

City of Phoenix
General Obligation Bond Committee
Environment & Sustainability Subcommittee
Summary Minutes
Thursday, September 22, 2022

City Council Chambers
200 W. Jefferson St.
Phoenix, Ariz.

Subcommittee Members Present

Ms. Ginger Torres, Chair
Mr. Pat Edwards
Mr. Ian O’Grady
Ms. Lisa Perez
Ms. Shannon Scutari
Mr. Dan Stellar, Vice Chair
Mr. Colin Tetreault
Ms. Serena Unrein

Subcommittee Members Absent

Mr. Gene D’Adamo

1. CALL TO ORDER

Chair Ginger Torres called the Environment and Sustainability Subcommittee to order at 9:03 a.m. with Committee members Pat Edwards, Ian O’Grady, Lisa Perez, Shannon Scutari, Dan Stellar, Colin Tetreault, and Serena Unrein present.

2. REVIEW AND APPROVAL OF THE SEPTEMBER 12, 2022 MEETING MINUTES

Chair Torres requested to amend the minutes by moving the subcommittee discussion currently displayed in Item 7 - Adjournment to Item 5 - Call to the Public. Committee member Tetreault made a motion to approve the minutes of the September 12, 2022 Environment and Sustainability Subcommittee meeting as presented by Chair Torres. Vice Chair Stellar seconded the motion, which passed unanimously, 8-0.

3. INTRODUCTORY REMARKS

Chair Torres discussed public feedback and support for proposed projects from the Executive Committee meeting held on September 14, 2022, and she thanked subcommittee members for their work thus far. She also reminded members that a list of projects ranked in priority order was due to the Executive Committee by the last meeting and would need to define the projects for ranking by the end of this meeting. She mentioned that staff developed an option to help members rank projects and called on Vice Chair Stellar to provide any additional remarks.

Vice Chair Stellar thanked Chair Torres for her remarks and agreed on the balanced approach.

4. CAPITAL NEEDS AND PRIORITIZATION AND EVALUATION PROCESS

Chair Torres thanked staff for the three memos provided prior to the meeting regarding fuel tanks, financing options including Energy Service Contracts (ESCOs), and brownfields. Chair Torres introduced staff to present additional material requested from the previous meeting.

Deputy City Manager Karen Peters introduced Public Works Director Joe Giudice.

Mr. Giudice explained the new project proposal to consolidate and expand the Equipment Replacements for Energy and Water Efficiency project and the Upgrade HVAC and Other Climate Control Equipment for Energy Savings project into Energy and Water Efficiency and Renewable Energy Upgrades at City Facilities with a combined cost of \$20 million. He addressed a question on whether a short-term asset could be used instead of fuel tanks. He stated the City would not invest in short-term assets but would purchase a 30-year warranty asset to ensure all environmental requirements were met. Mr. Giudice then discussed renewable energy upgrades.

Heat Response and Mitigation Director David Hondula presented on future capital needs and the proposed Heat Resiliency Scope Expansion, including Tree Planting, Green Infrastructure, Cool Corridors, and Cool Pavements. He noted specific projects had not been defined due to difficulty determining which projects would be ready by 2025.

Environmental Programs Coordinator Rosanne Albright spoke on City Brownfields Redevelopment Projects and the need for funding to cover unexpected environmental issues when carrying out a project.

Ms. Peters stated public comment could occur before the ranking method was presented, followed by any subcommittee questions regarding the presentations or memos.

Chair Torres agreed. She thanked staff for the additional information.

Chair Torres opened the floor for public comment.

Acting Assistant City Attorney David Benton explained the rules for public comment.

Kirin Goff expressed support for the Heat Mitigation program and increasing the City's tree canopy.

Chair Torres concluded public comment and thanked Ms. Goff for participating.

Chair Torres discussed her desire to present voters with programs that achieve operational and sustainability goals and that programs reflect the intent of the subcommittee. She opened the floor for comments from subcommittee members.

Committee member Tetreault agreed with the financing memo that ESCOs would need to be evaluated individually and asked about the evaluation process if an opportunity arose. He also asked how much would be allocated to energy efficiency projects.

Chair Torres noted other funding methods should be sought and used as applicable and that the intent of the subcommittee's goals should be met when implementing projects. She asked staff to respond.

Ms. Peters responded that staff would evaluate project funding on a case-by-case basis and utilize the best opportunities as they arose.

Chief Sustainability Officer Mark Hartman discussed the project procurement process and noted that combining solar with energy efficiency projects allowed for better results.

Chair Torres asked if Committee member Tetreault had any other questions for staff. He indicated he did not.

Chair Torres asked if the Rio Reimagined Land Acquisition project in the Economic Development & Education Subcommittee included funds for brownfields cleanup.

Ms. Albright answered that funds for the acquisition project included \$20 million for land acquisition and \$3.5 million for brownfields cleanup within the area.

Ms. Peters followed up by reading the scope of the project as presented to the subcommittee.

