



Administration

**CITY OF HOPKINS**

## Memorandum

To: Honorable Mayor and Council Members  
Mike Mornson, City Manager

From: PeggySue Imihy Bean, Management Analyst

Date: October 4, 2022

Subject: Sustainability Update

---

### **PURPOSE**

Following sustainability updates in [October 2021](#) and [April 2022](#) tonight, staff will present an update on sustainability initiatives and accomplishments across departments.

This will include:

- An introduction to new GreenCorps Member, Nicole Witt
- An update on continued initiatives around sustainability
- A presentation on potential 2023 initiatives

### ***Ongoing Initiatives***

#### *GreenCorps Member*

The City was awarded another GreenCorps member for the 2022-2023 program year, Nicole Witt. Nicole is a recent graduate from the University of Minnesota where she studied Sustainable Systems and Management with a focus in Energy Systems and a minor in Applied Economics. This year Nicole's workplan will focus on energy conservation, recycling and organics education and green infrastructure projects.

#### *HOURCAR*

Over Summer 2022, staff has worked with local non-profit HOURCAR and Xcel Energy to provide two HOURCAR electric cars to be located at Dow Towers. This grant funded opportunities will provide all charging infrastructure and vehicles for 18 months. While any resident in Hopkins is able to access these cars, which are part of HOURCAR's *Evie* program, income qualified residents can access the vehicles for just \$1 a month, and \$6 per hour.

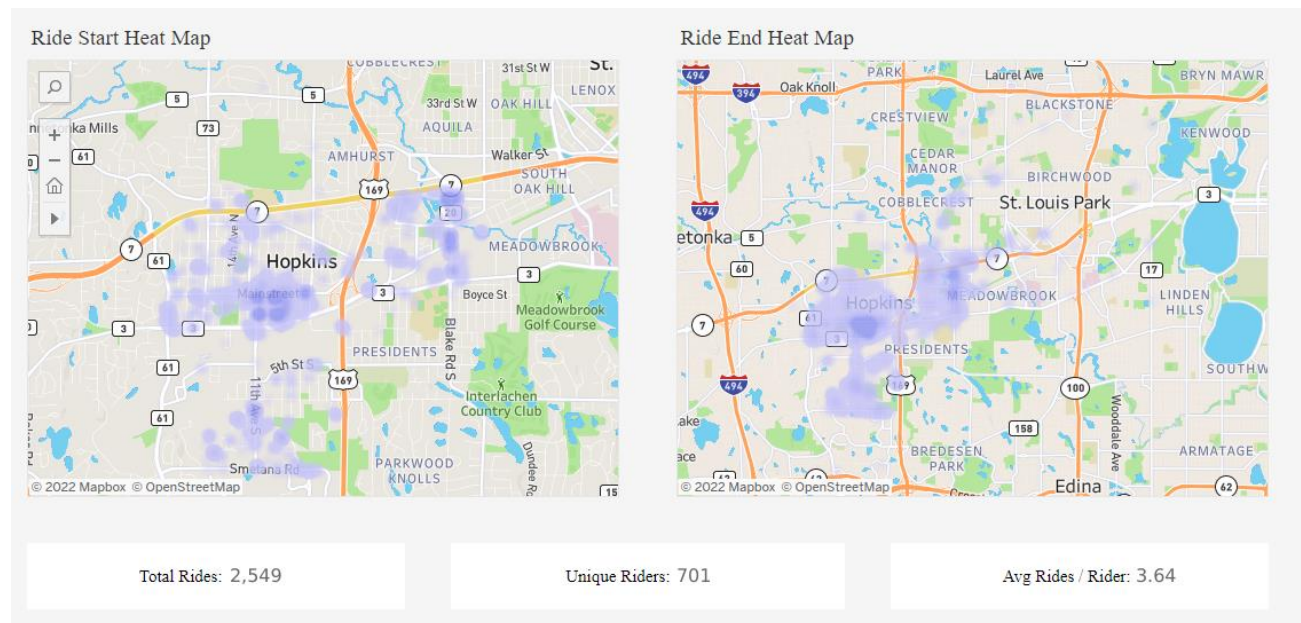
#### *MPCA Resiliency and Vulnerability Assessment Grant*

