



September 19, 2008

Mr. Jack Kirtland, Regional Manager
Colorado Department of Local Affairs
Grand Junction, Colorado

Dear Mr. Kirtland,

The local governments of Garfield County, in partnership with nonprofits, other government agencies and community organizations, have developed this joint application for the New Energy Communities Initiative.

We are proposing a comprehensive program to increase energy efficiency in public, commercial and residential buildings, increase renewable energy, enhance overall community livability, incorporate energy improvements into downtowns, and advance a clean energy economy countywide.

As ground zero for the most intense level of natural gas drilling in the state, Garfield County communities are in a unique position to prepare for the future and become leaders in the New Energy Economy. The elected officials of all government boards involved in the application cast unanimous votes to endorse the application and provide local match.

We are asking for the full \$2 million available for regional proposals. To match that funding, we have pledged \$500,000 in local cash match, \$1,318,500 in in-kind, and have obtained a \$250,000 pledge for seed funding for an accompanying Clean Energy Investment Fund. We are mobilizing the combined organizational capacity of 16 partners, with support from many others.

We are eager to build on the momentum created by the announcement of the initiative, and plan to use the grant award to take aggressive steps to advance new energy in our county.

Sincerely,

Garfield County Board of Commissioners
Garfield County Public Library District
Carbondale Board of Trustees
Glenwood Springs City Council
New Castle Town Council
Silt Board of Trustees

Rifle City Council
Parachute Board of Trustees
Roaring Fork Transportation Authority
Clean Energy Economy for the Region



STATE OF COLORADO

(For Use by State)

Department of Local Affairs
ENERGY AND MINERAL IMPACT ASSISTANCE PROGRAM APPLICATION
Tier I or Tier II

Public Facilities/Public Services/Community Development Projects
 (Refer to back page for application filing information)
Applications Must Be Submitted Electronically

A. GENERAL AND SUMMARY INFORMATION

1. Name/Title of Proposed Project: Garfield New Energy Communities Initiative

2. Applicant: Garfield County
 (In the case of a multi-jurisdictional application, name of the "lead" municipality, county, special district or other political subdivision).

In the case of a multi-jurisdictional application, provide the names of other directly participating political subdivisions: Town of Parachute, City of Rifle, Town of Silt, Town of New Castle, City of Glenwood Springs, Town of Carbondale, Garfield County Public Library District, Roaring Fork School District, Roaring Fork Transportation Authority

3. Chief Elected Official (In the case of a multi-jurisdictional application, chief elected official of the "lead" political subdivision):

Name: John Martin Title: Chairman, Board of County Commissioners
 Mailing Address: 108 8th Street Phone: (970) 945-5004
 City/Zip: Glenwood Springs, Colo. 81601 Fax: (970) 945-7785
 E-mail Address: jmartin@garfield-county.com

4. Designated Garfield County Contact Person (will receive all mailings) for the Application:

Name: Jim Rada Title: Environmental Health Manager
 Mailing Address: 108 8th Street Phone: (970) 625-5200 x 8113
 City/Zip: Glenwood Springs, Colorado 81601 Fax: (970) 945-7785
 E-mail Address: _____

Designated CLEER Contact Person (will receive all mailings) for the Application:

Name: Alice Hubbard Laird Title: Director
 Mailing Address: P.O. Box 428 Phone: (970) 704-9200
 City/Zip: Carbondale, Colorado 81623 Fax: (970) 963-5942
 E-mail Address: ahubbardlaird@sopris.net

5. Amount of Energy/Mineral Impact Funds requested: (**Tier I**; Up to \$200,000 or **Tier II**; Greater than \$200,000 to \$2,000,000) \$2,000,000

6. a. Brief Description of the Project and the Community's Documented or Demonstrated Need:
 (The reason for this project application in 100 words or less)

Garfield New Energy Communities Initiative is a comprehensive program to increase energy efficiency in public, commercial and residential buildings, increase renewable energy, enhance overall community livability and advance a clean energy economy county-wide.

As ground zero for the most intense level of natural gas drilling in Colorado, Garfield County is in a unique position to prepare for the future and become a leader in the New Energy Economy.

A broad coalition of government agencies, nonprofits and other partners collaborated to create this proposal, an indication of the strong commitment toward taking aggressive steps to secure our energy future.

b. Brief Description of how this project addresses the Community's Documented or Demonstrated Need:

(Is the project a benefit to public health [e.g. improve water quality, provide for a more reliable quantity of water]; or does the project improve the effectiveness or efficiency of services [e.g. by improving the drainage system, upgrading the financial records system, adding office space]; or does the project add to the quality of life of the community [e.g. improvements to community centers, senior and/or youth centers] Describe in **100 words or less.**)

- Energy efficiency and renewable energy projects will stabilize energy costs and provide long-term savings for participating owners.
- Clean energy projects will deliver measurable results in helping communities meet clean energy and climate goals.
- Visible demonstration projects will build community awareness of clean energy technology.
- Successful establishment of clean energy financing mechanisms will help make projects affordable.
- Supporting website, presentations, newsletters, advertising campaigns, workshops and technical assistance will provide the information and motivation needed for the community to grasp clean energy opportunities.
- The project fosters an unusually high level of collaboration among the county's diverse communities.

7. **A.** Local priority if more than one application from the same local government (e.g., 1 of 2, 2 of 2, etc.). N/A

B. DEMOGRAPHIC AND FINANCIAL INFORMATION.

1. Population

a. What was the 2000 population of the applicant jurisdiction? 43,791

b. What is the current estimated population for the applicant jurisdiction? 53,020 in July 2006
(Current/most recent lottery distribution estimate is acceptable.)

What is the source of the estimate? State Demography Office

c. What is the population projection for the applicant in 5 years? 77,553 in 2014
What is the source of the projection? State Demography Office

2. Financial Information (Current Year):

In the column below labeled "Applicant" provide the financial information for the municipality, county, school district or special district directly benefiting from the application. In the columns below labeled "Entity", provide the financial information for any public entities on whose behalf the application is being submitted (if applicable).