Chair Torres asked if that project encompassed all development along the Rio Salado or if there were other projects that would need brownfields funds.

Ms. Albright answered that the allocated funds for Rio Reimagined only included land associated within that area and that the \$5 million requested under this subcommittee's future capital needs were for city projects outside of the Rio Reimagined area. She noted funds could be allocated from Brownfields Redevelopment Projects towards Rio Reimagined brownfields cleanup, if funds were still available and allowed for such use.

Chair Torres asked if there were brownfields projects in known need of funding.

Ms. Albright explained there were ongoing city projects along the river that could utilize the brownfields funds in the future.

Chair Torres clarified that brownfields funding would be used for environmental cleanup and for economic development such as park spaces.

Ms. Albright confirmed that was correct.

Committee member Tetreault left the meeting at 9:48 a.m.

Committee member O'Grady asked how long it took brownfields to be ready for development after remediation and how the City defined brownfields.

Ms. Albright answered that brownfields were defined as stated by the Environmental Protection Agency (EPA) and applying to properties that were vacant, underutilized, or abandoned. She mentioned the City currently did not have any properties outside that definition.

Committee member O'Grady asked about the timeline on brownfields development from the time of funding.

Ms. Albright explained that funds were spent quickly when building renovation or demolition occurred. She added that brownfields funds for land acquisitions were usually spent on environmental concerns prior to development and that development followed the Request for Proposal (RFP) process, possibly taking years. She deferred to Ms. Peters for clarification.

Ms. Peters responded that brownfields were unpredictable and may move quickly or take longer.

Committee member O'Grady noted starting the process sooner rather than later, given its lengthy timeline.

Chair Torres noted that brownfields funding was requested in the last two bond programs as future projects. She indicated an opportunity could be missed in the future if the project was not funded.

Committee member Perez asked if private property acquired by the City would qualify for EPA funds.

Ms. Albright explained that the City currently qualified for an EPA grant to be used on City-acquired land in the Rio Reimagined area for assessment costs only and bond funds would be needed for cleanup. She explained any future land acquisitions would need bond funding or other sources for environmental work and current city-owned properties did not qualify for EPA grants.

Chair Torres asked where the Del Rio landfill was located.

Ms. Albright stated it was located between 7th Street and 16th Street.

Committee member Unrein asked staff how flexibility in programs would also account for equity.

Ms. Peters asked Mr. Hondula to explain how heat resiliency projects were prioritized.

Mr. Hondula stated equity was core to their mission by identifying areas that were in most need and including community engagement, subcommittees, and non-profit groups to maintain accountability.

Committee member Perez asked about working with utility companies or private companies if they found their land did not permit trees.

Mr. Hondula answered that utility companies were members of the urban forestry roundtable, and that staff would seek their input in updating the Tree and Shade Master Plan and continue to work with them in the future.

Committee member Scutari mentioned the South Central Collaborative would like to work with the City on transportation and brownfields.

Vice Chair Stellar asked if all prioritized and future capital projects had the same flexibility with projects and funds.

Mr. Giudice explained that fuel tanks were a project but funding could be adjusted based on recommendations to reduce or increase locations or tanks. He also mentioned other programs were scalable by determining the level of investment.

Vice Chair Stellar noted trying to balance the City's backlog of capital needs while addressing environmental and equitable needs.

Chair Torres asked Committee member Edwards if he had any questions or comments.

Committee member Edwards expressed appreciation for staff efforts to align projects with the intent of the subcommittee.

Committee member O'Grady agreed with the approach to not specify projects in the programs to allow for flexibility. He discussed possible future use of heat pumps depending on technology advancements; expressed support for green banks; and noted the fuel tank project was an operational cost for public safety and should be

moved to that subcommittee. He encouraged the subcommittee to invest in EV transition and cool corridors as well as partner with Economic Development & Education Subcommittee for brownfields funding. He also expressed support for increasing funding for this subcommittee above the \$25 million allocated.

Chair Torres reminded members that a rank ordered list of projects was needed and that the universe of projects was due today. She turned the floor to staff to discuss the ranking process.

Ms. Peters recapped the option to consolidate two of the programs that included a scope change to incorporate renewable energy for the prioritized list. Before discussing the future projects, she asked if subcommittee members agreed with the proposed consolidation and scope change so that it could be considered as is.

Chair Torres asked if staff needed a verbal indication or required a vote for the agreement.

Mr. Fazio stated when the subcommittee voted on identifying projects, the motion would need to specify that it was for the combined project, if so desired.

Chair Torres stated she accepted the combined projects and, since no other members wished to discuss, she expressed the subcommittee's agreement to do so. She also desired to ensure funds would go to all types of projects in that category.

Ms. Peters presented on the future capital needs projects, including revisions to incorporate green infrastructure elements within the scope. She asked Mr. Fazio to discuss how the ranking would take place.

