

AGENDA ITEM SUMMARY

City Council



STAFF

John Phelan, Energy Services Manager
Cyril Vidergar, Legal

SUBJECT

First Reading of Ordinance No. 080, 2023, Authorizing Transfers of Appropriations for the Northside Aztlan Resilience Hub Project.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate supplemental funds for the Northside Aztlan Community Center Resilience Hub Project. Funding originally provided through Ordinance No. 113, 2020, supported the construction of battery storage and upgraded solar equipment at the Northside Aztlan Community Center. Project cost overruns arising from escalation, building code changes and design modifications requires Utilities to transfer \$60,000 from the Utilities Energy Services budget to supplement the Northside Aztlan Resilience Hub capital project budget. This funding transfer utilizes anticipated underspend of lapsing funds to accomplish an objective consistent with the purpose of the project. The project also received \$200,000 in funding from the Colorado Department of Local Affairs.

STAFF RECOMMENDATION

Staff recommends approval of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The Northside Aztlan Resilience Hub Project supported the construction of battery storage and upgraded solar equipment at the Northside Aztlan Community Center to allow the facility to function as a resilience hub during community emergencies. Circumstances presented by COVID-19 and nearby fire events demonstrated the need for and viability of incorporating enhanced resilience, efficiency, and innovation services to the community. The project was funded via a \$200,000 grant from the Colorado Department of Local Affairs (DOLA), \$25,000 from the Keep Fort Collins Great Fund and \$200,000 of matching funds from Fort Collins Utility Services. The City resourced the original \$200,000 in matching funds for this project from the 2020 Energy Services budget (originally appropriated in the Light and Power Fund Operations Budget), available as a result of underspend due to the COVID-19 pandemic. Transfer of the underlying appropriation occurred by Ordinance No. 113, 2020 (attachment 2).

The key outcome of this project is that in the case of a community emergency in which the electric grid cannot deliver power, the new battery system at Northside Aztlan Community Center can power a sufficient level of lighting, ventilation and plug loads so that the facility can be used as a resilience hub to coordinate centralized resource distribution and services for community members. The new battery system passed

final testing on May 1, 2023, and has been operating since. The new battery and enhanced solar system also provide benefits to the facility by reducing monthly energy charges through the generation of renewable energy and offset of electric demand and can further be used to by Utilities for electric distribution system benefits. Together, these three outcomes (community resilience, lower facility bills, electric distribution operations) demonstrate capabilities expected to be widely deployed in the community to achieve Our Climate Future goals.

The project cost was originally estimated at \$425,000. However, circumstances generated project design changes, incurring a final cost of \$481,389 which has been invoiced in accordance with requirements of the DOLA grant. The following factors and design changes were required to complete the project:

- COVID-19 pandemic forced an extension of the DOLA grant and produced inflationary cost escalations.
- Changes to the Fire Code and existing building construction elements required moving the battery system outside the Northside Aztlan structure to a separate container/building.
- The updated Fire Code required extensive enhancement to the originally proposed fire suppression system.
- City land use rules required completing a Minor Amendment application and review process to allow construction of the container/building.
- Additional project management costs arising from supply chain delays and project timeline extensions related to battery container design, permitting, purchase, installation, security, and landscaping.

CITY FINANCIAL IMPACTS

The proposed \$60,000 of funding will use unencumbered lapsing funds in the 2023 Energy Services budget. These supplemental funds for the project are consistent with the goals and purposes for which that money was originally appropriated, namely to enhance grid flexibility and reduce greenhouse gas emissions. The transferred funds will be encumbered into the non-lapsing grant funded project budget, therefore there would be no net impact to the Light & Power Fund.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

Staff presented this project to the Energy Board on September 10, 2020, concurrent with Council's consideration of Ordinance No. 113, 2020.

PUBLIC OUTREACH

Public outreach is planned to take the form of an educational placard and various media postings to raise awareness of this innovative demonstration and the value it provides to the community on both a daily basis as well as the important resiliency support functions for the community.

ATTACHMENTS

1. Ordinance for Consideration
2. Ordinance No. 113, 2020