.) Just as residents enjoy support from the City for decarbonization (through rebates administered by the County's EnergySmart), businesses should also enjoy support from the City for decarbonization, especially since our business sector generates more greenhouse gas emissions, and these greenhouse gas emissions are typically more difficult to reduce. Moreover, supporting our businesses' decarbonization will generate good will between the City and its businesses as we work to tackle the climate crisis.

Relatedly, the Board recently recommended to City staff that City Council establish efficiency and electrification rebates for Louisville businesses as part of its 2025-2026 budget. City staff's current proposal would serve as a pilot. If City Council decides to include such rebates in the City's 2025-2026 budget, then the City could fund these rebates in part through the City's bag tax revenue.

Thank you for considering our recommendation.

Sincerely,
The Louisville Sustainability Advisory Board