Mr. Fazio discussed the direction from the Executive Committee to determine a list of projects, prioritize them, recommend funding, and identify projects not moving forward. He also presented a survey tool that could be sent to all members to rank projects by priority as a starting point for deliberations. He explained survey results would be in aggregate form. He reminded the subcommittee that individual responses would be public record.

Chair Torres commented that the tool looked useful.

Committee member Scutari agreed the tool was useful but pointed out some projects cross over to other subcommittees or departments and that she would like to know when those projects align.

Mr. Fazio explained once all projects were recommended and presented to the Executive Committee, it would evaluate which projects intersected and aligned.

Chair Torres confirmed with members that the tool would be used for ranking projects.

Committee member Perez commented that she trusted staff knew which projects were needed now and believed staff had valid reasons for placing EV stations in future as opposed to prioritized projects. She indicated she was comfortable with the five proposed items.

Committee member O'Grady suggested that funding and logistics were why the City could not transition the police fleet to EV within the next five years. He stated that if funding was not made for EV now, the City would delay transition even further.

Mr. Giudice replied that until a full and complete transition to EV was made, fuel tanks were still needed. He explained the City's fleet was currently transitioning to EV, and he anticipated the number would increase as more vehicles became available. He explained that EV police pursuit vehicles were not immediately available, which impacted the possibility of a quicker transition.

Ms. Peters added that the implementation of the Transportation Electrification Plan had been monitored very closely by Council and that the City was pursuing transition with all allowable resources and market conditions.

Committee member Scutari indicated the Heat Resiliency program was ready for implementation based on department information and public comments and would like the program to be moved to a prioritized item.

Chair Torres asked members if they also agreed that Heat Resiliency should be part of the list of projects for ranking. Members agreed that it should be added to the list. She asked if an official vote was needed.

Ms. Peters stated once there was consensus on the list, then a motion and a vote would be needed to determine the projects moving forward.

Chair Torres asked if any members would like the brownfields projects added to the list.

Committee member Scutari recommended adding brownfields to the projects considered for ranking.

Chair Torres stated the subcommittee agreed to add brownfields projects to the list of projects.

Committee member O'Grady requested a motion to include all prioritized and future projects into the ranking tool and to decide at the fourth meeting what projects would be funded.

Chair Torres asked if funding zero dollars to a project was an option after ranking results were known.

Mr. Fazio stated the survey tool would prompt members to identify projects that should not be funded, and its results would be presented at the next meeting. He explained the subcommittee would then determine which projects to recommend.

Chair Torres agreed with the proposal and asked if a motion could be made to include both the prioritized and future needs projects into the ranking list.

Committee member O'Grady made a motion to include both the prioritized and future capital needs projects as amended to the list of projects for ranking. Committee member Edwards seconded the motion, which passed unanimously, 7-0.

Chair Torres discussed the survey tool and project funding, and she reminded subcommittee members to stay within the \$25 million allocated to the subcommittee.

5. FUTURE AGENDA ITEMS

Chair Torres asked if any members had any requests for the next meeting.

Committee member Perez confirmed that ranking and finalizing projects to move forward to the Executive Committee were the last steps of the subcommittee.

Committee member O'Grady asked staff for more information on EV transition, including fleet comparisons from surrounding cities.

Chair Torres asked for clarification on the information requested.

Committee member O'Grady stated he would like to know more on what the \$16 million would be spent on in the EV project. He also questioned why funding was being requested as a future bond project instead of prioritized.

Chair Torres asked if staff could provide additional information.

Mr. Giudice explained the intent of the funding was to make significant infrastructure investments beyond charging stations, such as power improvements throughout the city. He noted studies were currently being conducted to identify what infrastructure was needed. He also noted the City was determining what federal funding it could apply for.

Chair Torres asked Committee member O'Grady if this answered his questions.

Committee member O'Grady requested more information on how EV transitioning would work for fleet vehicles in various departments still reliant on fuel.

Chair Torres thanked staff in advance for honoring the request.

Vice Chair Stellar asked about the process to move the fuel tank project to another subcommittee.

Mr. Fazio stated the other two subcommittees where the project may have fit within the scope of work had concluded. He stated that if the subcommittee believed the project had merit but not within this subcommittee, it could recommend to the Executive Committee that it be moved under the scope of another subcommittee or addressed through another bond program.

Chair Torres asked if there was a way to reflect that in the survey tool.

Mr. Fazio answered that staff could poll subcommittee members on whether they believed that would be the right approach.

Chair Torres stated that would be helpful.

Committee member Perez asked if comments could be reflected in the survey tool.

Mr. Fazio stated individual responses would not be presented, so verbal comments would need to be made at the next meeting.

Chair Torres reminded members that individual rankings were public record. She reminded the audience that comments could still be submitted by email or phone. She stated the next meeting was scheduled for October 10 and members should notify staff if a conflict occurs.

6. ADJOURNMENT

Chair Torres adjourned the meeting at 10:42 a.m.