Item 7. B. 2. Financial Information — Garfield New Energy Communities Initiative

	Garfield County	Garfield Library District	Carbondale	Glenwood Springs	New Castle	Silt	Rifle	Parachute
Assessed Valuation 2007	\$2,859,519,340	\$2,859,519,340	\$117,895,680	\$226,962,220	\$51,629,280	\$28,049,480	\$82,890,687	\$16,563,962
Mill Levy	13.655	1.0	3.594	4.417	6.906	8.973	5.261	8.591
Property Tax Revenue	\$39,046,737	\$2,859,519	\$423,717	\$1,002,492	\$356,552	\$251,688	\$436,087	\$142,301
Sales Tax Rate	1%	0.25%	3.5%	3.7%	3.5%	3%	3.5%	3.75%
Sales Tax Estimated Annual Revenue	\$7,258,328	\$3,788,592	\$3,928,050	\$16,488,620	\$1,185,750	\$397,000	\$7,395,489	\$1,720,278
Total General Fund Budget	\$32,470,960	\$3,813,378	\$8,038,384	\$14,726,858	\$3,426,920	\$3,835,478 *	\$9,190,454	\$3,113,344
Total Applicant Budget Amount	\$99,373,736	\$4,220,378	\$24,273,779	\$50,160,430	\$6,506,265	\$7,633,261	\$63,965,486	\$7,233,417
Total Multi-year Debt Obligations for all Fund Types*	0	0	\$3,530,277	\$23,391,933	\$10,047,541	\$6,318,140	\$23,596,567	\$418,738
Total Lease-Purchase and Certificates of Participation obligations*	COPs \$19,180,000	0	0	\$36,052	\$283,868	\$243,552	\$2,997,278	0
General Fund Balance (Reserves) as of Jan. 1, 2008.	\$17,193,347	\$3,051,205	\$4,138,332	\$5,204,700	\$1,285,568	\$852,314	\$4,146,386	\$2,052,000

* SILT: Total General Fund Budget includes \$1.67 million in grants for capital projects.

C. PROJECT BUDGET. List expenditures and sources of revenue for the project. The totals on each side of the ledger must equal.

Expenditures		Sources of Revenue (Dollar for Dollar Cash Match is Encouraged)			Funding Committed
List Budget Line Items (Examples: architect, engineering, construction, equipment items, etc.)		List the sources of matching funds and indicate either cash or documentable in-kind contribution			Yes/No
		<u>Cash</u>		<u>In-Kind</u>	
Greening public facilities	\$1,520,000	Energy/Mineral Impact Fund Grant Request	\$ 2,000,000		N
Renewable Energy	\$1,020,000	*Energy/Mineral Impact Fund Loan Request (If applicable)	\$ 0		N
LED Communities	\$31,000	Governor's Energy Office	\$146,945		
Small Commercial	\$177,500	Garfield County	\$200,000	\$575,000	Contingent on passage of 2009 budget
Residential Solar	\$150,000	Town of Parachute	\$5,000		“
Insulate Colorado	\$171,545	City of Rifle	\$20,000	\$390,000	“
Energy Star New Homes	\$81,400	Town of Silt	\$1,000		“
Greening Government	\$250,000	Town of New Castle	\$4,000	\$50,000	“
Model codes	\$90,000	City of Glenwood Springs	\$206,000	\$250,000	“
Sustainability team	\$335,000	Town of Carbondale	\$30,000		“
Other	\$139,000	Garfield Public Library District	\$20,000		“
		Roaring Fork Transportation Authority	\$20,000		“
		Other		\$53,500	
TOTAL	\$3,965,445	TOTAL	\$2,646,945	\$1,318,500	
Please attach a more detailed budget if available		*Loans with a 5% interest rate may only be awarded for potable water and sewer projects. Leave blank if a loan is not requested.			

D. PROJECT INFORMATION.

The statutory purpose of the Energy and Mineral Impact Assistance program is to provide financial assistance to “political subdivisions socially or economically impacted by the development, processing or energy conversion of minerals and mineral fuels.”

1. Energy/Mineral Relationship/Social and Economic Impact.

- a. Describe how the applicant is, has been, or will be impacted by the development, production, or conversion of energy and mineral resources.

Drilling activity: Garfield County has the largest concentration of gas drilling activity in Colorado. Of the 132 drilling rigs working in Colorado in 2008, 74 have been working in Garfield County. As of Aug. 5, the Colorado Oil and Gas Conservation Commission had issued 1,698 drilling permits in Garfield County, 38 percent of the statewide total for the year to date. In 2007, the 2,250 drilling permits issued in Garfield County were 40 percent of the state total.

Gas production: Garfield County has 4,921 producing wells that yielded 137 BCF of gas in January through May 2008. Garfield County wells yielded 388 BCF in 2007, 31 percent of the total state production.

Community impacts: Rising costs for construction, housing and labor are straining public and private budgets.

Costs of construction have climbed by 80 to 120 percent, and bidding on public works projects has risen by 30 percent since 2005. A new wastewater treatment plant for Rifle was bid at \$16 million in 2006; its actual cost today is \$23 million. A school facility in Rifle was built in 2001 at \$110 per square foot; bids for a new facility came in at \$225 per square foot. Many public works projects receive no bids at all because of the region is short on contractors and workers.

Labor: BBC Research reports that in Garfield County, heavy construction industry wages increased by 48 percent from 2000 to 2006, coinciding with the rapid growth of natural gas development. This compares to a 14 percent increase statewide over the same period. Heavy construction companies operating in Garfield County pay their workers up to 94 percent of the average wages earned for comparable work in the gas industry. Statewide, average heavy construction wages are 60 percent below gas industry wages.

Unemployment rates in Garfield County average 3.0 percent for January through July 2008, and were 2.5 percent in 2007 and 3.0 percent in 2006, reflecting the upswing in oil and gas industry jobs. In 2005, unemployment averaged 3.8 percent, and in 2004, it averaged 4.3 percent.

