

Agenda
City Council Work Session
City of Edina, Minnesota
Edina City Hall Community Room

Tuesday, October 19, 2021
5:30 PM

- I. Call To Order
- II. Roll Call
- III. 2022-2023 Budget and Budget Work Plan
- IV. Sustainable Buildings Policy Proposal
- V. Adjournment

The City of Edina wants all residents to be comfortable being part of the public process. If you need assistance in the way of hearing amplification, an interpreter, large-print documents or something else, please call 952-927-8861 72 hours in advance of the meeting.



CITY OF EDINA

4801 West 50th Street

Edina, MN 55424

www.edinamn.gov

Date: October 19, 2021

Agenda Item #: III.

To: Mayor and City Council

Item Type:

Other

From: Lisa A. Schaefer, Assistant City Manager

Item Activity:

Subject: 2022-2023 Budget and Budget Work Plan

Discussion

ACTION REQUESTED:

None, discussion only.

INTRODUCTION:

2022-2023 Proposed Budget.

Staff will provide an update of the 2022-2023 Proposed Budget and Budget Work Plan.

Draft 2022-2023 Budget Work Plan

Staff would like Council discussion and feedback on the draft Budget Work Plan. This latest version incorporates Council Values, and has revised Pillar descriptions based on previous Council Feedback.

ATTACHMENTS:

Current Approved Budget Work Plan (2020-2021)

Draft 2022-2023 Budget Work Plan

Staff Presentation

2020 – 2021 Proposed Budget Work Plan



Maintain physical assets and infrastructure



Maintain service levels that best meet community needs



Plan for connected and sustainable development



Foster an inclusive and engaged community

DEFINITIONS

Budget Goal

Describes the broad outcomes that must be achieved through the budget.

Budget Objective

Defines the measurable results that need to be achieved to meet the goals.

Strategy/Action

Details the specific actions to be taken this budget to meet the objectives.



Goal 1: Maintain Physical Assets & Infrastructure

It is crucial to maintain City infrastructure including streets, facilities, buildings, equipment and public spaces. Deferred maintenance can lead to costly unplanned repairs and replacements with decisions based on short-term implementation costs, vs. long-term maintenance costs. Properly maintained facilities, streets, water main, sanitary sewer and storm sewer systems provide reliable and efficient operations while lessening the City's carbon footprint.

ONGOING OBJECTIVES:

- Incorporate financial, societal and environmental costs into decision-making processes.
- Incorporate lifecycle and maintenance costs and climate adaptation design practices to allow more informed decision making.






2020 – 2021 Proposed Budget Work Plan



- Provide funding to maintain and replace City facilities, assets and equipment in a manner that avoids deferred maintenance, prevents emergency repair and replaces assets at the most cost-effective time.
- Manage the City's facilities, operations, equipment and capital investments in a manner that increases energy efficiency, reduces the City's carbon footprint and GHG emissions and meets sustainability goals.
- Design and build for resiliency in the infrastructure that reduces flooded structures, improves water quality (drinking and surface) and increases filtered drinking water production.





2020-2021 BUDGET OBJECTIVES

- As debt levies expire, increase the CIP Levy to establish reliable funding for ongoing building maintenance, replacement and capital improvements.
- Capture the Southdale TIF tax capacity for 2022 CIP.
- Reduce the City operations' total electricity GHG emissions by 5 percent, 893,000 kWh each year, through implementation of energy management plans, ongoing facility maintenance, capital improvements and operational behavior change.
- Implement Green Fleet Policy recommendations to meet goal of 30 percent emission reduction mpg and gas usage by 2025.
- Improve security and safety in City facilities for public and staff.

	2020-2021 Strategy/Action:	Lead
1	 Approve architectural option and complete construction of Water Plant #5. (Q4 2021)	Engineering
2	 Create a green building policy for City facilities incorporating sustainability principles into evaluation, design and construction of City capital projects. (Connected with project 3-2).	Administration
3	 Determine interim park and recreational uses of Fred Richards Park. Update cost plan estimate prior to CIP process. (Q2 2020)	Parks & Rec
4	 Identify funding source and timeline for implementation for Braemar Park Master Plan by Q3 2020. Prioritize master plan components for future implementation. Ensure that master plan costing is updated prior to CIP process. (Q3 2020)	Parks & Rec
5	Consider options for using alternative funding methods for park improvements and determine next steps. (Q2 2020)	Finance
6	 Develop a master plan for addressing City Hall deferred maintenance, energy efficiency, security and service needs in a cost-effective manner. (Q3 2020)	Facilities