This past spring, the City, in partnership with LHB and Local Climate Solutions, applied to the Minnesota Pollution Control Agency (MPCA) for a grant in the amount of \$49,568 to assess the climate vulnerability of properties along both the Blake Road and Excelsior Boulevard corridors. These areas are currently identified by the Metropolitan Council as areas which are extremely vulnerable to extreme heat and have less than ideal tree canopy. Over the past several months, the project team has worked to identify potential solutions and begun working with private property owners to educate them on contributing to community resiliency. The team has also been engaging with local residents through

intercept surveys and events to understand how they prepare for extreme heat conditions and what the City might do to be able to support them during these times, especially residents who are low-income and may not be able to afford additional cooling costs.

### *Multimodal Policy/Scooters*

In April 2022, the City entered into a license agreement with Bird Rides, Inc., to provide the community with rentable scooters from April to November of 2022. Using data provided from Bird, we can see that over the past five months, the program has been well received with 701 unique users taking over 2500 trips. On average, this is approximately 16 trips per day, though many days see 30-40 trips per day – especially during nicer weather or community events. The Saturday of Raspberry Festival saw the highest volume of rides this summer with 142 rides. The map below shows where maps most commonly start and end in Hopkins.



### *Tree Canopy + EAB Grants*

The City continues to mitigate Emerald Ash Borer (EAB) through tree removal and planting on City property. Much of this work has been funded through the successful acquisition of grants, with just under \$200,000 having been awarded to the City in the past two years. Staff continues to look for opportunities that are feasible to accomplish in addition to ongoing projects.

### *Fleet Electrification, Electric Vehicle Charging + Xcel Energy*

Electrification of the City's fleet can play a significant role in reducing the City's environmental footprint through the reduction of GHGs. Staff continues to work with Xcel Energy and Sawatch Labs to track vehicle usage and recommend potential best alternatives for electric vehicles. Following the City's participation in FEAP, the City will be well positioned for additional grants as well as more knowledgeable about procurement of vehicles through the traditional budgeting process.

### *GreenStep Cities*

The City earned Step 4 this past spring for the first time after receiving Step three back in 2013, at a future date, a representative from the MPCA will come to present the City's Step 4 award. Step 4 indicates that the City has begun to track key metrics related to

sustainability with the goal of improving several metrics to achieve Step 5, which is the final step in the GreenStep Cities program. The City plans to continue its participation in GreenStep Cities and will continue to submit metrics annually in 2023.

### *Tree City USA*

This past Spring the City held an Arbor Day celebration at Park Valley Playground, which celebrated the planting of several large Kentucky Coffee Trees which replaced several trees removed due to EAB infection. An Arbor Day celebration is a key step in becoming a Tree City USA, and now that this has occurred, Staff has begun the process of reapplying for Tree City USA recognition which opened in September and closes in December.

### **Potential Initiatives**

#### *Carbon-Free Future MN*

Xcel Energy has asked the City of Hopkins to join the [Carbon Free Future MN](#) coalition, which is an effort by the utility to garner support for their efforts to generate 100% carbon-free electricity generation by 2050. This effort is supported by many cities, businesses, and chambers of commerce; however, many cities have chosen not to support the program as it does not align with their local climate goals. Given that the city has not yet studied and set our own climate goals, staff recommends waiting to join this program until the City has determined our own strategy on carbon reduction. Xcel Energy has offered to present this information to the Council at a future meeting.

#### *Partners in Energy*

In the past Staff has brought forward the Partners in Energy program, run by Xcel Energy as a mechanism for moving forward climate and sustainability goals. The program accepts cities twice a year in July and January. Staff is currently looking to apply for this program in 2023, and this work would be led by our newest planner, Kurt Howard.