Workforce numbers have grown dramatically in that time. In January 2004, the county's workforce included 26,357 people. By July 2008, the county's workforce grew to 36,787, an increase of 39 percent. About 7,500 jobs are related to the gas industry.

Real estate: The median price for residential property in Garfield County climbed from \$250,000 in 2006 to \$309,000 in July 2008, an increase of 24 percent. Price increases in that period were highest in Parachute at 45 percent, unincorporated Garfield County at 40 percent, and Glenwood Springs at 35 percent. The only community with less than a 20 percent price increase was Carbondale, where the median price climbed by 8 percent. By 2008, median prices for residential property were \$182,750 in Battlement Mesa, \$248,000 in Parachute, \$273,750 in Rifle, \$303,650 in Silt, \$335,450 in New Castle, \$378,600 in Glenwood Springs, \$389,000 in Carbondale and \$698,750 in unincorporated Garfield County. (Source: Land Title Guarantee Co., Glenwood Springs)

High-end residential development and a continuing shortage of affordably-priced housing in the Roaring Fork Valley is driving price increases in Carbondale, Glenwood Springs and unincorporated Garfield County, and to a lesser extent in New Castle, while demand for housing associated with the natural gas boom is driving price increases in Silt, Rifle, Parachute and Battlement Mesa.

Livability: The communities of Parachute, Rifle and Silt are experiencing strain on infrastructure, traffic congestion, and shortages of labor and housing due to gas development.

In **Parachute**, town streets are sagging under the volume of heavy trucks and equipment, traffic is congested at many intersections, the town government is competing with industry for workers, no housing is available, and work is under way to design a second interchange from Interstate 70. "There is virtually nothing in town that is not

impacted by energy development," says town administrator Robert Knight.

In the winter and spring months, trucks coming in from the gas fields drop mud on streets, which spreads onto sidewalks six inches deep and obscures crosswalks and street striping. Housing, gasoline and skilled services carry a high price because of heavy demand.

Rifle is at the epicenter of the gas boom, since it offers the most commercial services and housing for the industry. In the past five years, traffic on Railroad Avenue has increased from 9,000 vehicles per day to more than 14,000 vehicles per day. Traffic can frequently back up for five blocks. The city is building a pair of roundabouts on the south side of its main I-70 interchange, at a cost of \$4 million. A third roundabout is still needed on the north side of the highway interchange. Over the next five years, Rifle anticipates \$77 million in capital construction costs for infrastructure expansion.

In **Silt**, heavy truck traffic from the gas industry and from gravel pits and concrete plants serving the industry is causing Silt's chip-seal roads, built to handle farm-to-market traffic, to crumble. The town is building a roundabout at its main I-70 and Highway 6 & 24 intersection in a joint project with CDOT.

Silt is fortunate to have expanded its water filtration and wastewater treatment plants earlier in the decade, and is now supplying bulk water to the gas industry from hydrants. However, the water filling arrangement is impacting neighborhoods, so the town plans to build a bulk water station in 2009.

Prices for home rentals and sales are escalating, and some homes are crowded with more than the normal number of residents.

New Castle, Glenwood Springs and Carbondale: These communities are experiencing less intense impacts, but the presence of gas development in western Garfield County is felt through increased traffic congestion and continued pressure on housing prices and rental vacancy rates.

- b. To further document the impact in the area, name the company or companies involved, the number of employees associated with the activities impacting the jurisdiction and other relevant, quantitative indicators of energy/mineral impact.

Companies that are actively involved in drilling in Garfield County include Antero Resources, Bill Barrett Co., Berry, Black Diamond, Chevron, Conoco Phillips, EnCana, Maralex Resources, Marathon, Oxy, Noble, PDC, Petrogulf, Petro Hunter, Plains Exploration, Presco, Williams and Windsor, in addition to numerous subcontractor, service and support providers.

Energy industry employment: Garfield County reports 775 county residents employed in the gas industry as of June 2008. Rifle has approximately 380 energy workers residing within its boundaries. However, this industry's workforce is transient; an estimated 55 percent of the county's gas industry workers are not permanent residents.

BBC Research estimates the county's 2005 gas industry workforce at 2,910. The Colorado Department of Labor and Employment estimated nearly 2,200 gas industry workers in Garfield County in Q4 2006. The state agency forecasts 9 to 12 percent growth rates in employment over the coming decade.

An April 2008 report issued by BBC Research forecasts another boom-bust scenario for the gas industry in Garfield County. "Between 2005 and 2010, the number of energy jobs in Garfield County will grow substantially, from 2,910 to 4,580, an increase of over 57 percent. The number of jobs will peak at 4,810 in 2015 and decrease to 1,210 by 2035. Over the 30-year period, the number of energy jobs Garfield County residents will decrease by 1,700. Virtually all of this job growth and contraction will occur in the natural gas sector."

This scenario, which assumes no commercial oil shale development, underscores the need for Garfield County to diversify its economy to better absorb the bust side of the current gas boom. Promoting community demand for clean energy and developing more clean energy jobs and businesses will give the county long-term economic stability and prevent households, businesses and institutions from facing dramatic increases in energy spending.

2. Project Significance/Demonstration of Community Need.

- a. Why is the project needed at this time?

Energy costs are rising steeply, and will use up a greater share of household, business and government

budgets. Meanwhile, the state of Colorado and half of Garfield County's local communities have committed to reducing greenhouse gas emissions. At present, there are few resources or services available in Garfield County to help households, businesses and governments reduce their energy use or to help these communities reach their climate and energy goals. Worthwhile programs offered by GEO are not being used to their fullest extent, and customer participation in existing utility rebate and weatherization programs are lower in Garfield County than in surrounding counties.

At the same time, the county is experiencing an intense energy development boom, putting pressure on local government budgets to deal with impacts. Community leaders are worried about the bust side of the cycle, and look to clean energy as a viable means of stimulating growth in more stable sectors of the economy and buffering the negative aspects of a decline in gas drilling.