2020 – 2021 Proposed Budget Work Plan



7	 Implement decision (to be made in 2019) regarding street assessment financing and transition plan if applicable. If local option sales tax is selected, seek State legislative approval to request that voters approve a local option sales tax for regional park improvements and MSA street improvements. (Q2 2020 [state approval], Q4 2021 [referendum])	<i>Finance</i>
8	 Approve a water quality strategy for Lake Cornelia. (Q2 2021)	<i>Engineering</i>
9	 Upgrade the communication equipment (SCADA) that monitors and ensures delivery of safe potable water and improve our ability to have a reliable storm and sanitary sewer system. (Q4 2020)	<i>Public Works</i>
10	 Develop and begin implementation of the street lighting system and maintenance plan that balances sustainability, public safety, and quality of life goals, including increasing energy efficiency, ensuring safely lit community, and minimizing light pollution. (Q4 2020)	<i>Public Works</i>
11	Prepare for possible conversion of Centennial Lakes from Enterprise fund to General fund in 2022-23 budget cycle. (Q2 2021)	<i>Finance</i>



Goal 2: Maintain Service Levels that Best Meet the Needs of the Community

The City delivers a variety of services, including police and fire response, water and sewer, snow plowing and building inspections, that are essential for the safety and wellbeing of those who live, work or visit Edina. In addition, amenities and services including recreation facilities, parks and programs contribute to the overall quality of life within the community. To deliver reliable service, the City needs to recruit and retain a strong workforce that has the resources and technology needed to effectively and efficiently perform their work.

ONGOING OBJECTIVES

- Comply with legal and safety standards.
- Maintain adequate response times.
- Provide high-quality services in an efficient manner that demonstrates respect for the public.
- Promote an engaging and respectful work culture that values employee quality of life and work/life balance.
- Provide competitive employee compensation and benefits to attract and retain a skilled and high-performing workforce.





2020 – 2021 Proposed Budget Work Plan



- Provide staffing, tools, equipment, resources and training to meet expectations for service delivery.
- Utilize effective technology to easily maintain and locate data for the public, reduce risk and provide better data for informed decision-making by elected officials and staff.
- Ensure that limited resources (money, equipment and time) are deployed in an equitable and sustainable manner.



2020-2021 BUDGET OBJECTIVES

- Increase integration of disparate City data systems, (e.g., Financial, Human Resources and Geographic Information Systems) for better decision-making and easier access.
- Maintain adequate work-life balance for employees with an increased focus on employee quality of life, stress management, physical and mental well-being.
- Provide adjustments to employee compensation to maintain position with market.
- Provide benefit increases to and design changes to maintain affordability.

	2020-2021 Strategy/Action:	Department Lead
1	 Implement Enterprise Resource Planning (ERP) System, including: <ul style="list-style-type: none"> • Project hierarchy and metrics (Q4 2020) • “Go-live” new finance and HR software (Q1 2021) • Begin implementation of UB software (Q1 2021) • “Go-live” new UB system (Q3 2021) 	<i>Finance</i>
2	 Determine long-term plan for future of Art Center, including: <ul style="list-style-type: none"> • Program evaluation of community service needs for the Art Center. • Ensure critical repairs are made to Art Center to properly continue existing operations in current building for at least 10 years. • Conduct feasibility and infrastructure analysis on existing Art Center building prior to the CIP process. (Q2 2020) • Conduct alternative site analysis and business plan modeling for relocation of the Art Center operations. (Q2 2021) 	<i>Parks & Recreation</i>
3	 Implement rental housing license and inspection program. (Q1 2020)	<i>Health</i>
4	 Implement Police-Worn Body Cameras. (Q4 2020)	<i>Police</i>
5	Replace Public Safety Computer-aided Dispatch (CAD) and Record Management System (RMS) (Q4 2020)	<i>Police</i>

2020 – 2021 Proposed Budget Work Plan



6	 Decision, finance method and plan for relocating OR expanding Fire Station 2 in order to accommodate 24-hour operations with one fire apparatus, two ambulances and support vehicle. (Q4 2020)	<i>Fire</i>
7	 Determine finance method and plan for Fire Station 3 in the Northeast Quadrant of the City. This station would be of such size to accommodate 24-hour operations with one fire engine, ambulance and support vehicle. (Q4 2020)	<i>Fire</i>
8	Conduct first presidential primary under new state legislation. (Q1 2020)	<i>Administration</i>
9	Develop long-term plan for elections absentee voting and storage. (Q1 2020)	<i>Administration</i>



Goal 3: Plan for Connected & Sustainable Development

Redevelopment and renewal of commercial and residential real estate is essential to the vibrancy of the community. Redevelopment will play an integral part of providing an inclusive, high quality of life that the Edina community expects. It is important to ensure plans and policies are relevant today and flexible for tomorrow. Incorporating sustainability principles and standards during redevelopment with the goal of reducing the community's carbon footprint will be critical to human health and safety. Creating sustainable redevelopment requires forward thinking and preparing for the future.

