



**CITY OF KIRKLAND**  
**Department of Public Works**  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800  
[www.kirklandwa.gov](http://www.kirklandwa.gov)

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Kathy Brown, Public Works Director  
Ray Steiger, P.E., Operations and Planning Manager

**Date:** June 9, 2016

**Subject:** LED STREET LIGHT CONVERSION PROJECT – GRANT AWARD

**RECOMMENDATION:**

It is recommended that the City Council authorize the use of \$95,000 from the street operating reserve fund as grant match for a recently received Department of Commerce Energy Efficiency Grant.

By taking action on this memo during approval of the consent calendar, City Council is accepting the Department of Commerce grant of \$172,000 and increasing the total budget of ST-0088 from \$900,000 to \$1,167,000. The increased budget allows the City to complete the project as originally envisioned and includes an additional 40 new LED light conversions at the Downtown Transit Center.

**BACKGROUND DISCUSSION:**

The 2015-2020 CIP includes project ST-0088 Arterial Streetlight LED Conversion in 2016 for an amount of \$900,000. The Project was funded in order to allow for the conversion of existing high pressure sodium (HPS) lights to LED along Kirkland's busiest streets and Downtown.

There are nearly 7200 street/pedestrian way lights in the City with a number of owners; Puget Sound Energy, the City, and the Washington State Department of Transportation have the largest share. Approximately 840 of the City-owned lights are situated on arterials and collectors, and the CIP project was funded to convert those existing lights to LED. Electrical costs associated with street lights is approximately \$710,000 per year, and energy savings by the conversion to LED is estimated to be approximately \$75,000 annually.

In early 2016, City staff was informed by staff from the Washington State Department of Commerce (DOC) that grant funding had been made available by the State Legislature for energy efficiency and solar projects through a competitive process. Kirkland was encouraged to apply for the grant funds. The City had previously secured this grant funding to upgrade HVAC systems and lighting at a number of City owned facilities. Most recent use of the DOC grant funds were to upgrade the Peter Kirk Municipal Garage lights to LED in 2014. In March, 2016, the Public Works, Parks, and Human Services committee supported Staff's request for the

opportunity to apply for the DOC grant funds. A grant of \$172,000 was applied for, and on May 20<sup>th</sup>, the City was informed that the grant funds had been awarded.

Staff presented the results of the recent grant process and award to the Public Works, Parks, and Human Services committee on June 8, 2016, and the Committee recommended that staff to proceed to the full council for authorization.