Prior to this grant offering, CLEER made about 100 presentations to community and business leaders in Garfield County, talking about the advantages of a clean energy economy. It readily won endorsements, which resulted in the rapid response by Garfield County communities to the New Energy Communities Initiative grant.

b. How does the implementation of this project address the need?

The projects proposed in this application will help households, businesses and governments reduce their energy use and employ renewable energy technology to meet more of their energy needs. This initiative will provide funding, technical assistance, information and education to help Garfield County residents move to clean energy, stabilize their energy costs and reduce GHG emissions. It will also yield long-term changes in community livability resulting from work on model building codes and policies aimed at joining sustainable development and transportation. It also creates the longer-term local capacity and institutional structure to carry out long term improvements required to meet state energy goals.

This application comes from a coalition of local governments and nonprofits that plan to work together to carry out the various components of the proposal. By working together, they will be able to achieve more ambitious goals and more significant measurable outcomes than they would separately. Without the momentum created by this county-wide coalition, it's unlikely that the small energy-impacted communities would pursue any of these projects on their own. In addition, the communities with ambitious energy plans in place need the economies of scale of a broader county effort to meet significant energy goals.

Does this project, as identified in this application, **completely** address the stated need?

No. Moving our economy and society to clean energy is a long-term challenge. It's important to set programs, services and organizational capacity in motion to meet this long-term effort. The projects proposed in this application are all on a demonstration scale, intended to show residents that clean energy projects can be accomplished with today's technology. The initiative proposes jump starting a countywide clean energy effort, with major goals to address the serious energy challenges we face. The funding requested allows Garfield County communities to set programs in motion, and our region will need to work for additional resources to make the energy efficiency, livability, and renewable energy improvements required to meet state energy and climate goals.

If not, please describe additional work or phases and the estimated time frame.

Continuing the transition to clean energy will require a change in public policies and a large financial commitment by the public and private sectors on a local, state, national and global level. While this appears to be an insurmountable challenge, it is much more preferable to facing the serious projected impacts of climate change.

Shifting to clean energy must occur on many fronts: energy sources, transportation, existing and new buildings, smart growth, recycling. It will take years to achieve the high level results needed in each of these areas.

In the next three to five years, the results achieved from this initiative will attract the interest and involvement of residents, businesses and institutions. They will want to benefit from the same clean energy results achieved in these demonstration-scale projects, and will drive support for more public and private sector investments.

Do you anticipate requesting Energy and Mineral Impact Assistance funds for future phases?

Yes.

c. What other implementation options have been considered?

Prior to the announcement of this initiative, some communities were pursuing climate and energy plans on an independent basis. The nonprofit Clean Energy Economy for the Region (CLEER) was in the formative stages, aimed at uniting these efforts to build and provide valley-wide programs and services. This model faced major hurdles to build the necessary funding. The New Energy Communities Initiative will provide a huge jump-start to establish a strong Garfield County clean energy collaboration that can accomplish real change.

d. What are the consequences if the project is not awarded funds?

The local match raised is contingent on receiving a New Energy Communities grant, with some local pledges such as the \$250,000 seed funding for a Clean Energy Investment Fund contingent on receiving the full amount so the full program can move forward. This initiative holds the power to bring the county's local governments, private sector and nonprofits together to work on a common goal. If this project is not awarded funding, clean energy efforts will likely splinter apart and remain focused in the more prosperous sections of the county. Energy-impacted communities would miss the opportunity to develop clean energy infrastructure, stabilize energy costs and enjoy the benefits of regional programs and services aimed at building a clean energy economy. Without funding from the state New Energy Communities Initiative, many of the programs proposed would not happen.

3. Local Commitment.

a. Why can't this project be funded locally?

Discreet components could be funded locally at a much smaller scale. However, the grant brings added leverage to local funds, brings clean energy projects to energy-impacted communities in Garfield County that do not have budget flexibility, and provides motivation for creating county-wide clean energy programs and services that would not otherwise occur. The state funding creates the opportunity and motivation for communities to join forces, in ways they would not otherwise, on this topic at this time.

b. Explain the origin of your local cash match. (Note: Whenever possible, local government cash match on a dollar for dollar match basis is encouraged.)

Cash match is coming from the following entities. The Glenwood Springs cash match is from the municipal electric utility. All others are coming from the respective entity's General Fund. Pledges for cash match are contingent on final passage of each entity's 2009 budget.

Garfield County: \$200,000
Town of Carbondale: \$30,000
City of Glenwood Springs: \$200,000
Town of New Castle: \$4,000
Town of Silt: \$1,000
City of Rifle: \$20,000
Town of Parachute: \$5,000
Garfield County Public Library District: \$20,000
Roaring Fork Transportation Authority: \$20,000

c. Describe any in-kind contributions by type and value. How were the in-kind services valued? (If in-kind contributions are included in the project budget, detailed tracking will be required on project monitoring reports).

Garfield County: \$575,000. This includes \$75,000 for services provided as the grant's fiscal agent and overall project management. Using project accounting, the Garfield County Finance Department will collect grant and match money, manage accounts payable, track the flow of funds from specific sources to specific projects and services, and generate periodic finance reports. Estimated value of this work is \$75,000 in 2009, based on 1,500 hours of work at \$50 an hour. The remaining \$500,000 is the expected spending for design-build services for the energy efficiency and renewable energy aspects of a county building project.

City of Rifle: \$390,000. This includes \$360,000 for in-house project management and design-build services for a new parks maintenance facility at Deerfield Park; \$1,000 in labor for the retrofitting of LED street lighting in the downtown area; and \$29,000 for the purchase of two neighborhood electric vehicles for use by the police and parks departments.

Town of New Castle: \$50,000. This covers the estimated cost of replacing the original windows in Town Hall with new, energy-efficient windows.

City of Glenwood Springs: \$250,000. This is the amount anticipated to be included in the city's 2009 budget to self-fund energy efficiency improvements in city buildings and facilities.