ONGOING OBJECTIVES

- Determine, track and meet sustainability goals for metrics such as energy, transportation, water and waste.
- Connect neighborhoods, businesses and open spaces.
- Support the continued high quality of life offered to residents and those who work in Edina.
- Promote affordable lifecycle housing.
- Demonstrate resiliency to changing climate and future community needs.




2020-2021 BUDGET OBJECTIVES

- Continue installation of sidewalks and shared-use paths (e.g., Twin Loops implementation).
- Launch residential curbside organics and recycling (define numbers and goals).
- Create affordable/workforce housing (1,220 units by 2030).

2020-2021 Strategy/Action:	Department Lead
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2020 – 2021 Proposed Budget Work Plan



1	 Continue development and implement a strategy to create affordable housing units with revenue from the Affordable Housing Policy and from Southdale II TIF District special authority.	<i>Community Development</i>
2	Create and implement a green building policy to incent sustainable building and operational practices for new development and redevelopment. (Connected with 1-2)	<i>Administration</i>
3	 Develop waste reduction goals and implementation plan for residential organics recycling for April 2020 launch.	<i>Health</i>
4	Implement Energy Benchmarking ordinance.	<i>Administration</i>
5	Decide on future of redevelopment of the former Public Works site in the Grandview area by Q2 2021.	<i>Administration</i>
6	Develop a Climate Action Plan for the City. (Q4 2021)	<i>Administration</i>
7	Complete study of expanding public parking at 44 th and France and explore a strategy to create district parking in the 44 th and France Area per the 44 th and France Small Area Plan, including parameters that balance current transportation needs and sustainability goals. (Q4 2021)	<i>Community Development/ Finance</i>
8	Develop Travel Demand Management Policy. (Q4 2020)	<i>Engineering</i>
9	Prepare a District Plan for the Cahill Industrial Park by Q4 2021.	<i>Community Development</i>
10	 Work with Edina School District to develop and implement Safe Routes to Schools program. (Q4 2021)	<i>Engineering</i>



Goal 4: Foster Inclusive and Engaged Community

It is important that the City helps to foster a community that is welcoming and inclusive to all who live, work and spend time in Edina. The City wants to ensure that it works for all of the community. Efforts to engage the community will utilize multiple platforms, be informative, transparent, responsive and involve volunteers and City Commissions.

ONGOING OBJECTIVES

- Ensure City policies and practices do not have disparate impacts based on race, color, national origin, creed, religion, age, sex, sexual orientation, gender expression, familial status or disability.
- Conduct clear and meaningful community engagement where:
 - The decision to be made and decision-making process is clearly defined.
 - Individuals understand how and when they can participate.
 - The City communicates what feedback is used and why.

2020 – 2021 Proposed Budget Work Plan



- Inclusive engagement methods provide a variety of ways for the public to participate in the decision-making process and ensure all voices are heard.
- Residents are satisfied with the process, even if they disagree with the outcome.

2020-2021 BUDGET OBJECTIVES

- Increase participation in Better Together Edina online engagement website.
- Implement racial equity measures to provide accountability of work.
- Strengthen leadership and support for city-wide racial equity work.
- Better leverage Boards and Commissions.
- Reduce barriers to public participation.
- Increase diversity of boards, commissions, task forces and staff.

	NEW 2020-2021 Strategy/Action:	Department Lead
1	Continue implementation of Racial Equity Implementation Plan and provide quarterly reports to City Council and HRRC. (Q4 2020)	Administration
2	Continue to evaluate and further refine community engagement standards and protocols based on IAP2 model. (Q4 2020)	Administration
3	Develop measurable city-wide/department racial equity goals (Q3 2020) and incorporate racial equity tools and resources into decision-making processes. (Q1 2021)	Administration
4	Strengthen leadership and support for city-wide racial equity work, including providing additional training, tools and resources to embed an equity framework to City processes, services and decisions. This strategy will build upon all employee and leadership training conducted in 2018-2019. <ul style="list-style-type: none">• Develop and implement racial equity leadership training, resources and support for City Council. (Q1 2020).• Conduct advanced racial equity training for staff leadership and foundational training for all employees. (Q2 2020).• Incorporate employee selected racial equity competency in annual performance review. (Q3 2020)	Administration
5	Develop and implement a plan to increase diversity of boards and commissions members. (Q3 2020)	Administration



