

CITY COUNCIL STUDY SESSION

Eastside Climate Partnership Interlocal Agreement

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DIRECTION NEEDED FROM COUNCIL

DIRECTION

Tonight's Study Session will provide Council with an overview of the proposed Eastside Climate Partnership Interlocal Agreement, which will support the implementation of an Energy Smart Eastside Heat Pump Program and the Sustainable Bellevue Environmental Stewardship Plan.

RECOMMENDATION

Direct staff to bring the Eastside Climate Partnership Interlocal Agreement back to Council for adoption at a future meeting.

BACKGROUND & ANALYSIS

This presentation will provide a brief overview of the proposed Eastside Climate Partnership Interlocal Agreement (ECP ILA), between the Cities of Bellevue, Kirkland, Redmond, Issaquah, and Mercer Island, which will help advance climate action and collaboration between these five Eastside cities (see Attachment A, Eastside Climate Partnership Interlocal Agreement).

The ECP ILA builds on the interlocal agreement for the King County - Cities Climate Collaboration (K4C), allowing for deeper collaboration amongst Eastside cities. It does not supersede or negate the K4C ILA or Bellevue's participation in K4C.

The ECP ILA would establish an Eastside Climate Partnership to formalize collaboration and shared resources for an Energy Smart Eastside Heat Pump Program ("ESE Program") and future collaborative efforts, consistent with approved strategies in Bellevue's Environmental Stewardship Plan related to energy conservation. The ECP ILA also allows for the hiring of a shared staff person to manage the ESE Program.

Key aspects of the interlocal agreement include:

- Establishment of an Administrative Board comprised of staff representing each member city, which will identify and develop future joint/collaborative programs consistent with the goal of reducing greenhouse gas emissions and advancing collective sustainability initiatives. Individual cities are not obligated to participate in programs developed/recommended by the Board.
- Creation of the Energy Smart Eastside Heat Pump Program ("ESE Program"), which will help low-income households and affordable housing developments cover the cost of heat pumps.

While all cities will participate in program management through the Administrative Board, Bellevue is proposed to be the city that provides administrative support and coordination for the program. The ECP ILA also contemplates the program expanding to include other electrification or decarbonization opportunities such as air source hot water heat pumps, solar, and electric appliances.

- Authority for cooperative contracting, where one party, as designated by the Board, may enter into contracts on behalf of the other cities to procure goods or services necessary to implement any joint program. Prior to any cooperative contract, the Board will identify which party will be the lead agency for purpose of contract execution and management, as well as the percentage of costs each city participating in the joint program will reimburse the lead agency.
- Authority for the City to engage the work of a shared Program Manager to support the ESE Program and other joint undertakings approved by the Board. The cities involved in any joint program supported by a Program Manager will share in the costs of such position, at a rate determined by the Board. If a Program Manager is hired as an employee of one of the parties, the hiring city shall adhere to its human resources code/policies and be responsible for day-to-day management and discipline.

The proposed interlocal agreement is intended to complement the work performed under the K4C Agreement, providing a mechanism by which the parties might more effectively and efficiently implement programs to respond to climate change and reduce sources of pollution. The proposed interlocal will not replace the existing K4C agreement, create a new or separate legal entity, require a joint operating budget, or preclude cities from pursuing grants/programs on their own initiative.

As the largest city in the partnership, it is proposed that Bellevue would host the limited term shared staff position (Energy Smart Eastside Program Manager) and split the costs with the other Eastside cities. The ILA is intended to precede necessary contracting and agreements as well as hiring a shared staff person as part of the ESE Program.

With the passage of the Inflation Reduction Act, the next several years will provide a tremendous opportunity to accelerate home energy efficiency efforts to help achieve Bellevue's goal to reduce greenhouse gas emissions 50 percent by 2030. The ECP ILA will help Bellevue, and the other Eastside cities, leverage economies of scale and individual city budgets, pursue grants, and collaboratively build programming and resources to help Eastside residents save money and reduce their carbon footprint.

POLICY & FISCAL IMPACTS

Policy Impact

There are several Council approved plans, priorities, policies, and cooperative commitments that are advanced by the proposed ECP ILA:

2021-2025 Environmental Stewardship Plan, (Res. 9859, 2020)

- E.2.2: Home energy retrofit program. Develop a home energy retrofit program to support retrofits and incentivize energy efficiency.

- E.2.3: Equitable access to energy programs. Improve access to energy efficiency programs for low-income and historically underserved and underrepresented policies.
- E.2.4: Building electrification training. Develop an education and outreach program for contractors and homeowners on the benefits of building electrification in partnership with green building organizations, other cities, or the K4C.

Bellevue City Council Vision and Priorities (2021-2023)

- Priority #8: Implement the Environmental Stewardship Plan, which identifies actions in five focus areas:
 - Climate change
 - Energy
 - Materials management and waste
 - Mobility and land use
 - Natural systems

Bellevue Comprehensive Plan Climate Change Policies (2015)

- EN-6. Establish an achievable citywide target and take corrective actions to reduce greenhouse gas emissions such as reducing energy consumption and vehicle emissions and enhancing land use patterns to reduce vehicle dependency.
- EN-7. Develop and implement climate change adaptation strategies that create a more resilient community by addressing the impacts of climate change to public health and safety, the economy, public and private infrastructure, water resources, and habitat.
- EN-8. Provide regional leadership on environmental issues that extend beyond Bellevue's boundaries and require regional cooperation.

King County Cities Climate Collaboration (Res. 8789, 2014)

- Council joined the King County Cities Climate Collaboration (K4C) on August 4, 2014, by signing an Interlocal Agreement (Resolution 8798). K4C is a partnership among cities across King County working to achieve greenhouse gas emission reductions consistent with Countywide Planning Policies.

K4C Joint Commitments (February 17, 2015 and September 14, 2020)

- VI. Green Building and Energy Efficiency – Project or Program. Develop a multi-city partnership to build a regional energy efficiency retrofit economy, including tactics such as: collaborating with energy efficiency and green building businesses, partnering with utilities, working with community partners, and expanding on existing retrofit programs. Foster opportunities for economic development, job creation, community-based representations, and pro-equity strategies.

Fiscal Impact

The adopted 2023-2024 City Budget includes an additional \$500,000 in the ESI Operating budget to support the implementation of the ESP along with \$560,000 per year for 2023-2024 for implementing the plan in the ESI Implementation CIP budget. Any costs associated with the ECP, such as City contributions to the Energy Smart Eastside program and expenses for the shared staff limited-term position, have been included in the ESI operating and CIP budgets for 2023-2024. The other Eastside

cities are also in the process of finalizing their 2023-2024 budgets and hiring the Energy Smart Eastside Program Manager limited term shared staff position is dependent on the adoption and final funding allocations for each city's sustainability program.

OPTIONS

1. Direct staff to bring the Eastside Climate Partnership Interlocal Agreement back to Council for adoption.
2. Provide alternative direction to staff.

ATTACHMENTS

- A. Eastside Climate Partnership Interlocal Agreement

AVAILABLE IN COUNCIL LIBRARY

Sustainable Bellevue Environmental Stewardship Plan, 2021-2025.
King County - Cities Collaboration Interlocal Agreement.
King County - Cities Climate Collaboration Joint Letter of Commitment.