

AGENDA ITEM SUMMARY

City Council



STAFF

Joanne Cech, Fiscal Recovery Manager, Financial Services

SUBJECT

First Reading of Ordinance No. 147, 2024, Making a Supplemental Appropriation in the 2050 Tax Parks Rec Transit OCF Fund for Evaluation of the Inflation Reduction Act Tax Credits.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate \$100,000 from 2050 tax revenue to contract with external consultants to evaluate the cost/benefit of the City pursuing Inflation Reduction Act (IRA) tax credits.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The Inflation Reduction Act, passed in 2022, provided for local governments to apply for tax credits on any projects utilizing or developing renewable energy sources, and on purchases of EVs and installation of EV charging stations. The requirements for claiming and filing these tax credits are complex and require specific expertise in renewable energy, IRS tax credits, and project management. The City issued an RFP for consulting services to perform this evaluation and has selected a consultant to perform the work for the City. The City is currently negotiating the contract for consulting services.

CITY FINANCIAL IMPACTS

\$100,000 in the 2050 Tax Parks Rec Transit OCF Fund will be appropriated and expended for this evaluation.

If the evaluation shows a positive net present value for pursuing these IRA tax credits, then the City will implement a program to pursue filing for the tax credits, most likely with the assistance of an outside firm.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration
2. IRA Tax Credits Summary