Holy Cross Energy: \$135,000 in 2009 and \$148,500 in 2010, contingent on budget approval. Holy Cross offers home energy audits and incentives for energy efficiency upgrades and renewable energy installations through its WE CARE program. This in-kind match represents the proportional share of program funding for the utility's Garfield County customers.

Sonoran Institute: \$20,000 to provide technical assistance to elected officials and staff in jurisdictions interested in adopting model codes. In particular, work would center on transit-friendly land use and design standards to support transit, develop design guidelines for commercial structures and large buildings, and co-host at least two workshops per year for elected officials, planners, planning and zoning commission members, developers and residents to learn about model sustainability codes.

Glenwood Springs Chamber Resort Association: \$17,500 per year. This covers outreach to 700 business members and complimentary booth space at Strawberry Days and other chamber events.

- d. Has the applicant dedicated the financial resources in their current budget, reserve funds and/or unused debt capacity that are being used for the local matching funds? Yes ___ No X Explain if No:

Local match funding is anticipated to come from the 2009 budgets of the participating entities, which will not be approved until later in 2008.

- e. Have the applicant's tax rates, user charges or fees been reviewed recently to address funding for the proposed project? Yes ___ No X

- f. If the tax rate, user charges or fees were modified, what was the modification and when did this change occur? N/A

- g. Has the applicant contacted representatives from local energy or mineral companies to discuss the project? Yes

- h. Has the applicant requested financial support from the industry and to what success?
We have had initial conversations regarding in-kind and cash support with Shell, EnCana and Williams, and we will continue these conversations once the grant is awarded.

4. Relationship to Community Goals / Increased Livability of Community.

The next series of questions attempts to more clearly understand how your community development/capital development project improves the livability of your community. Livability means, increasing the value and/or benefit in the areas that are commonly linked in community development such as housing, jobs, infrastructure benefit, transportation, education and environment.

- a. Is the project identified in the applicant's budget or a jurisdictionally approved plan (e.g. capital improvement plan, equipment replacement plan, comprehensive plan, utility plan, road maintenance and improvement plan or other local or regional strategic management or planning document)? What is its ranking?

These projects will help carry out climate and energy policy commitments made by some of the participating jurisdictions. The mayors of Carbondale, Glenwood Springs and New Castle have signed the U.S. Mayors' Climate Protection Agreement, and the three communities have existing or proposed climate action plans.

Rifle is setting a course to achieve energy independence and become a research and development showcase for a variety of clean energy sources through its plan for the Rifle Energy Innovation Center. Already, the city holds a contract with SunEdison for installation of two large solar arrays that together will generate 2 megawatts of clean electricity.

Garfield County is planning an addition to its human services office building in Rifle. County officials have expressed interest in using energy efficient building design and mechanical systems and renewable energy.

A few projects in this proposal were already identified by our participants, such as the energy efficiency improvements and displays at Rifle's Deerfield Park and energy efficiency improvements by Glenwood Springs city government. Their rankings are not set in their town plan.

b. Has this project been deferred because of the lack of local funding? If so, how long?

Garfield County does not currently have the organizational capacity or resources that have been mobilized in neighboring counties, and a countywide energy sustainability effort as outlined here would not be possible without an injection of funding.

This project is aimed at two goals. One is providing financial incentives and technical assistance to accomplish a variety of clean energy projects with measurable reductions in energy use and generation of renewable energy. The other is to build regional collaboration and organizational capacity to provide long-term support services — information, education, policies, financing, packaged services — aimed at a more broad and complete transition to clean energy.

While these ideas have been discussed over the past year or more by clean energy advocates, a lack of funding has prevented all but small-scale, individual action. The program brings a strong advantage in encouraging regional collaboration, which will allow all participating entities to take advantage of economies of scale. Interest in clean energy is growing rapidly, and will increase in intensity as energy costs continue to rise.

c. What other community entities, organizations, or stakeholders recognize the value of this project and are collaborating with you to achieve an increased livability of the community? What measurable outcomes will demonstrate the increased livability because of the implementation of this project? Please describe how your partners are contributing to achieve the improvement to the livability of the community through this project.

i. Please describe the level of commitment by each collaborator. (e.g. fee waivers, in-kind services, fundraising, direct monetary contribution, policy changes.)

In addition to the core group of eight participating entities, the following partner entities are collaborating on this project.

CLEER – Clean Energy Economy for the Region. CLEER is a nonprofit focused on accelerating the transition to a clean energy throughout Garfield County. CLEER staff convened the coalition to develop this proposal, researched projects and best practice examples the coalition would like to put in place in Garfield County, wrote the proposal, and mobilized the local match commitments.

CLEER staff have a background in community energy and sustainability programs; creating regional and local capacity and structures to achieve community livability and sustainability goals; financing for sustainability programs and projects; communications, outreach and marketing. CLEER staff will be developing the Intergovernmental Agreement to turn the working group into a governing council to run the Garfield New Energy Communities Initiative, and providing interim management until a final sustainability staff structure is set up for the Garfield New Energy Communities Initiative.

CLEER board members and advisors include a range of nationally recognized sustainability experts and regional leaders. CLEER will also be conducting additional fundraising and grant writing to expand the resources for the Garfield Initiative, develop additional partnerships, and help grow the Clean Energy Investment Fund. Visit www.cleanenergyeconomy.net for more information.

Glenwood Springs Chamber Resort Association: The chamber is eager to educate its 700 business members and the broader community about the advantages of clean energy. It will host presentations on

clean energy themes, provide complimentary booths at trade shows and special events, provide recognition for businesses that exemplify clean energy standards and practices, and plans to host a Clean Energy Fair involving the business community, local clean energy businesses and students. The chamber will also work to involve other chambers in the county in these efforts. Measurable outcomes include direct exposure for business owners to energy efficiency and renewable energy, and earned media coverage.