2022-2023 DRAFT Budget Work Plan

Budget Work Plan Definitions

Ongoing Planning & Decision Making (Remain constant)	
Budget Pillars (OUTCOME) <i>The broad outcomes that must be achieved through every budget.</i>	Council Values (LENS) <i>The beliefs that guide decision-making.</i>
Pillar Objectives: Measurable results that demonstrate success in the Pillar.	Values Indicators: The way in which values are used in decision-making for each Pillar.
Short-term Tactics (Specific to 2022-2023 Budget)	
Strategies: Specific actions, projects, and targets to strengthen the pillars in this two-year budget.	

VALUES:



Ideas to consider:

- Add Health in All policies to Values?
- Revise Community Engagement Value Statement or move to Pillar 4?

Community Engagement

As the Edina City Council, we are dedicated to fostering an engaged community built on a foundation of trust. We will do this by intentionally focusing on equity, diversity and inclusion and creating a dialogue of perspectives. We will build trust by demonstrating our engagement principles of Relationships, Equity, Inclusivity, and Accountability.

- Relationships: make relationships foundational; strengthen relationships and build new ones; develop a trust between the City and residents
- Equity: engage with residents where they are; remove barriers for participation; provide multiple options for participation
- Inclusivity: strive to provide meaningful engagement opportunities; invite underrepresented groups to participate; make all feel welcomed and valued
- Accountability: make a plan; do what we say we are going to do; don't change the rules; make a decision; communicate how participation influenced decision



2022-2023 DRAFT Budget Work Plan

Equity

As the Edina City Council, we are dedicated to creating an environment in our community where residents have equitable opportunities to participate in their city government and access the City's institutions, facilities and services.

Our commitment to diversity, equity and inclusion will be a continuous process of learning and adapting to the multiple needs of all in the community, while consistently applying an equity lens in all decisions and interactions. Our vision of a welcoming Edina includes removing systemic and institutional barriers to create opportunities for all in the community to thrive.

Sustainability

As the Edina City Council, we are dedicated to building a sustainable environment where current and future generations benefit from clean air and water, climate and community resiliency, and access to nature.

We recognize that the City's natural environment, and the health and quality of life of its residents are just as, or even more, important, than the financial factors. We will ensure that our policies, decisions and future plans have a positive impact on people and the planet, in addition to profit.

Health

As the Edina City Council, we are dedicated to promoting and protecting the health of people that live, work and spend time in the City. We recognize that an individual's health and wellbeing is more than just their physical health—it is also impacted by social and economic factors, and the environment around us. By utilizing a Health in All Policies (HiAP) approach, we apply a health lens to our policies, systems, programming and decision-making processes and consider how they could promote or hinder the health and wellbeing of our community.

The goal of HiAP is to improve the health of our community by examining health, equity, and sustainability impacts. We aim to achieve this goal by ensuring that everyone has the opportunity to attain their full health potential, free from any barriers due to socially-determined circumstances or inequities.



Pillar 1: Resilient City infrastructure, facilities, technology, & equipment meets community needs now and in the future.

Infrastructure serves as the foundation for providing core city services such as transportation, clean drinking water, sanitary sewer services, and flood protection. City facilities house the people and equipment that provide public services, and the shared right of way, public places and parks are where people come



2022-2023 DRAFT Budget Work Plan



together. Technology & equipment support our ability to provide reliable service day to day or in emergencies.

STRONG FOUNDATION OBJECTIVES:

- Consider the full-life cycle of infrastructure, facilities, or equipment when considering new projects or purchases, by planning for initial cost, use, operation and the burden to maintenance.
- Design and build resilient infrastructure that reduces flooded structures, improves water quality (drinking and surface) and increases filtered drinking water production.
- Maintain proactively and replace facilities, infrastructure assets and equipment at the most cost-effective time to prevent emergency repair and avoid service disruptions.
- Implement effective and secure technology systems to easily maintain and locate data for the public, reduce risk and provide better data for informed decision-making by elected officials and staff.
- Create and manage secure and reliable technology systems that are protected against deliberate misuse and work when they are needed most, at times of emergency or natural hazard.









STRONG FOUNDATION VALUES-INDICATORS:

- Manage infrastructure systems, facilities, technology, and equipment to support the safety, health and welfare of the public
- Ensure that all residents have equitable access to services and facilities.
- Conduct integrated project scope and decision-making processes that partners with customers, stakeholders, and related city services to deliver best value projects that stand the test of time.
- Design, operate and modify infrastructure, facilities and equipment systems to reduce the City's carbon footprint and GHG emissions and meets sustainability goals.
- Evaluate the impact of future climate and extreme weather on infrastructure systems and create or modify infrastructure to reduce risk or improve resilience.

