



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL**      **DATE: FEBRUARY 23, 2016**

**FROM: PUBLIC UTILITIES DEPARTMENT**      **WARDS: ALL**  
**DEPARTMENT**

**SUBJECT: FISCAL YEAR 2015-16 TREE POWER PROGRAM IN THE AMOUNT OF \$750,000**

## **ISSUE:**

The issue for City Council consideration is the approval of the issuance of purchase orders to qualified vendors to implement the Fiscal Year 2015-16 Tree Power Program Free Shade Tree Coupon Campaign in an amount not to exceed \$650,000 and \$100,000 for the Tree Power Rebate Program.

## **RECOMMENDATIONS:**

That the City Council:

1. Authorize the City Manager or his designee, to issue purchase orders to Parkview Nursery, 4377 Chicago Avenue; Parkview Nursery, 3841 Jackson Street; Louie's Nursery, 18550 Van Buren Boulevard and Moon Valley Nurseries, 9501 Lincoln Avenue and make changes to the purchase order amounts based on the variable product demand of each nursery in a collective amount not to exceed \$650,000 for the Tree Power Program's Free Shade Tree Coupon Campaign; and
2. Authorize the City Manager, or his designee, to credit customer accounts for trees purchased under this program in a collective amount not to exceed \$100,000 under the Tree Power Rebate Program.

## **BOARD RECOMMENDATION:**

This report is published on February 11, 2016, for the February 23, 2016, City Council meeting.

On February 19, 2016, the Riverside Public Utilities' Board will hear this item for consideration to recommend to City Council to approve the issuance of purchase orders to qualified vendors to implement the Fiscal Year 2015-16 Tree Power Program Free Shade Tree Coupon Campaign in an amount not to exceed \$650,000 and \$100,000 for the Tree Power Rebate Program.

If the Board approves to forward this to City Council, we respectfully request the City Council consider the item at the February 23, 2016, City Council meeting.

## **BACKGROUND:**

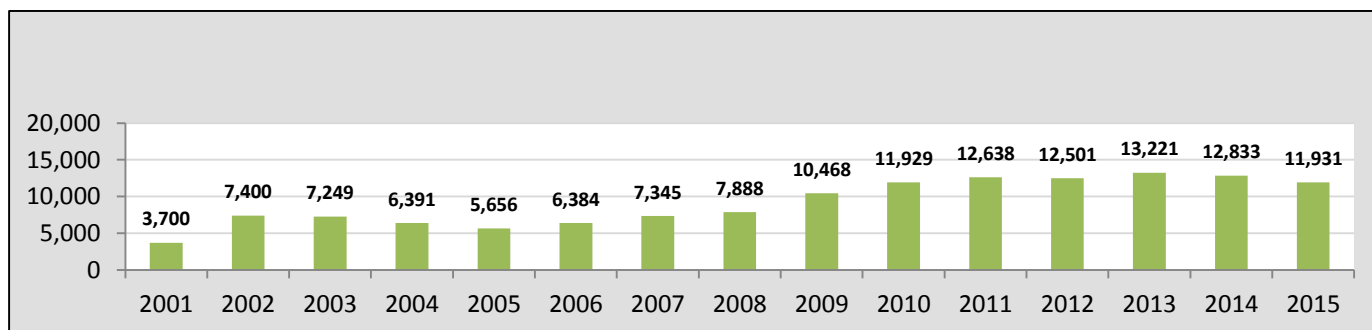
The Riverside Public Utilities (RPU) Tree Power Program has been successfully operating for over 14 years. This is an energy efficiency program which provides rebate incentives to RPU electric customers who plant shade trees in locations adjacent to their homes or businesses to help conserve energy and save on summer cooling costs. The program is administered using a dual marketing approach: the Tree Power Rebate Program & the Tree Power Program's Free Shade Tree Coupon Campaign, which gives RPU customers the opportunity to receive a maximum of six trees annually.

The Tree Power Rebate Program allows customers to participate by purchasing up to five qualified trees per year. Each qualified tree purchased by the customer is eligible to receive a \$25 rebate, which is credited to their RPU electric account.

The Free Shade Tree Coupon Campaign was launched by RPU in 2001 and runs annually from March 1 to June 30. Each year, a coupon is printed on the back of the March utility bill that customers can take to a participating nursery to redeem for one free shade tree valued up to \$25. The back of the bill strategy was created to ensure that a free tree coupon would reach all RPU electric customers as well as raise awareness for the regular Tree Power Rebate Program.

Since 2001, both participation and popularity of this program has grown. The original issuance of the coupon resulted in 3,700 planted trees; last year's coupon yielded nearly 12,000 trees. To date, over 137,000 trees have been planted throughout the City of Riverside by RPU customers as a result Free Shade Tree Coupon Campaign. Additionally, 25,000 trees have been planted by customers who elected to participate in the Tree Power Rebate Program. Last fiscal year the City of Riverside surpassed 150,000 planted trees and ended the fiscal year by reporting over 160,000 planted trees in the City. Due to program maturity program demand has leveled off over the last several program years (see graph below). Staff anticipates approximately **12,000** trees will be planted during the Fiscal Year 2015-16 Free Shade Tree Coupon Campaign. Mandatory outdoor watering restrictions, in response to the drought, may have also contributed to demand contraction during last year's campaign.

**Free Shade Tree Coupon Redemption Statistics**



RPU works with a number of qualified nursery vendors located throughout the City that accept the free tree coupons. To be considered as a participating vendor, a nursery must have a location that permits retail sales. The current list of qualified vendors includes: Parkview Nursery, 4377 Chicago Avenue; Parkview Nursery, 3841 Jackson Street; Louie's Nursery, 18550 Van Buren Boulevard; and Moon Valley Nurseries located at 9501 Lincoln Ave. No additional nurseries will be added to this Fiscal Year's Program.

**FISCAL IMPACT:**

The Fiscal Year 2015-16 Budget includes \$750,000 in the Public Benefits Residential Tree Power Program Account No. 6020100-456038 to fund the program.

Prepared by:	Girish Balachandran, Public Utilities General Manager
Certified as to availability of funds:	Brent A. Mason, Finance Director/Treasurer
Approved by:	John A. Russo, City Manager
Approved as to form:	Gary G. Geuss, City Attorney