Manaus Fund: Private investors have pledged \$250,000 to seed a clean energy investment fund, which will offer low-interest loans for home and small commercial property owners to make energy efficiency upgrades and install renewable energy technology. Repayment is expected, but at a nominal interest rate. As the fund grows, advisors hope to make it large enough to assist with larger projects. Aspen Skiing Co. CFO Matt Jones, who engineered the financing for a multi-party solar array in Carbondale, has offered his expertise. Alpine Bank VP Dave Scruby, who started Alpine Bank's Green Team corporate efforts, has volunteered to convene additional financial experts to set up operations and grow the fund.

Rifle Downtown Development Authority and Rifle Lodging Tax Board: These groups may contribute a cash match to help cover the costs of retrofitting downtown Rifle street lights with energy efficient bulbs in downcast fixtures. Outcomes include savings on electric usage and cost for street lighting, reducing glare for passersby, and taking steps to restore the city's night sky.

Roaring Fork Transportation Authority: A cash match (listed in 3. b.) will support programs and policies aimed at transit-oriented development and increasing transportation choices, and support a regional Safe Routes to School program. RFTA staff members have offered to share their expertise on biodiesel and hybrid buses with school districts. RFTA's fleet runs on 20 percent biodiesel and includes hybrid electric buses.

Solar Energy International: The initiative will partner with Solar Energy International to expand its renewable energy training for K-12 teachers, provide scholarships for county residents to attend SEI's renewable energy courses in order to build skills in our community for the clean energy economy, and launch a Solar Olympics inventor's competition for teens and young adults. SEI will also co-host a renewable energy financing workshop and promote adoption of innovative financing tools for renewable energy in Garfield County. Outcomes include better working knowledge of renewable energy technology for classroom teachers, more local residents trained to work in renewable energy, and building awareness among teens about the capabilities of renewable energy. SEI also intends to hold one of the financing renewable energy workshops it has planned for a statewide Solar Innovations Grant in Rifle, and to help with development of the clean energy investment fund.

Sonoran Institute: The initiative will partner with Sonoran Institute's Glenwood Springs office on the Model Codes project. Workshops on model codes that advance land use practices and community design to maximize energy efficiency and transportation options will be offered to elected officials, planners, planning and zoning commission members, developers, and other key stakeholders. Sonoran will also assist the initiative with development of templates and codes that can be customized for each community, and provide technical assistance to local governments interested in adopting policies and codes that will advance energy efficient land use patterns in the region.

Please list the value of the resources that each collaborator is bringing to the program.

Glenwood Springs Chamber Resort Association: \$17,500 per year

Manaus Fund: \$250,000 in investment funds

Rifle Downtown Development Authority and Rifle Lodging Tax Board: These organizations did not make a definite financial commitment by the grant deadline date.

Roaring Fork Transportation Authority: \$20,000 in 2009

Solar Energy International: \$10,000 in in-kind, allocated from its GEO Solar Innovations Grant award.

Sonoran Institute: \$20,000 in in-kind

5. Management Capacity / Readiness To Go.

- a. Assuming this project is funded as requested, how soon will the project begin? What is the time frame for completion?

The process of developing this proposal involved a working group representing the various partner entities and staffed by CLEER. These components are all still moving forward, with the different entities deeply engaged in the process and eager to get started.

Within one month after the grant award announcement, the partner organizations and interim staff from CLEER will convene a formation council, draft an intergovernmental agreement for financial management, governance and staffing, and circulate the IGA to all partner entities for endorsement. By the second month, a governance council will be appointed. It will make necessary decisions about staffing and contracts for the sustainability team, so programs can be launched in January 2009. The overall time frame for the initiative as proposed for this funding request is three years, with measurable results and targets set for each year.

- b. How will you separate and track expenditures, maintain funds and reserves for the capital expenditures and improvement as described in this project?

Garfield County is the designated fiscal agent. The Garfield County Finance Department will use the project accounting software New World Systems to manage incoming funds and expenditures. The department will establish a new account for the initiative, with sub-accounts for each program area and sub-sub-accounts available for a further breakdown of funding allocations and spending.

- c. Describe the funding plan in place to address the new operating and maintenance expenses generated from the project.

The proposed initiative and accompanying local cash and in-kind match will cover the expenses of the initiative. Because this is a long-term endeavor, we will also be developing longer-term additional financing sources to advance a clean energy economy. It is anticipated that in some cases the Initiative will help reduce operating costs for jurisdictions through energy savings.

- d. Describe the technical and professional experience/expertise of person(s) and/or professional firms responsible to manage this project.

Fiscal management: Bob Prendergast, senior financial analyst, Garfield County Finance Department. He is a certified public accountant with an MBA. He has worked with the NWS project accounting module since 2005 for hundreds of projects, including new construction and a trail construction project managed by a nonprofit organization.

Lead agency oversight: Jim Rada, environmental health manager, Garfield County Public Health Department. A Registered Environmental Health Specialist through the National Environmental Health Association, Rada has 27 years of experience in local government public health. He has extensive experience with collaborative leadership initiatives involving public health, environmental quality, land use and community development.

Lead agency oversight: Ed Green, county manager, Garfield County. He has served as county manager for 10 years, with duties that include overseeing complex construction projects and the implementation of many new programs throughout the county. Prior to joining Garfield County, Ed was a project vice president for Fluor Corp., a large international engineering and construction company, and was previously the head of procurement for the National Renewable Energy Laboratory in Golden.

Start-up management: Alice Hubbard Laird, director, Clean Energy Economy for the Region (CLEER). She served as a senior researcher at Rocky Mountain Institute, coauthored the Community Energy Workbook and spearheaded creation of the Community Office for Resource Efficiency (CORE). Alice directed the effort to turn the Roaring Fork Transit Agency into an eight-member rural transportation authority. She served on the Carbondale Board of Trustees and led development of Carbondale's Energy and Climate Protection Plan.

Start-up communications: Heather McGregor, outreach & communications, CLEER. She is a former newspaper journalist and editor, and was the communications director for a state-level nonprofit, Bell Policy Center. She writes and edits the Clean Energy Economy News for CLEER and assisted in developing the grant proposal.