	2022-2023 Strategies	Department Lead
	INFRASTRUCTURE (Streets, water, storm, sanitary sewer,)	
1	As debt levies expire, increase the Capital Improvement Plan (CIP) Levy by equivalent amount to establish reliable funding for ongoing building maintenance, replacement, and capital improvements.	<i>Finance</i>
2	Host local option sales tax referendum in 2022 general election. If approved, implement the results. 	<i>Finance/Parks & Rec/City Clerk</i>
3	Approve a clean water strategy for surface waters. (Q3 2022) 	<i>Engineering</i>



2022-2023 DRAFT Budget Work Plan

4	Develop funding strategy to implement a street lighting system and maintenance plan that balances sustainability, public safety, and quality of life goals, including increasing energy efficiency, ensuring safely lit community, and minimizing light pollution. (Q4 2022) 	<i>Engineering</i>
5	Implement Morningside Flood Infrastructure Project (Q4 2023) 	<i>Engineering</i>
BUILDINGS & FACILITIES		
6	Consider recommendations from Parks & Recreation Commission for using alternative funding methods for park improvements and determine next steps. 	<i>Finance</i>
7	Reassess City Hall space needs for post-pandemic service delivery. 	<i>Facilities</i>
8	Acquire Fire Station #2 construction site. Determine finance method/plans. Select a project architect. Approve construction plans to ensure the building satisfies the needs of City staff to provide 24-hour fire and EMS operations. Include office space for Community Health division within the Station #2 site. 	<i>Fire/Facilities</i>
9	Determine finance method and plan for Fire Station #3 in the Northeast Quadrant of the City. Propose and acquire site after Station #2 site is determined, utilizing response models to provide efficient emergency response to all residents. 	<i>Fire</i>
TECHNOLOGY & EQUIPMENT		
11	Expand the City's fiber optic network for faster and more secure connections. 	<i>IT</i>
12	Replace Public Safety Computer-aided Dispatch (CAD) and Record Management System (RMS) Go live Q1 2023. 	<i>Police</i>



Pillar 2: City services enhance the safety, wellbeing, and quality of life experienced in Edina.

City services including police, fire, inspections, water/sewer, and streets are critical to the safety of the community. Parks, recreational facilities, and other City programs enhance to overall quality of life for those who live, work, and visit Edina. The City recognizes that a skilled and engaged workforce is the critical for the delivery of high quality services. Skilled. the City needs to recruit and retain a strong workforce with the necessary skills, tools, and resources to accomplish the work.






2022-2023 DRAFT Budget Work Plan

RELIABLE SERVICE OBJECTIVES

- Services are delivered in an efficient manner that ensures appropriate response times and makes wise use of City resources.
- Amenities and services including recreation facilities, parks and programs contribute to the overall quality of life within the community
- Provide a safe and secure working environment for employees and visitors.
- Provide competitive employee compensation and benefits to attract and retain a skilled and high-performing workforce.
- Provide staffing, tools, equipment, resources, and training to meet expectations for service delivery

RELIABLE SERVICE VALUES INDICATORS

- Provide high quality services in a manner that demonstrates respect for the public.
- Ensure equitable enforcement and access to services.
- Promotes an engaging and respectful work culture that values employee quality of life, physical and mental-wellbeing and work/life balance.

2022-2023 Strategies		Department Lead
PUBLIC SERVICES		
1	 Determine long-term plan for future of Art Center building and delivery of Art programs.	<i>Parks & Recreation</i>
2	 Increase resources, training, and coordination for responding to mental health-related calls for service.	<i>Police/Fire/ Administration</i>
3	Implement new agreement with Edina Public Schools regarding election administration for 2022 and beyond.	<i>Administration</i>
STRONG WORKFORCE		
4	 Evaluate remote work and services delivery—long-term impact post-COVID to ensure: <ul style="list-style-type: none">• Resources for employee mental health and work/life balance• Part-time / seasonal staffing model and compensation	<i>Human Resources</i>



2022-2023 DRAFT Budget Work Plan



PILLAR 3: Plan for Connected & Sustainable Development

Ensuring a **vibrant** city requires forward thinking and preparing for the future. Redevelopment and renewal of commercial and residential corridors that center principles of sustainability, health, engagement and equity will contribute to an inclusive, high quality of life that the Edina community expects. Reducing the community's greenhouse gas emissions, responding to climate change through adaptive management of natural assets such as trees, greenspace and water, and welcoming new residents to the city with affordable, walkable neighborhoods that foster mobility and interconnectedness will be critical to a more resilient future.

