



# City Council Report

**Date:** June 3, 2024

**To:** City Council

**Through:** Christopher J. Brady, City Manager, or  
Marc Heirshberg, Deputy City Manager

**From:** Scott Bouchie, Energy and Sustainability Director  
Laura Hyneman, Deputy Director Environmental & Sustainability

**Subject:** Climate Pollution Reduction Implementation Grant Coalition  
Memorandum of Agreement  
Citywide

## Purpose and Recommendation

The purpose of this report is to recommend entering into the Climate Pollution Reduction Grant Coalition Memorandum of Agreement (“Agreement”) between City Phoenix (Phoenix) and City of Mesa (Mesa), City of Tempe (Tempe), Maricopa County, and State of Arizona.

## Background

With Environmental Protection Agency (EPA) funding, Maricopa Association of Governments (MAG) developed the Maricopa-Pinal County Region Priority Climate Action Plan (PCAP) with opportunities that reduce greenhouse gas (GHG) emissions and improve air quality for nearly 5 million people in the region. A collective of regional entities including Phoenix, Mesa, Tempe, Maricopa County, the State of Arizona (“Coalition Members”) and interested entities, including ASU, City of Scottsdale, City of Glendale, and other parties have evaluated projects and programs that support the PCAP, reduce regional GHG emissions, improve air quality, and engage the community through workforce development.

On March 29, 2024, Phoenix submitted the Resilient Maricopa-Pinal County Region Priority Climate Implementation Plan (CPRG Coalition) grant application to the EPA for Inflation Reduction Act (IRA) funding opportunity EPA-R-OAR-CPRGI-23-07 on behalf of the Coalition Members. The application includes two infrastructure projects in Mesa: 1) Fleet Electrification and Charging Infrastructure Development (\$59,263,381) and 2) Food Waste to Energy – Pre-processing Facility (\$40,842,783). Mesa’s total funding request is \$100,106,164.00. As a Coalition Member, Mesa requested funding for 7 staff positions to implement the infrastructure projects. This is a highly competitive grant and working with a Coalition was strongly encouraged.

## **Discussion**

The Agreement sets forth objectives, understandings, and financial agreements between the Coalition Members for CPRG Coalition grant funds, if awarded.

The key terms in the Agreement are:

- **Advances.** Mesa is eligible to request up to 50% of the project costs. As soon as advanced funds are spent, Mesa can request the next advance. With such large infrastructure investments, it is critical to have access to advanced funds.
- **Detailed Budget Table.** Qualifying costs/expenses are defined in Agreement Exhibit A.
- **Indemnification.** The Agreement includes mutual indemnification.

## **Alternatives**

**APPROVE THE MEMORANDUM OF AGREEMENT.** Commit to the terms of the Agreement.

**NOT APPROVE THE MEMORANDUM OF AGREEMENT.** An alternative is to not approve the Agreement, which means Mesa would not be a Coalition member and would not be eligible to receive the funding requested for fleet electrification and Food Waste to Energy. Mesa would need to compete with other entities for project funds.

## **Fiscal Impact**

If awarded by the EPA, the CPRG Grant will cover Mesa's design costs, capital and construction expenses, and grant-funded project management staff costs.

## **Coordinated With**

The Fleet Services Department, Solid Waste Department, Environmental & Sustainability Department, Engineering Department, Energy Resources Department, Water Resources Department, Grants/City Manager's Office, and City Attorney's Office concur with this recommendation.