### *Funding*

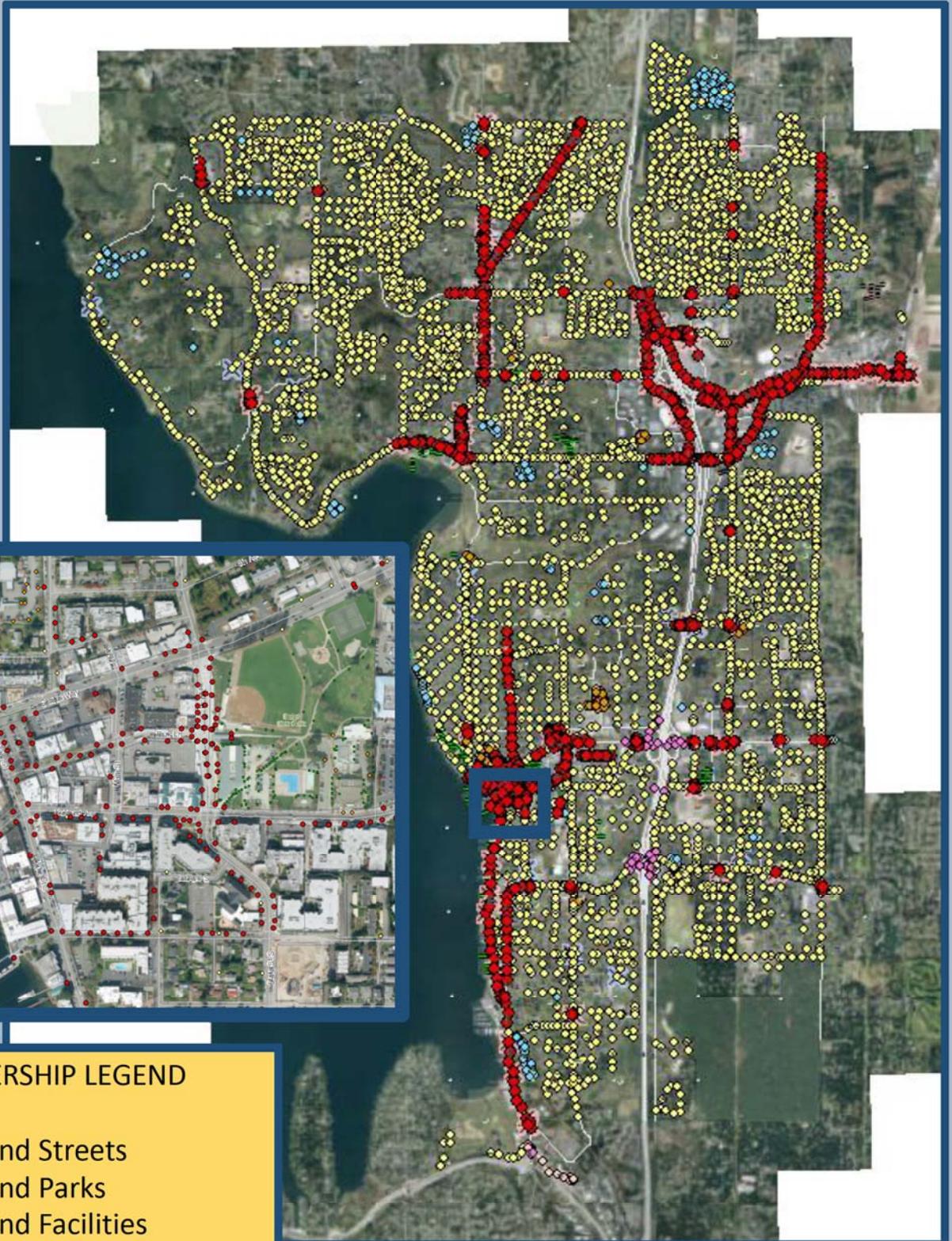
In March, 2016, the estimated cost for the conversion of approximately 840 lights along arterials and collectors was estimated to cost approximately \$1,000,000 or approximately \$1,200/light. Given a reimbursement from PSE that was estimated at \$110,000, the Project would have been completed as outlined in the CIP, however an increase in budget authority from the CIP amount of \$900,000 would have been needed. After consultation with the Council subcommittee in March, an application was made that would also allow for the conversion of an additional 40 Downtown Transit Center lights (estimated at approximately \$3,200/light); the overall increased project required a local match of approximately \$95,000.

With updated costs and an adjusted reimbursement amount from PSE, it is anticipated that the total expenditures for the project will be \$1,128,000; this amount is below the requested total project budget. However, grant funds will only be available on a reimbursement basis. Once the Project is completed, the Grant funds along with other project savings will be returned to the Street operating reserve.

With approval of the (\$172,000) grant and additional (\$95,000) local grant match, Staff will proceed with the design/construction contracts and grant documents. A DOC pre-selected contractor, Ameresco, Inc., will procure the LED conversion materials, and construction is anticipated to begin approximately mid-September, 2016. All work is anticipated to be completed by the end of 2016.

Attachment A – Vicinity Map  
Attachment B – Fiscal Note

# LED Arterial Streetlight Conversion Project ST-0088



## OWNERSHIP LEGEND

- Kirkland Streets
- Kirkland Parks
- Kirkland Facilities
- Puget Sound Energy
- Private
- Washington State DOT

**FISCAL NOTE**

*CITY OF KIRKLAND*

Source of Request							
Kathy Brown, Public Works Director							
Description of Request							
Funding of \$95,000 for Arterial LED Lighting Conversion project (CST 0088) grant match funded from Street Operating fund working capital.							
Legality/City Policy Basis							
Fiscal Impact							
<b>One-time use of \$95,000 from the Street Fund working capital.</b> Unobligated fund balance is sufficient to fund this request.							
Recommended Funding Source(s)							
<b>Reserve</b>	Description	2016 Est End Balance	Prior Auth. 2015-16 Uses	Prior Auth. 2015-16 Additions	Amount This Request	Revised 2016 End Balance	2016 Target
	Street Fund Working Capital	892,303	0	0	95,000	797,303	750,000
<b>Revenue/Exp Savings</b>							
<b>Other Source</b>							
Other Information							
Prepared By	Neil Kruse, Senior Financial Analyst				Date	June 9, 2016	