Ideas to consider:

- Change "Livable City" to "Resilient," "Healthy," or "Vibrant"? Plan for thriving, connected communities?

LIVABLE CITY OBJECTIVES

- Determine, track and meet sustainability goals for metrics such as energy, transportation, water and waste.
- Connect neighborhoods, businesses and open spaces with multi-modal transportation options.
- Explore digital connectedness opportunities and expansion of broadband access.
- Continue installation of sidewalks and shared-use paths (e.g., Twin Loops implementation).
- Support the continued high quality of life offered to residents and those who work in Edina.
- Bi-annual Quality of Life Survey demonstrates improvements in the question "Please rate how welcoming Edina is as a community."
- Create affordable/workforce housing (between 992 and 1,804 units by 2030).
- Increase organics participation to 50% (currently 32%) and tonnage to 200 per month (currently 100) by 2023.


LIVABLE CITY VALUES INDICATORS

- Demonstrate resiliency to a changing climate and future community needs.
- Sustainable design is visibly and materially included in all redevelopment strategies.
- Edina community members can easily access digital City resources from home, work or transit-connected public places.
- *Health*: Residents and workers can easily access City resources to ensure clean, safe housing and workplaces.
- *Health*: Residents can safely and enjoyably access a park or open green space within a **short** walk from home.

2022-2023 Strategies	Department Lead
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2022-2023 DRAFT Budget Work Plan

1	 Continue implementing strategies to create affordable housing units using the affordable housing trust fund and other applicable sources; explore acquiring another parcel for a multi-housing development; continue developing single family and multi-family preservation strategies.	<i>Community Development</i>
2	Implement sustainable building policy to incent sustainable building and operational practices for new development and redevelopment.	<i>Engineering</i>
3	Execute and implement redevelopment agreements for 5146 Eden Ave.	<i>Community Development</i>
4	Evaluate the feasibility of creating district parking in the 44 th and France Area per the 44 th and France Small Area Plan, including parameters that balance current transportation needs and sustainability goals.	<i>Community Development</i>
5	Prepare a District Plan for the Cahill Industrial Park.	<i>Community Development</i>
6	Implement recommendations of the Housing Strategy Task Force final report.	<i>Community Development</i>
7	Determine spending plan for available TIF funds by 2022.	<i>Community Development</i>
8	Explore ways City can incent expansion of fiber optic to public.	<i>Community Development</i>
9	Implement strategies to increase organics participation to 50% (currently 32%) and tonnage to 200 per month (currently 100) by 2023.	<i>Fire/Health</i>
10	Implement strategies to create affordable/workforce housing (between 992 and 1,804 units by 2030).	<i>Community Development</i>



PILLAR 4: Foster an Inclusive and Engaged Community

An inclusive and engaged community is one where everyone feels welcome, has equitable access to services, and has a voice in decisions that affect them. It is important that the City strives to foster an engaged community built on a foundation of trust by focusing on relationships, equity, inclusivity, and diversity. When the values of sustainability, health, engagement and equity are embraced it contributes to an inclusive and engaged community.

BETTER TOGETHER OBJECTIVES

- City policies and practices do not have disparate impacts based on race, color, national origin, creed, religion, age, sex, sexual orientation, gender expression, familial status or disability, status with regard to public assistance, housing and real property.
- Relationships: make relationships foundational; strengthen relationships and build new ones; develop a trust between the City and residents




2022-2023 DRAFT Budget Work Plan

- Community and staff members have access to opportunities to be engaged, heard and informed.
- City Council, City Staff, and members of the community treat each other with professionalism and respect.
- Community and council values are embedded into the decision-making process and there is ongoing examination of city policies and practices.
- Data is gathered and results reviewed over time for to provide transparency, accountability and responsiveness
- The process of learning will be a continuous and adaptive to the multiple needs of all in the community, while consistently applying an equity lens in all decisions and interactions.