Rifle-specific projects: Mike Braaten, government affairs and energy coordinator, City of Rifle. Before joining the Rifle staff in December 2007, he was a lobbyist on tax, finance and transportation issues for the Colorado Municipal League. Mike previously was the community development coordinator for Region 10 League for

Economic Assistance and Planning.

Glenwood Springs-specific projects: Jeff Hecksel, city manager, City of Glenwood Springs. He has served as city manager for four years. He previously worked in local government in Oregon for 18 years, including seven years as a city manager. All were public power communities.

Energy Star New Homes: Lauren Martindale, principal, Energy Partners Inc. She has worked in the technical and educational aspects of energy efficiency and renewable energy for six years. She was a program manager for Flex Your Power in San Francisco and later served at the Town of Carbondale's energy manager. She presently manages the Energy Star New Homes program in the Roaring Fork Valley and is working with other clients to develop three beyond-code programs.

A Garfield governance council, to be formed through the IGA process, will handle policy decisions and project guidance. It is anticipated that each partner organization will have a seat on the council. Additional council seats may be created for experts in energy, transportation or banking. Existing models of regional organizations, such as the Roaring Fork Transportation Authority, may help define the composition and responsibilities of the governance council.

It is likely that the Garfield Work Group, which shaped this proposal, will serve as the start-up council. Members of that group are:

Judi Hayward, Parachute Trustee
Mike Braaten, government affairs and energy coordinator, City of Rifle
Matt Sturgeon, assistant city manager, City of Rifle
Betsy Suerth, Silt town manager
Greg Russi, New Castle Town Council
Sharon Rather, administrative assistant, Town of New Castle
David Sturges, Glenwood Springs City Council
Shelley Kaup, Glenwood Springs City Council
Michael Hassig, mayor, Town of Carbondale
Tom Baker, town manager, Town of Carbondale
Amelia Shelley, director, Garfield County Public Library District
Ed Green, county manager, Garfield County
Jim Rada, environmental health manager, Garfield County Public Health Department
John Niewoehner, planning engineer, Garfield County Planning Department
Alice H. Laird, director, CLEER
Heather McGregor, communications, CLEER

- e. Describe how your facility will meet the energy standards specified in C.R.S. 24-30-1301 - 1305, if applicable? How were these measures determined to be appropriate? Are the measures cost-effective? What is the estimated time for return on investment?

N/A

- f. Describe how you determined that the project can be completed within the proposed budget as outlined in this application? Are contingencies considered within the project budget?

We have developed budget numbers with the best available advice from experts who are knowledgeable in each topic area, and with assistance from GEO staff.

- g. Has the necessary planning been completed? How?

Work to create a comprehensive regional energy program started in January 2008 as a separate project. The effort included work sessions with stakeholders and presentations to community and business leaders throughout the region. This initial work created the basic platform of ideas and the formation in May 2008 of the nonprofit organization Clean Energy Economy for the Region, CLEER. It is an outgrowth of the nonprofit New Century Transportation Foundation.

When the New Energy Communities Initiative was announced in June, CLEER convened a work group of representatives from the six municipalities, the county government, the public library district and school districts in Garfield County. The group identified categories of desired projects and services, as suggested by the Governor's Energy Office application form and based on examples of successful clean energy programs

in other states. The group also used the "Other" category to develop additional projects important to the region. The application process has created a baseline plan for each program area with enough planning to identify required resources and budgets.

- h. What additional design work must still be completed, if any? When? How did the applicant develop project cost estimates? Is the project supported by bids, professional estimates or other credible information? Please attach a copy of any supporting documents.

This proposal is a package of clean energy projects and services, rather than a physical structure, and does not require design work at this time. Project cost estimates were developed by researching similar programs in other states, consulting with experts in the various topic areas, analyzing costs for similar projects developed in Garfield County, and consulting with municipal staff for projects proposed in their jurisdictions. Design work for renewable energy projects will be handled on a case-by-case basis, once locations are selected.

- i. Does the project duplicate service capacity already established? Is the service inadequate? (Has consolidation of services with another provider been considered?)

A comprehensive clean energy program does not exist in Garfield County. Incentive payments for energy efficiency upgrades and renewable energy installations are available on a limited basis in various parts of Garfield County through Holy Cross Energy, Xcel Energy and the Community Office for Resource Efficiency (CORE). The comprehensive energy efficiency, renewable energy, and sustainability programs, services, outreach and campaigns outlined in the proposal would dramatically boost usage of these incentives and raise the overall level of incentives and financing available to county residents and businesses. It also offers a marked increase in overall access for Garfield County residents and businesses to information and services related to clean energy. Consolidation of services is not a feasible option, but this proposal aims for a complementary approach with existing incentive programs. Holy Cross is a participating organization in this application, and the initiative will link in with Xcel's DSM program.

6. Measurable Outcomes.

- a. Describe measurable outcomes you expect to see when implementation of this project is complete. How will the project enhance the livability of your region, county, city, town or community (e.g. constructing a new water plant will eliminate an unsafe drinking water system and provide safe and reliable drinking water; the construction of a new community center will provide expanded community services, or projects involving energy conservation, community heritage, economic development/diversification, traffic congestion)?

Measurable outcomes:

Greening Public Facilities: All facilities held by partner governments undergo technical grade energy audit by Q2 2009. Entities will act on recommendations through performance contracting or self-financed upgrades from Q3 2009 through Q4 2010. Roaring Fork School District reports 20 percent reduction in energy use resulting from Energy Star pilot project by Q4 2011.

Renewable Energy Demonstration Projects: Installation of 10 small arrays and at least two mid-size arrays, for up to 200 kW of solar PV. Garfield Megawatt Campaign spurs private sector investments in renewable energy to reach 1 mW goal. Clean Energy Investment Fund offers finance assistance for projects and is a model resource.

LED Street Lighting: Installation of LED or similar technology bulbs in 36 street light fixtures in Rifle by Q3 2009 will cut electrical consumption by about 50 percent for these lights.

