

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 03/03/08		Item Number: <u>C-2</u>	
AGENDA ITEM: Adoption of an Ordinance Establishing a Mandatory 1 Kilowatt Solar Photovoltaic Requirement for Each 10,000 Square Feet of Gross Floor Area of New Construction for Commercial and Multi-Family Projects, Including Additions Equal to 10,000 Square Feet or More of Gross Floor Area, and Major Renovations to Existing Buildings of 10,000 Square Feet or More of Gross Floor Area.			
Contact Person/Dept.: Heather Baker/City Attorney		Phone Number: (310) 253-5660	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Public Notification: Master Notification List (02/27/08)			
Department Approval: Carol Schwab (by H. Baker) (02/26/08)		City Attorney Approval: Carol Schwab (by H. Baker) (02/26/08)	
Fiscal Impact Review: Jeff Muir (02/26/08)		City Manager Approval: Jerry B. Fulwood (02/27/08)	
<u>RECOMMENDATION:</u> Staff recommends the City Council adopt an Ordinance establishing a mandatory 1 kilowatt (kw) solar photovoltaic requirement for each 10,000 square feet of gross floor area of new construction for commercial and multi-family projects, including additions equal to 10,000 square feet or more of gross floor area and major renovations to existing buildings of 10,000 square feet or more of gross floor area, and waive further reading. <u>BACKGROUND/DISCUSSION:</u> At the City Council meeting of February 25, 2008, the Council introduced the Ordinance (Attachment 1), by a unanimous vote (5-0). The Ordinance is brought back tonight for adoption. <u>FISCAL ANALYSIS:</u> To illustrate a sample project, a simple financial analysis of a new required project is as follows:			

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A three story building with 3,334 sq. ft. per floor would meet the minimum 10,000 sq. ft. qualification requiring installation of a 1 kw photovoltaic system. A 1 kw system would cost approximately \$11,000 and the estimated payback would be 16.5 years. However, due to the added energy savings for a project, if the system is financed as part of overall building construction, this payback may produce a positive cash flow of \$3.00 per month or \$34 per year based on a 30 year loan and including Federal tax credits and State tax rebates. The system will also produce energy savings of 1,151 kw hours per year resulting in the economic benefit of energy savings irrespective of project financing. As proposed, the proportionate cost for the energy system is less than one-half of one percent of the overall building construction cost.

From the City's perspective there will be less reliance upon utilities and less UUT revenue generated on a per project basis. The 10,000 sq. ft. threshold means that the effect will be small. (For example, if the proposed Ordinance had been in full effect in FY 06-07, it is estimated there would have been a loss of \$836 for all qualifying projects)

ATTACHMENTS:

1. Ordinance

MOTIONS:

That the City Council:

Adopt an Ordinance establishing a mandatory 1 kw solar photovoltaic requirement for each 10,000 square feet of gross floor area of new construction for commercial and multi-family projects, including additions equal to 10,000 square feet or more of gross floor area and major renovations to existing buildings of 10,000 square feet or more of gross floor area and waive further reading.