BETTER TOGETHER VALUE INDICATORS

- Growth of diversity in the individuals participating in city government
- Community input is valued by City Council and staff.
- Equity: engage with residents where they are; remove barriers for participation; provide multiple options for participation
- Inclusivity: strive to provide meaningful engagement opportunities; invite underrepresented groups to participate; make all feel welcomed and valued
- Accountability: make a plan; do what we say we are going to do; don't change the rules; make a decision; communicate how participation influenced decision

	2022-2023 Strategies	Department Lead
1	Complete final report of the 2018 Racial Equity Implementation Plan and incorporate race & equity goals into ongoing department work plans. (Operationalize equity plans)	<i>Administration</i>
2	Create strategy, tools, and templates for better alignment and measurement of Council Values (Community Engagement, Sustainability, Community Health, and Race & Equity) into City decision-making, and provide quarterly resources and activities for City Council. 	<i>Administration</i>
3	Continue implementation of recruitment and selection strategy for Boards & Commissions to better reflect diversity reflective of demographics in Edina.	<i>Administration</i>
4	Administer 2023 Quality of Life Survey.	<i>Communications</i>
5	Evaluate and implement transparency tools and dashboards for City budget and overall performance.	<i>Administration/Finance</i>



2022-2023 DRAFT Budget Work Plan

6	Use an equity lens to evaluate City complaint response process and procedures. (Q1 2023)	<i>Administration</i>
7	Ensure successful implementation of ARPA Funding.	<i>Administration</i>

2021 Budget Amendment



The CITY of
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Project

Facility Projects	4,043,106
Braemar West Ice Plant	
Compressors at City Hall	
Braemar Parking lot lights & asphalt	
Aquatic Center water treatment room	
City-wide roof repairs	
City-wide HVAC Repairs & Upgrades	
ADA Improvements	
Public Works trench drain & car wash repairs	
Southdale Streetscape Management Project	160,000
Total Transfer to Construction Fund	4,203,106
Transfer to HRA for Housing Assistance	300,000
Total	4,503,106



The CITY of
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2022-23 Budget and Preliminary Levy

Council Work Session

October 19, 2021



Agenda

- Timeline
- Budget and Levy
- Budget Work Plan Discussion



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Budget Timeline



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Date	Topic	Presenter(s)
March	City Council Retreat	Staff
June 1	Department Heads submit Budget Requests	
July 7	ELT Reviews 2022-2023 Budget Draft	ELT Discussion
July 21	2022-2023 Draft Budget Work Plan & Scenarios	CC Work Session
Aug. 17	2022-2023 City Manager proposed budget	CC Work Session
Sept. 9	CC consent to two-year HRA levy	CC Meeting
Sept. 10	Preliminary HRA Levy Adoption	HRA Meeting
Sept. 21	Preliminary CC Levy Adoption	CC Meeting
Oct. 19	2022-2023 Budget Discussion/Update	CC Work Session
Nov. 16	Open (Another 30 mins with CC?)	CC Work Session
Dec. 7	TNT Budget Presentation	CC Work Session
Dec. 7	TNT Budget Hearing (CC and HRA)	CC/HRA Meeting
Dec. 21	Last Day to Adopt Budget	CC/HRA Meeting

Service Excellence



The CITY of
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- 2021 quality of life survey reported 7 out of 10 survey respondents felt they get excellent or good value for taxes paid
- Maintaining and improving these valued services requires keeping up with inflationary pressures and innovating to improve service delivery

Proposed 2022-23 Budget

excluding Special Street Levy



The CITY of
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	2021	Proposed 2022	Proposed 2023
General Fund	\$ 33,986,471	\$ 36,708,036	\$ 38,947,298
	6.14%	8.01%	6.10%
Arts/Culture	\$ 20,000	\$ -	\$ -
	0%	-100%	N/A
Debt Service	\$ 3,651,400	\$ 3,232,000	\$ 3,230,000
	-20.56%	-11.49%	-0.06%
Construction	\$ 4,130,000	\$ 4,240,000	\$ 4,350,000
	45.94%	2.66%	2.59%
HRA	\$ 230,400	\$ 237,300	\$ 244,400
	20.00%	2.99%	2.99%
Total Tax Levy	\$ 42,018,271	\$ 44,417,336	\$ 46,771,698
% Increase	5.95%	5.71%	5.30%

