



REPORT TO COUNCIL City of Sacramento

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Staff Report
April 10, 2007

**Honorable Mayor and
Members of the City Council**

Title: City Support for Clean Technology in the Sacramento Region

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** indicating the City's support of: 1) the efforts of the Partnership for Prosperity's Clean Energy Action Team; and 2) policies within the U.S. Mayors' Climate Protection Agreement.

Contact: David Spaur, Director of Economic Development, 808-8196
Tom Zeidner, Sr. Economic Development Project Manager, 808-1931

Presenters: David Spaur

Department: Economic Development

Division: Citywide and Downtown

Organization No: 4451, 4453, 4455

Description/Analysis

Issue: Partnership for Prosperity (PfP) was initiated in late 2004, based on successful models of regional planning efforts elsewhere, to identify an economic development vision for the six-county Sacramento region. It has been championed by a wide coalition of public- and private-sector groups, with the aim of developing a business plan to guide economic development policy within the region. The PfP has considered a large body of research, analysis and stakeholder input to focus in on catalytic strategies to leverage the region's competitive advantages, strengths and market opportunities. The result is a strategy framework focusing on: 1) business development; 2) post-secondary and high school education; 3) civic amenities; and 4) clean energy technology.

Within the realm of clean energy, a dedicated PfP action team has evolved around the notion of the Sacramento region becoming a center for clean energy, green building and efficient transportation technologies. This focus is especially timely, given recent passage of the California Solar Initiative, the industry's current economic development potential and the region's existing attributes

relevant to this sector.

The clean energy initiative, and PfP in general, follow and complement the Sacramento Area Council of Governments' (SACOG) Blueprint regional growth plan. Indeed, the SACOG Board of Directors on December 14, 2006 adopted a resolution expressing its support for the PfP Clean Energy Initiative, citing the economic development potential and existing regional advantages mentioned above.

Concurrent with the PfP efforts, City staff has been exploring the possibility of establishing a new "Clean Energy and Green Technology" incentive zone within the City limits for purposes of facilitating the start-up and growth of enterprises in clean energy and other environmentally-friendly industries. Once in place, it will be the intent of the new zone to focus the benefits of existing business incentive programs to the particular advantage of these industries.

Predating these local efforts, the U.S. Conference of Mayors in 2005 adopted a resolution endorsing the Mayors' Climate Protection Agreement. That Agreement calls for action at all levels of government to enact polices and programs to reduce emissions of global warming pollutants to below 1990 levels. That resolution, incorporating the Mayors' Agreement is attached to this report as Exhibit A.

The attached resolution, consistent with the resolution adopted by the SACOG Board in December, recognizes the efforts of PfP and its Clean Energy Technology Action Team, citing the economic development potential and environmental benefits for the region. The resolution goes on to acknowledge: 1) the concept of a new Clean Energy and Green Technology Zone for purposes of spurring the industry's development in Sacramento; and 2) related programs and projects currently existing in the City of Sacramento. Adoption of the resolution will indicate the City's support of the PFP activities and the U.S. Mayors Climate Protection Agreement.

Policy Considerations: The actions described in this report are consistent with the regional Partnership for Prosperity initiative and recent policy established by the SACOG Board of Directors.

Environmental Considerations: The requested actions are not a project as defined by CEQA as they do not involve activities that may cause a direct or indirect impact on the environment (Public Resources Code Section 21065).

Rationale for Recommendation: These actions are consistent with earlier-adopted City planning efforts.

Financial Considerations: The actions recommended in this report have no direct financial impact on the City.

Emerging Small Business Development (ESBD): None

Respectfully Submitted by:  _____
David Spaur
Director, Economic Development Department

Recommendation Approved:

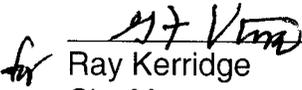
 _____
Ray Kerridge
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

