City of Sunnyvale

Agenda Item

15-0691 **Agenda Date:** 1/29/2016

2016 COUNCIL STUDY ISSUE

NUMBER
ESD 13-05C

TITLE Eco-district Feasibility and Incentives

BACKGROUND
Lead Department: Environmental Services Department
Support Department(s): Community Development

Sponsor(s):
Councilmembers: Griffith, Martin-Milius

History:
1 year ago: Deferred
2 years ago: Above the Line

Explanation:
Although ranked and scheduled for study in 2013, City funds were not allocated to conduct the study and instead Council directed staff in 2013 and again in 2014 to seek grant funding to pay for the study. Staff was unable to identify available grant opportunities that aligned with the study objectives. After two years of seeking grant funds, Council directed staff (via RTC 15 -0012, March 17, 2015) to defer the study issue and present it again for Council consideration at the January 2016 Workshop.

SCOPE OF THE STUDY
What are the key elements of the study?
An Eco-district is a neighborhood or district with a broad commitment to accelerate neighborhood-scale sustainability. Eco-districts commit to achieving ambitious sustainability performance goals, guiding district investments and community action, and tracking the results over time. The aim of an Eco-district is to integrate objectives of sustainable development and planning and reduce the ecological footprint of a project.

The study issue would determine the feasibility of the Eco-district concept in Sunnyvale. The study would also identify and make recommendations for incentives the City can offer developers to implement strategies for enhancing neighborhood sustainability, such as energy and water management systems, green streets, and resource conservation, similar to how the City provides FAR incentives for LEED.

What precipitated this study?
Eco-District concepts support many of the policies identified in the City's General Plan and the City's

sustainability goals included in the Climate Action Plan. The creation of eco-districts in Sunnyvale could enhance the City's efforts to emphasize unique features of special districts and highlight the City's sustainability and neighborhood values while reducing community greenhouse gas emissions**.**

Planned Completion Year: 2016

FISCAL IMPACT

Cost to Conduct Study

Level of staff effort required (opportunity cost): Major

Amount of funding above current budget required: $50,000

Funding Source: Will seek budget supplement

Explanation of Cost:
As proposed, this study would require significant staff time to complete. The Eco-district concept is a fairly new and emerging concept with limited examples of implementation. Due to staff expertise and workload, it is anticipated that a consultant would be necessary to complete this study. It is anticipated that the cost for a consultant to identify the feasibility and level of incentives necessary to implement an Eco-district in Sunnyvale would be in the ballpark of $50,000. Funding would likely be from the General Fund and the timing would have to be after the Community Choice Energy effort is handed off to the JPA and its own staff.

Cost to Implement Study Results

Study would include assessment of potential costs.

Explanation of Cost:
Capital and operating costs could vary considerably depending on the level of City involvement in establishing and administering an Eco-district. Options identified as a result of this study may require additional, substantial funding, as well as operating costs in future years to implement the Eco-district concept. The implementation costs would be incurred through staff time to develop guidelines for the Eco-district strategy and unknown capital and operating costs associated with ongoing implementation and support if the City is an active participant in the strategy. The impact of the study would be realized in potential greenhouse gas reductions as a result of the sustainability measures implemented. This study would support measures identified in the Climate Action Plan, General Plan and Land Use and Transportation Element. Costs associated with the implementation of this study issue would also be based on the incentives identified. Costs may be monetary or in the form of deviations from current development requirements, depending on the outcome of the study.

EXPECTED PARTICIPATION IN THE PROCESS

Council-approved work plan: No
Council Study Session: No
Reviewed by Boards/Commissions: Planning Commission, Sustainability Commission

STAFF RECOMMENDATION

Position: Support Phase 1 of the study

Explanation: Staff recommends a two phased approach for this Study Issue. Phase 1 would consist of an assessment of the alignment of the City's current practices and policies with Eco-District principles and objectives. The City utilizes many strategies to promote sustainable development within Sunnyvale such as specific area planning efforts, implementing and updating the City's Green Building Policy, and updating of the Land Use and Transportation Element. Many of the sustainability goals or objectives included in these plans are similar to common strategies employed by Eco-Districts. Phase 1 of the study would be an assessment conducted by staff (no more than 100 staff hours). Conducting the Phase 1 assessment would help determine whether or not the City should invest in securing consultant support to conduct Phase 2 and further define the scope of the consultant services needed. The Phase 2 study would include determining feasibility of Eco-District implementation in Sunnyvale and what financial incentives the City could offer to developers. Staff will present the results of the Phase 1 of the study to the City Council and key Boards and Commissions and seek direction for Phase 2 of the study at that time.

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