Partners in Energy has served in many communities as an community engagement strategy around sustainability work and many of the taskforces have transitioned into more permanent committees. The Park Board was tasked in their 2022 work plan with evaluating whether sustainability would fit with their work. They have reviewed and believe the City would be better served with a sustainability committee meeting approximately four times per year. If Council is interested in creating a committee, Staff recommends Planner Howard lead this effort after the Partners in Energy work is developed.

### **Potential Sustainability Funding Programs**

The City regularly gets inquiries from residents and businesses regarding any incentives or grant opportunities for sustainable improvements such as solar, EV infrastructure and energy system improvements. Currently, the City does not offer any funding toward these types of clean or green energy projects. The following are programs the City could consider offering and funding.

#### *Special Assessment Program*

Recent legislative changes have allowed local government to utilize special assessments to assist in financing energy efficiency improvements in commercial and multifamily buildings. This program would give property owners the ability to have energy improvement project costs assessed to their property and amortized or up to 10 years.

Special assessment energy programs are designed to address energy improvement projects that fall generally between \$10,000 and \$60,000, projects above \$60,000 are able to access Property Assessed Clean Energy (PACE) financing through [MinnPACE](#). Eligible energy improvements include heating, ventilation, and air conditioning equipment; building envelope; and renewable energy systems.

Property owners would pay the City back for all expenses; however, a funding stream is required to loan out the money to applicants. Staff has researched options, with the best being the creating of a revolving loan fund which is replenished as loans are paid back. Staff would recommend the fund begin with \$100,000, which could fund between 5 and 10 projects to start and then continue to fund more as funds become available. Staff proposes to use ARPA or surplus budget funds to begin the program.

### *Green Cost Share*

Some municipalities offer cost share programs as a way to incentivize green infrastructure improvements such as energy efficiency updates, renewable energy systems and air pollution reduction. Green cost share programs help leverage utility or other rebates and grants through technical assistance and then aid in implementation through cost reduction. Saint Louis Park offers a program called “Climate Champions” which works as such:

1. Energy Assessment – Interested businesses receive an energy assessment through the City’s partnership with Minnesota Chamber of Commerce’s Energy Smart program.
2. Identify Opportunities for Implementation and Financing – After the assessment, business work with Energy Smart staff to understand what financing, grants and rebates are available. The city will match 50% of eligible utility rebates (up to \$2,500 per project) for businesses who go through the program. More match is available to businesses in specific geographic areas, or who participate in Energy Benchmarking with the City.
  - a. Example - A restaurant undergoes a free assessment from Energy Smart, and one of the projects identified is to replace all fluorescent lighting with LEDs.
    - i. Total cost before rebates: \$9,000
    - ii. \$4,050 estimated utility rebate
    - iii. \$2,025 Climate Champions cost share
    - iv. Final cost = \$2,925

These LED upgrades are projected to save about \$2,800 in electricity costs per year, resulting in a return-on-investment period of about a year.

3. Complete project and be recognized – The City recognizes participation through awarding the business a climate champions window cling, listing them on the City’s website and in the City’s quarterly newsletter.

Other larger municipalities, such as Minneapolis, offer larger matches which are based on a percentage and can be up to \$100,000, which varies based on geography and building size.

If the City Council were interested in this program Staff would be looking for direction on what items could be eligible for cost sharing as well as what proportion of the cost the City would share. This program would be a grant program where property owners are not

required to pay back the amount to the City. If established, a funding source would need to be replenished year-to-year based on demand to ensure funds are available. If Council is interested, Staff recommends starting this program with \$100,000 from ARPA or surplus budget funds, which could fund a significant amount of project depending on the cost-share program criteria. Funds would either need to be replenished or the program would have a limited run.

#### *Limitations*

Successful implementation of the above programs a long-range scale will likely result in a large degree of program administration. Staff capacity is limited, this, in addition to any future work such as climate action planning or participation in new programs or initiatives need to be realistic goals which are feasible with existing staff levels or council would need to consider additional resources.

#### **FUTURE ACTION**

Staff is seeking feedback on the above programs to bring back as part of a future ARPA update this fall.