RESOLUTION IN SUPPORT OF CLEAN TECHNOLOGY INDUSTRY DEVELOPMENT IN THE SACRAMENTO REGION

BACKGROUND

- A. The Partnership for Prosperity is a regional effort by the public and private sectors in the six-county Sacramento region to create a shared business agenda with focused economic development strategies that leverage the region's competitive advantages, unique strengths, and market opportunities. Business development, post-secondary education and high school education, civic amenities, and clean energy technology have been identified as the four priority opportunities to be addressed, coordinated, and aligned.
- B. The Clean Energy Technology Action Team, which includes representatives from throughout the region, including the Sacramento City Manager's office, is developing strategies to increase clean-energy related academic and private sector research, start-up companies, investment capital and education infrastructure. The Clean Energy Technology Action Team seeks to increase public awareness that clean technology is a vibrant growth industry that will create thousands of jobs in the Sacramento region in the future.
- C. On August 21, 2006, the Governor signed SB 1, the California Solar Initiative, to set a target of 3,000 megawatts of solar power to be installed on California homes and businesses by 2018. Solar companies must grow 30 percent per year to meet these targets.
- D. A recent study by a panel of state agencies (as reported in Business Week's October 2, 2006 issue) predicted that building renewable energy infrastructure and battling climate change would create 83,000 jobs and \$4 billion in income by 2020 in California. A study by UC Berkeley released on August 16, 2006 predicts that returning California's global warming emissions to 1990 levels by 2020, as required by AB32, will increase the Gross State Product by \$74 billion and create 89,000 additional jobs by 2020.
- E. L. John Doerr, partner at Silicon Valley venture capital firm Kleiner Perkins Caufield & Byers, has described the overall green-energy market as "probably the largest economic opportunity of the 21st century." Opportunities exist today, and natural resources needed to support the new state laws for solar power and emission reductions are locally abundant, including rice straw, forest biomass, sunshine for a significant portion of the year, and wind in the Sacramento River Delta. The Sacramento region's public and private sector are already conducting

many sustainability initiatives, including: advancing research in bio-fuels at UC Davis and fuel cell technology at West Sacramento's California Fuel Cell Partnership; encouraging Science, Technology, Math and Engineering curriculum in the region to educate the future clean technology workforce; recruiting international and domestic companies to the Sacramento region; increasing the use, and therefore, market demand for clean, alternative energy; and developing programs to encourage energy efficiency and solar panel installations.

- F. The Sacramento region is uniquely positioned to be the center for clean technology in the State of California with its current research and development facilities; academic, private and public sector collaboration to pursue new opportunities; readily available natural resources; and market demand for environmentally-friendly products increasing exponentially. Local investment, job creation, environmental stewardship, marketing and branding impacts and overall increase to the region's economic vitality from clean technology could be the largest economic engine in the region in the 21st century.
- G. The City of Sacramento is currently engaged in the process of exploring the possibility of creating a "Clean Energy and Green Technology Zone" for the purposes of encouraging start-up companies, expanding businesses and the location of new companies engaged in renewable energy products and processes, and the lowering of emissions, Leadership in Energy and Environmental Design (LEED) certified products, and companies engaged in sustainable practices that increase the overall quality of life of Sacramento. It is anticipated that the proposed Zone could incorporate existing investment incentives provided by the Recycling Market Development Zone, Enterprise Zone, Foreign Trade Zone, and Export/Import programs currently offered in the Sacramento region. Combined, these programs may provide an advantage in growing emerging technology businesses serving the private sector and in turn, could secure Sacramento's position as an ideal location for investment by clean-energy and green-technology companies.
- H. The Sacramento region has a number of programs and services provided through Sacramento Municipal Utility District (SMUD) that encourage sustainable development, conservation, reductions in energy usage and emissions, and improving the environment.
- I. The City of Sacramento is progressive and a leader in "Best Practices" in land-use, and transit development, most notably the 65th Street/Transit Village Redevelopment project that provides a 25-year plan for mixed use, transit-oriented development with a goal to reduce household emissions by one ton of carbon dioxide yearly.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

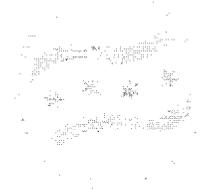
Section 1. The City of Sacramento fully supports and recognizes the environmental,

social and economic benefits of the regional Partnership for Prosperity initiative and the efforts of its Clean Energy Technology Action Team.

Section 2. The City of Sacramento endorses and supports the policies contained within the U.S. Mayors Climate Protection Agreement.

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Exhibit A U.S. Conference of Mayors Resolution



2005 ADOPTED RESOLUTIONS
ENVIRONMENT

ENDORISING THE U.S. MAYORS CLIMATE PROTECTION AGREEMENT

WHEREAS, the U.S. Conference of Mayors has previously adopted strong policy resolutions calling for cities, communities and the federal government to take actions to reduce global warming pollution; and

WHEREAS, the Inter-Governmental Panel on Climate Change (IPCC), the international community's most respected assemblage of scientists, has found that climate disruption is a reality and that human activities are largely responsible for increasing concentrations of global warming pollution; and

WHEREAS, recent, well-documented impacts of climate disruption include average global sea level increases of four to eight inches during the 20th century; a 40 percent decline in Arctic sea ice thickness; and nine of the ten hottest years on record occurring in the past decade; and