Small Commercial Audit and Retrofit: Program information offered on local website and in printed materials, incentives and local match packaged, vendors pre-screened, owners and tenants recruited, audits conducted, energy tracking set up for at least 30 businesses, and energy efficiency improvements and renewable energy installations made by close of Q4 2009. Special lighting and refrigeration efficiency campaign conducted, and "Saving Energy in Your Business" workshops held in four municipalities Q2 and Q4 2009. Energy savings aggregated, annual report issued and awards event held in Q1 2010.

Residential Solar Electric and Solar Hot Water: One-stop shop website rolled out, 30 households install solar PV or solar hot water by Q4 2009.

Insulate Colorado: The Insulate Colorado rebate offer would prompt at least 200 homeowners per year to contract for weatherization upgrades, for a total of 600 homes weatherized over the three-year life of the program. Insulate Colorado would be part of a larger marketing campaign aimed at raising consumer awareness of the financial and comfort benefits of home weatherization.

Energy Star New Construction: Host six workshops per year for building industry professionals, three workshops per year for real estate professionals and at least three workshops per year for homeowners and home buyers. Establish HERS as a measure of code compliance, use Energy Star guidelines in adopting above-code programs, and establish a common rating system to track the energy performance of new homes in Garfield County jurisdictions.

Greening Government: Greening Government goals adopted or confirmed by partner governments, baseline inventories for partner governments completed, ongoing tracking systems established, countywide baseline energy inventory completed in 2009. Annual report issued by Q1 2010.

Model Codes: Provide technical assistance to elected officials and staff in jurisdictions interested in adopting model codes. Offer transit-friendly land use and design standards to support transit. Develop design guidelines for commercial structures and large buildings. Host at least two workshops on model sustainability codes. Gather templates of model codes for green building and smart growth and post on a local web site.

Sustainability Team: A team encompassing multiple skills and expertise will carry out the proposed programs and services. A governance council of representatives from the partner organizations will provide policy and budgetary guidance and oversee hiring and contracting of team members.

Other:

Clean energy transportation: Expand Safe Routes to School throughout Garfield County. Encourage use of transit, promote policies that increase mode share of clean energy transportation. Work with partner governments to purchase demonstration clean energy vehicles.

Education: Expand Solar Energy International “Solar in the Schools” training for K-12 teachers, offer scholarships for county residents to attend SEI courses.

Clean energy financing: Establish Clean Energy Investment Fund for near-term low-interest financing. Pursue opt-in Clean Energy Financing District (H.B. 1350) for Garfield County.

Livability enhancement: The top benefit is offering a new suite of information, services, incentives and financing for clean energy upgrades and installations in Garfield County. Residents and businesses are eager to learn about and adopt clean energy practices and technologies, but few know where to start. They are also keen on making clean energy improvements, but often face financial barriers. The incentive payments and clean energy financing aspects of this project will help families, businesses and local governments afford energy upgrades and stabilize their energy costs.

The project will also enhance livability by promoting model codes for energy efficiency and establishing strong links between development, transit access and sustainable transportation options. Demonstration LED street lighting will save energy, and show that “downcast” street lighting provides ample light without glare while protecting dark skies.

- b.** How many people will benefit from the project? (i.e., region, county, city, town, community, subdivision, households or specific area or group; or any portion thereof)

This project will benefit Garfield County’s 53,000 residents. In addition, people in neighboring counties will benefit through the educational programs, workshops and website.

- c.** How will the outcome of the project be measured to determine whether the anticipated benefits to this population actually occur?

This proposal includes a plan to conduct a regional energy and climate emissions inventory for Garfield County as a whole and for each local government that has not already conducted its own inventory. (See Greening Government section of the GEO application.) A baseline inventory is essential for measuring

progress.

As part of the inventory process, the initiative will work with the partner jurisdictions to establish goals and targets for increased energy efficiency, energy savings, renewable energy and other measures of a clean energy economy.

Each project area will be subject to frequent analysis to measure and report progress and determine whether programs are meeting goals and targets. We anticipate using the state-preferred EnergyCAP software as a foundation to measure and track energy savings and other indicators.

E. TABOR COMPLIANCE.

- 1. Does the applicant jurisdiction have the ability to receive and spend state grant funds under TABOR spending limitations? Yes X No ___ Explain:
- 2. Has the applicant jurisdiction been subject to any refund under TABOR or statutory tax limitations? Yes ___ No X Explain:
- 3. Has the applicant sought voter approval to keep revenues above fiscal spending limits? Yes X No ___ Explain:
In 1994, Garfield County received voter approval to "receive, retain and expend the full revenue generated through enactment and approval of a county sales and use tax, together with all property tax, fees and non-federal grants ..."
- 4. Are there any limitations to the voter approved revenues? (e.g. Can only be spent on law enforcement or roads)? NO
- 5. If the applicant jurisdiction is classified as an enterprise under TABOR, will acceptance of a state grant affect this status? Yes ___ No X Explain:

F. ENVIRONMENTAL REVIEW.

Indicate below whether any of the proposed project activities:

- 1. Will be undertaken in flood hazard areas. Yes ___ No X List flood plain maps/studies reviewed in reaching this conclusion. Describe alternatives considered and mitigation proposed.
- 2. Will affect historical, archeological or cultural resources, or be undertaken in geological hazard area? Yes ___ No X Describe alternatives considered and mitigation proposed.
- 3. Address any other related public health or safety concerns? Yes ___ No X Describe:

Submission of this form indicates official action by the applicant's governing board authorizing application for these funds.

Official Board Action taken on Sept. 15, 2008
Date

Applications and any attachments must be submitted electronically to:
(If you are unable to submit electronically please contact your field representative)

Bret.hillberry@state.co.us

Phone: 303.866.4058 for any questions related to the electronic submittal.

Attachments List (Check and submit the following documents, if applicable):

- ▶ Preliminary Engineering Reports _____
- ▶ Architectural Drawings _____

- ▶ Cost Estimates _____
- ▶ Detailed Budget _____
- ▶ Map showing location of the project _____
- ▶ Attorney's TABOR decision _____