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City of Las Cruces[®]
 PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 6 Ordinance/Resolution# 10-269 Council District: 4

For Meeting of May 3, 2010
 (Adoption Date)

TITLE: A RESOLUTION EXPRESSING SUPPORT AND GRANTING PERMISSION FOR THE INSTALLATION OF SOLAR HOT WATER AND SOLAR PHOTOVOLTAIC SYSTEMS, USING PRIVATELY RAISED FUNDING, ON CITY-OWNED PROPERTY OPERATED BY THE EL CALDITO SOUP KITCHEN. PERMISSION IS CONDITIONED UPON CITY AND CID APPROVAL OF FINAL PLANS AND COMPLIANCE WITH THE PROCUREMENT CODE.

PURPOSE(S) OF ACTION: To give permission to the El Caldito Soup Kitchen Board of Directors to install solar energy equipment on their City-owned building, this will allow them to begin fundraising for the installation.

Name of Drafter: Thomas Schuster <i>TDS</i>		Department: Community Development		Phone: 528-3069	
Department	Signature	Phone	Department	Signature	Phone
Community Development	<i>[Signature]</i>	528-3066	Budget	<i>[Signature]</i>	541-2300
<i>Fin.</i>	<i>[Signature]</i>	<i>511-2451</i>	Assistant City Manager	<i>[Signature]</i>	541-2271
Legal	<i>[Signature]</i>	541-2128	City Manager	<i>[Signature]</i>	541-2076

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS: The El Caldito Soup Kitchen is a community-based non-profit that has operated in Las Cruces for over 25 years. Located in the Community of Hope campus at 999 W. Amador, the organization leases its building from the City of Las Cruces. The kitchen serves more than 230 free meals per day, and has recently expanded its operations to seven days per week.

The El Caldito Board of Directors recently approached City staff and several local businesses which specialize in renewable energy about the possibility of installing a photovoltaic system and a solar hot water system on site. This would not only help create energy savings that could be reinvested in the organization's mission, it would also serve as a demonstration project for the community.

The organization spends \$12,600.00 per year on electricity. A small scale (3 kW) photovoltaic system would generate about \$1,100.00 per year in electricity savings given current rates and incentives. A cost-effective solar hot water system is under consideration that could save the organization an additional 70% on its \$2800.00 per year gas bill. In addition to the renewable energy installations, energy audits will be performed to identify equipment improvements and operational changes that can result in further savings. The funding for these improvements would be raised by the El Caldito Board through private donations.

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EI Caldito cannot take advantage of the tax credits normally available for these systems because of its tax-exempt status. However, another opportunity may exist that could lower the cost of the photovoltaic installation by a roughly equivalent amount. The New Mexico Solar Energy Association (NMSEA) holds regular hands-on training sessions in which actual systems are installed for non-profits. NMSEA is considering organizing a training session around this project. If successful, this effort could reduce the cost of the system by nearly half, while at the same time providing an opportunity for local workers to gain valuable training in an emerging field.

Since the building is owned by the City, any modifications to the structure require City approval, and will ultimately become property of the City. The system design and installation plans will be subject to review and approval by the Facilities Department and the Construction Industries Division of the State. City staff (or an agent of the City) will conduct inspections both during and after construction to ensure code compliance and site and building reparations post installation. The acquisition and installation of equipment will have to comply with the City's Procurement Code.

This Resolution expresses support for the proposed project, directs City staff to assist as needed in implementation, and grants the necessary permission to allow the installation on City property, subject to compliance with applicable codes and regulations.

SUPPORT INFORMATION:

Fund Name / Account Number	Amount of Expenditure	Budget Amount
N/A	N/A	N/A

1. Resolution

OPTIONS / ALTERNATIVES:

1. Vote "Yes" and approve the Resolution as written. Permission to proceed is granted and staff will continue to assist the EI Caldito Board to execute the project.
2. Vote "No" and deny the Resolution. This will deny permission to install solar systems on the City-owned building.
3. Modify the Resolution and vote "Yes".
4. Table the Resolution and direct staff accordingly.

RESOLUTION NO. 10-269

A RESOLUTION EXPRESSING SUPPORT AND GRANTING PERMISSION FOR THE INSTALLATION OF SOLAR HOT WATER AND SOLAR PHOTOVOLTAIC SYSTEMS, USING PRIVATELY RAISED FUNDING, ON CITY-OWNED PROPERTY OPERATED BY THE EL CALDITO SOUP KITCHEN. PERMISSION IS CONDITIONED UPON CITY AND CID APPROVAL OF FINAL PLANS AND COMPLIANCE WITH THE PROCUREMENT CODE.

The City Council is informed that:

WHEREAS, the El Caldito Soup Kitchen plays a vital role in the community by serving free hot meals to over 230 people daily, and

WHEREAS, El Caldito's energy expenses exceeded \$15,000 last year, and that energy savings could benefit the community by allowing more services to be funded, and

WHEREAS, the Board of Directors of El Caldito has approached the City for permission to make enhancements to the City-owned building by installing solar electric and hot water systems, and making energy efficiency improvements, and

WHEREAS, such improvements would be funded entirely through private donations and may involve volunteer labor, with no cost to the City other than in-kind staff support.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the City supports the efforts of El Caldito and grants permission to incorporate renewable energy and energy efficiency improvements into the property it leases from the City.

(II)

THAT this permission is contingent upon the approval of plans and inspection and acceptance of improvements by the Facilities Department and compliance with any applicable regulations of the Construction Industries Division of the State of New Mexico. Any resulting improvements will become

property of the City, and City staff will inspect during and after construction to insure site and building reparations have been made.

(III)

THAT due to the fiscal relationship between the City of Las Cruces and El Caldito, any funds expended on this project, regardless of origin, must be consistent with the City's Procurement Code. In the event that an arrangement is found to be exempt from the Procurement Code, City staff shall still review any agreement between El Caldito and its contractor.

(IV)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____, 2010.

APPROVED:

(SEAL)

Mayor

ATTEST:

City Clerk

Moved by: _____

Seconded by: _____

VOTE:

Mayor Miyagishima: _____

Councillor Silva: _____

Councillor Connor: _____

Councillor Pedroza: _____

Councillor Small: _____

Councillor Sorg: _____

Councillor Thomas: _____

APPROVED AS TO FORM:

[Handwritten Signature]

City Attorney
[Handwritten Initials]