WHEREAS, climate disruption of the magnitude now predicted by the scientific community will cause extremely costly disruption of human and natural systems throughout the world including increased risk of floods or drought; sea level rises that threaten coastal storms to erode beaches, inundate land, and damage structures; more frequent and extreme heat waves, more frequent and greater concentrations of smog; and

WHEREAS, on February 16, 2005, the Kyoto Protocol, an international agreement to address climate disruption, went into effect in the 141 countries that have ratified it to date; 38 of those countries are now legally required to reduce greenhouse gas emissions on average 5.2 percent below 1990 levels by 2012; and

WHEREAS, the United States of America, with less than five percent of the world's population, is responsible for producing approximately 25 percent of the world's global warming pollutants; and

WHEREAS, the Kyoto Protocol emissions reduction target for the U.S. would have been 7 percent below 1990 levels by 2012; and

WHEREAS, many leading U.S. companies that have adopted greenhouse gas reduction programs to demonstrate corporate social responsibility have also publicly expressed preference for the US to adopt precise and mandatory emissions targets and timetables as a means by which to remain competitive in the international marketplace, to mitigate financial risk and to promote sound investment decisions; and

WHEREAS, state and local governments throughout the United States are

adopting emission reduction targets and programs and that his leadership in bipartisan working from Republican and Democratic governors and mayors take place.

WHEREAS, many cities throughout the nation, both large and small, are reducing global warming pollutants through programs that provide economic and quality of life benefits such as reduced energy bills, green space preservation, air quality improvements, reduced traffic congestion, improved transportation modes, and economic development and job creation through energy conservation and new energy technologies; and

WHEREAS, mayors from around the nation have signed the U.S. Mayors Climate Protection Agreement, which was amended at the 73rd Annual U.S. Conference of Mayors meeting, resolve: The U.S. Mayors Climate Protection Agreement 3) We urge the federal government and state governments to enact policies and programs to meet or exceed the target of reducing global warming pollution levels to 7 percent below 1990 levels by 2012, including efforts to reduce the United States' dependence on fossil fuels and accelerate the development of clean, economical energy resources and fuel-efficient technologies such as conservation, methane recovery for energy generation, waste-to-energy, wind and solar energy, fuel- and efficient motor vehicles, and bio-fuels; 4) We urge the U.S. Congress to pass bipartisan greenhouse gas reduction legislation that includes 1) a carbon-trading and emissions-trading and 2) a flexible, market-based system of credits to allowances among emitting industries; and 5) We will strive to meet or exceed Kyoto Protocol targets for reducing global warming pollution by taking actions in our own operations and communities such as: 1) Inventory global warming emissions in City operations and in the community, set reduction targets and create an action plan; 2) Adopt and enforce land-use policies that reduce sprawl, preserve open space, and create compact, walkable urban communities; 3) Promote transportation options such as: bike trails, commute trip reduction programs, incentives for car-pooling and public transit; 4) Increase the use of clean, alternative energy by, for example, investing in "green roofs", advocating for the development of renewable energy resources, recovering landfill methane for energy production, and supporting the use of waste-to-energy technology; 5) Make energy efficiency a priority through building code improvements, retrofitting city facilities with energy efficient lighting and utility employees to conserve energy and save money; 6) Purchase only Energy Star equipment and appliances for City use; 7) Practice and promote sustainable building practices using the U.S. Green Building Council's LEED program or a similar system; 8) Increase the average fuel efficiency of municipal fleet vehicles; reduce the number of vehicles through an employee pool car program including anti-idling messages, vehicle theft, vehicle idling ban; 9) Explore opportunities to increase pump efficiency in water and wastewater system to recover wastewater treatment methane for energy production; 10) Increase recycling rates in City operations and in the community; 11) Maintain and develop urban forests, promote tree planting to increase shading and to absorb CO₂; and 12) Help educate the public, schools, other municipal, professional associations, business and industry about reducing global warming pollution.

NOW, THEREFORE, BE IT RESOLVED that The U.S. Conference of Mayors endorses the U.S. Mayors Climate Protection Agreement as amended by the 73rd Annual U.S. Conference of Mayors meeting and urges mayors from around the nation to join this effort.

BE IT FURTHER RESOLVED, The U.S. Conference of Mayors will work in conjunction with ICMA, Local Governments for Sustainability and other appropriate organizations to track progress and implementation of the U.S. Mayors Climate Protection Agreement as amended by the 73rd Annual U.S. Conference of Mayors meeting.

