



CITY OF SPOKANE  
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September 6, 2018

Council President Ben Stuckart  
& Members of the City Council  
808 W. Spokane Falls Blvd.  
Spokane, WA 99201

**RE: Ordinance C35668 Relating to creating a Sustainability Action Commission, describing its composition, and stating its goals, duties, and functions; amending SMC sections 15.05.050 and 15.05.060; and enacting a new chapter 04.36 to the Spokane Municipal Code.**

Dear Council President Stuckart & City Council Members,

Together, we have made sustainable infrastructure a priority and have received national recognition for our efforts. Our joint focus has been on actions that are environmentally and financially responsible - always with an eye to the fragile economic condition of the citizens we serve. We remain dedicated to adding more renewable power generation and are exploring options for additional investments in “smart” technology, such as adding solar energy generation to City-owned facilities. We are a national leader in our approach to improving the health of the Spokane River, and we continue to invest in effective water conservation programs that help lead the way to addressing PCBs in our watershed. Together, we have created a culture that represents innovative, continuous improvement and a desire to leave the City’s environment better than we found it. We can take great pride in having achieved these outcomes.

The ordinance creates a Sustainability Action Committee and sets a community wide goal of achieving 100 percent renewable energy for electricity by 2030. These goals, while laudable, are both unaffordable and unattainable and could expose the City to unnecessary liability. While City Councilmembers have stated that the intent of the ordinance is to create a committee that is only advisory, and a goal that is only aspirational, the extensive charter for the committee which is outlined in the ordinance, and the specificity of the language throughout, conveys a very different intent. In an email from 350 Spokane, they purport that the “Sustainability Action Committee “will develop concrete plans for climate resilience, mandated greenhouse gas emission reductions, and the goal of 100 percent renewable electricity by 2030.” Clearly mandates are more than aspirational goals.

Notwithstanding the laudable intentions of the proposed Ordinance, as I communicated to you on August 17<sup>th</sup> my concerns remain as follows:

**This proposed ordinance details a dramatic shift in responsibility from City of Spokane professional staff to a non-elected committee of citizens as directed in section 4.36.010.** The committee’s listed tasks are not advisory in nature; in fact, the committee is charged with developing a variety of plans to lead City operational decisions. They are directed to consult with

all divisions and departments within the City, recommend positions for legislative advocacy at the state and federal levels, and recommend strategies on issues far beyond the City's sphere of influence like reducing wildfires and helping our power utility increase its renewable portfolio. The ordinance also misdirects the committee to do the work of the City's professional staff and directs our professional staff to oversee the work of the committee. There is no provision that indicates that the committee is advisory. And in no case can any committee direct operational staff.

**This program is not an element of our collaborative Strategic Plan.** We worked together to build a joint Strategic Plan to focus our work. I am committed to delivering on that plan. We have a number of goals around sustainability measures, including water conservation, strategic use of the energy we already produce, and efforts to advance our Smart City initiatives. The Strategic Plan identified the work we jointly decided was most important. Both our operational budget and our six year capital budget were built around these priorities; we have not set aside funding for this work.

**Fiscal analysis around this proposal is lacking.** My financial concerns are twofold; I am concerned equally about increasing the City's cost to operate as well as the financial impact on our citizens, particularly our most financially vulnerable families. The comprehensive tasks of the committee suggests an annual work plan similar to that of the Plan Commission, which requires hundreds of hours of staff time to complete each year. Moreover, the financial impact analysis required by Section 04.36.040 A includes undefined concepts such as "negative externalities."

Additionally, the lost revenue that will be incurred under Section 15.050.050, requiring building and construction permit fees for the installation of electric vehicle charging stations to be waived for example, creates further uncertainty and substantiates my concerns about costs which should have been outlined in a fiscal impact statement, which is required by City Council, on the coversheet for the ordinance.

The ordinance also creates uncertainty regarding the cost implications for the City to purchase electricity. Dramatic new investments in new energy generation will lead to higher prices—potentially significantly higher prices. The analysis of published rates has shown that our local power utility provider currently does not produce enough renewable energy to supply their current customers. Compliance with the ordinance would require the purchase of Renewable Energy Certificates. In 2017, the cost was about \$8.3 million for electricity to run City government operations. Under the available credit program, the City would need to spend about \$21 million more each year for a total of nearly \$30 million a year.

**We must make good on our promise to hold utility rates to modest inflationary increases.** We all – City Council and Administration together – crafted a vision to keep yearly increases in our citizens' utility bills affordable. I have strong concern for the financial health of our citizens and businesses along with the competitiveness of our community as we work to grow, create jobs, ensure affordable housing options, and continue strategic investments in critical local

government services. The City doesn't generate the power that serves the broader community, it doesn't sell that power to residential and commercial customers, and it doesn't pay the bills that ultimately are the burden of families and businesses. Many of the financial impacts of the proposed goal will be out of the control of City government, and we will have no ability to offer financial protections for our citizens.

Median household income in our community has increased in recent years and now sits at \$45,676. Although that is the highest MHI we have seen for the City of Spokane, it remains well below our United Way ALICE (Asset Limited, Income Constrained, and Employed) amount of \$54,000. Our focus on affordability of government remains a top priority and all decisions like this must consider our citizens' ability to pay. We have endeavored together to hold down City utility rates for water, sewer and garbage, limiting increases to 2.9 percent annually. While the citizen cost estimates of the 2030 goal have yet to be fleshed out, the initial analysis suggests that, to achieve the 2030 goal, utility bills would increase by several hundred dollars each month for the average household.

Our overall environmental achievements are the envy of cities across the country and are still affordable. The effort requires considerably more time for broader community engagement and refinement. We continue to make incredible progress in the areas of sustainability, conservation and environmental remediation and protection.

I am committed to working collaboratively with City Council members and our community to set priorities for appropriate planning and investments in environmental stewardship – this can include setting up a sustainability advisory committee to advise, collaborate with, and monitor our work. We have that history and I look forward to continuing this important work. After careful consideration, I have chosen to veto Ordinance C35668, as it threatens our ability to deliver on our environmental priorities at a cost our citizens can afford.

Sincerely,

A handwritten signature in blue ink, appearing to read "David A. Condon". The signature is stylized and fluid, with a large initial "D" and "C".

David A. Condon  
Mayor