



DATE: May 20, 2024

TO: Mayor and Members of the City Council

VIA: Stefan Chatwin, City Manager  
Marlene Subhashini, Assistant City Manager

FROM: Derek Schweigart, Parks and Recreation Director  
Estelle Gobrera, Management Analyst

DEPARTMENT: Parks and Recreation

SUBJECT: AGREEMENT WITH PENINSULA CLEAN ENERGY (PCE) FOR  
MEMBER AGENCY ENERGY GRANT TOWARDS THE  
PHOTOVOLTAIC SYSTEM FOR THE RECREATION CENTER  
REBUILD PROJECT (CIP 301-678)

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### RECOMMENDATION

It is recommended that the City Council approve a resolution authorizing the City Manager to apply for, submit the application package, and enter into an agreement with Peninsula Clean Energy (PCE) for a Member Agency Energy Grant towards the photovoltaic system for the Recreation Center Rebuild Project (CIP 301-678) (Project), and accept grant funds if application is approved.

### EXECUTIVE SUMMARY

The Foster City Recreation Center is nearly 50 years old and requires reconstruction to address structural, seismic, City's resiliency goals, and community programmatic needs, as well as enhance emergency response readiness. To address these needs, the Recreation Center Rebuild Capital Improvement Project (CIP 301-678) aims to replace the existing Recreation Center with a new facility at the current site with the goal of implementing sustainable design strategies.

In November 2022, the City Council awarded the professional design, bidding, and construction support services to Group 4 Architecture, Research + Planning, Inc. (Group 4). Subsequently, in March 2023, the City Council awarded the construction management and support services to Griffin Structures. Construction is scheduled to begin in September 2024. The Project offers a unique opportunity to advance the City Council's Innovation and Sustainability and Climate Action Plan goals. In alignment with the City's Climate Action Plan, the project is on track to minimally achieve LEED Silver certification for the new all-electric Recreation Center building but ultimately is positioned to achieve LEED Platinum and/or meet net-zero carbon performance standards, which grant funds would help achieve.

With the goal of ultimately reaching zero net carbon performance standards, the Project has been designed to be photovoltaic ready and to have the potential to expand electric vehicle charging beyond those installed per building code requirements. The addition of a photovoltaic system, which is currently a bid alternate on the construction bid documents, would allow the project to meet requirements for LEED Gold, potentially Platinum and meet net-zero carbon performance. This goal will be accomplished with the support of the requested grant funding from PCE. The architect's construction estimate for the photovoltaic array is approximately \$1.5 million to \$1.7 million.

Staff recommends that Council authorize the City Manager to apply for and submit the grant application package to PCE Member Agency Energy Grant to offset a portion of the costs of the photovoltaic array if the City Council elects to award the bid alternate as part of the construction contract for the Project.

## BACKGROUND/ANALYSIS

In December 2023, the PCE Board of Directors authorized a one-time allocation of \$11.5 million in surplus funds for its member agencies to implement local energy projects. Each agency has been allocated a specific funding level for its use in a manner consistent with PCE's mission. Foster City's allocated amount is \$551,232.

The allocations are one-time grants, and no repayment is required, however, member agencies will be required to adhere to a spending verification process as determined by PCE. An executed contract will be required. Funds will be made available 50% up front and 50% on the successful completion of the project. Annual and post expenditure completion reports will be required to be submitted to PCE.

The City Council has approved funding in the amount of \$55,374,250 to the Project (CIP 301-678). The remainder of the funding needed for the current Project budget estimate of \$64,958,000 is planned to be appropriated in the FY 2024-2025 budget to be adopted by the City Council on June 17, 2024. The final Project budget will be determined by the bidding and the award of a construction contract.

Energy Grant funding from PCE will be used to offset the cost for the photovoltaic system bid alternate if the City Council elects to include in the Project scope during the construction bid process. The photovoltaic system will provide alternative energy for the building and help the City lead by example to achieve its sustainability goals with a higher LEED certification and potential for a Net Zero Carbon building.

Staff recommends that the City Council authorizes the City Manager to apply for and submit the application package to PCE for a Member Agency Energy Grant to offset the cost of the Recreation Center photovoltaic system.

## CALIFORNIA ENVIRONMENTAL QUALITY ACT

This action to authorize the application package to be submitted to PCE is exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section under the “common sense” exception pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that this action may be a significant effect on the environment. Additionally, on November 16, 2023, the Planning Commission of City of Foster City adopted two resolutions (Resolution Nos. P-19-23 AND P-20-23) to approve Initial Study and Mitigated Negative Declaration (IS/MND) for the Recreation Center Rebuild project and issued the Use Permit for the proposed demolition and rebuild of the project itself.

## FISCAL IMPACT

The architect’s construction estimate for the photovoltaic array is approximately \$1.5 million to \$1.7 million. PCE has allocated \$551,232 of local energy grant funds for City of Foster City. Estimated remaining funding needed from \$948,768 - \$1,148,768. On December 12, 2022 staff was notified by Gilead Sciences Foundation, Inc. that the City was awarded grant funding in the amount of \$500,000 specifically related to energy efficiency and other green building measures in order to achieve LEED Silver certification. City Council approved execution of the grant agreement with Gilead Sciences Foundation, Inc. per Resolution No. 2022-143. These funds can be used to offset some of the costs.

## CITY COUNCIL VISION, MISSION, AND VALUE/PRIORITY AREA

Facilities and Infrastructure

## ATTACHMENTS

Attachment 1 - Resolution

Attachment 2 – Peninsula Clean Energy Member Agency Energy Grant Agreement

Attachment 3 – Grant Application