Proposed 2022-23 Budget



The CITY of
EDINA



	2021	August 17th 2022	Sept. 23 2022	Proposed 2022	August 17th 2023	Sept. 23 2023	Proposed 2023
General Fund	\$ 33,986,471	\$ 36,258,036	\$ 36,708,036	\$ 36,708,036	\$ 38,497,298	\$ 38,947,298	\$ 38,947,298
	6.14%	6.68%	8.01%	8.01%	6.18%	6.10%	6.10%
Arts/Culture	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0%	-100%	-100%	-100%	N/A	N/A	N/A
Debt Service	\$ 3,651,400	\$ 3,657,000	\$ 3,657,000	\$ 3,232,000	\$ 3,653,000	\$ 3,653,000	\$ 3,230,000
	-20.56%	0.15%	0.15%	-11.62%	-0.11%	-0.11%	-0.06%
Construction	\$ 4,130,000	\$ 4,240,000	\$ 4,240,000	\$ 4,240,000	\$ 4,350,000	\$ 4,350,000	\$ 4,350,000
	45.94%	2.66%	2.66%	2.66%	2.59%	2.59%	2.59%
Special Street	\$ -	\$ 950,000	\$ 950,000	\$ 950,000	\$ 1,210,400	\$ 1,210,400	\$ 1,210,400
	0%	N/A	N/A	N/A	27.41%	27.41%	27.41%
HRA	\$ 230,400	\$ 237,300	\$ 237,300	\$ 237,300	\$ 244,400	\$ 244,400	\$ 244,400
	20.00%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%
Total Tax Levy	\$ 42,018,271	\$ 45,342,336	\$ 45,792,336	\$ 45,367,336	\$ 47,955,098	\$ 48,405,098	\$ 47,982,098
% Increase	5.95%	7.91%	8.98%	7.97%	5.76%	5.71%	5.76%

Debt Service Change



The CITY of
EDINA

Action Summary:

1. HRA redeemed 2009A bonds

Result: Levy-supported savings to city over remaining term

2. Refund 2013A bonds

Result: Lower levy-supported debt service expense over remaining term

3. Refund 2012C and 2013B Bonds

Result: Lower debt service expense for recreational enterprise funds



The CITY of
EDINA

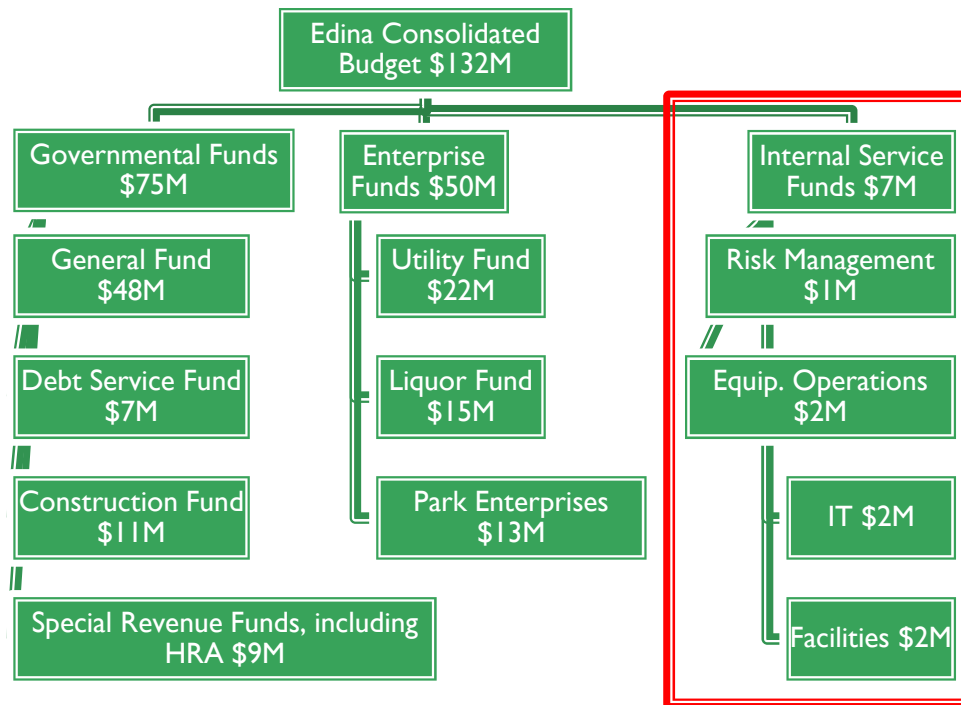
Drivers of levy change for 2022

Change	Reason
2.75%	Wage increases
0.66%	Benefit increases
3.03%	Inflationary increases for products/services purchased; staffing to support level of service expected by council & community
0.26%	Equipment levy (\$100,000)
-1.01%	Debt refinancing
<u>0.02%</u>	HRA levy (\$6,900)
<u>5.71%</u>	Total 2022 levy without Special Street levy
<u>2.26%</u>	Special Street levy (\$950,000)
<u>7.97%</u>	Total 2022 City + HRA levy increase



The CITY of
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Internal Service Funds



Purpose: Allocating central
“overhead” expenses:

→ Property, liability & workers’
comp insurance

→ Maintain vehicles and
equipment

→ IT equipment & services

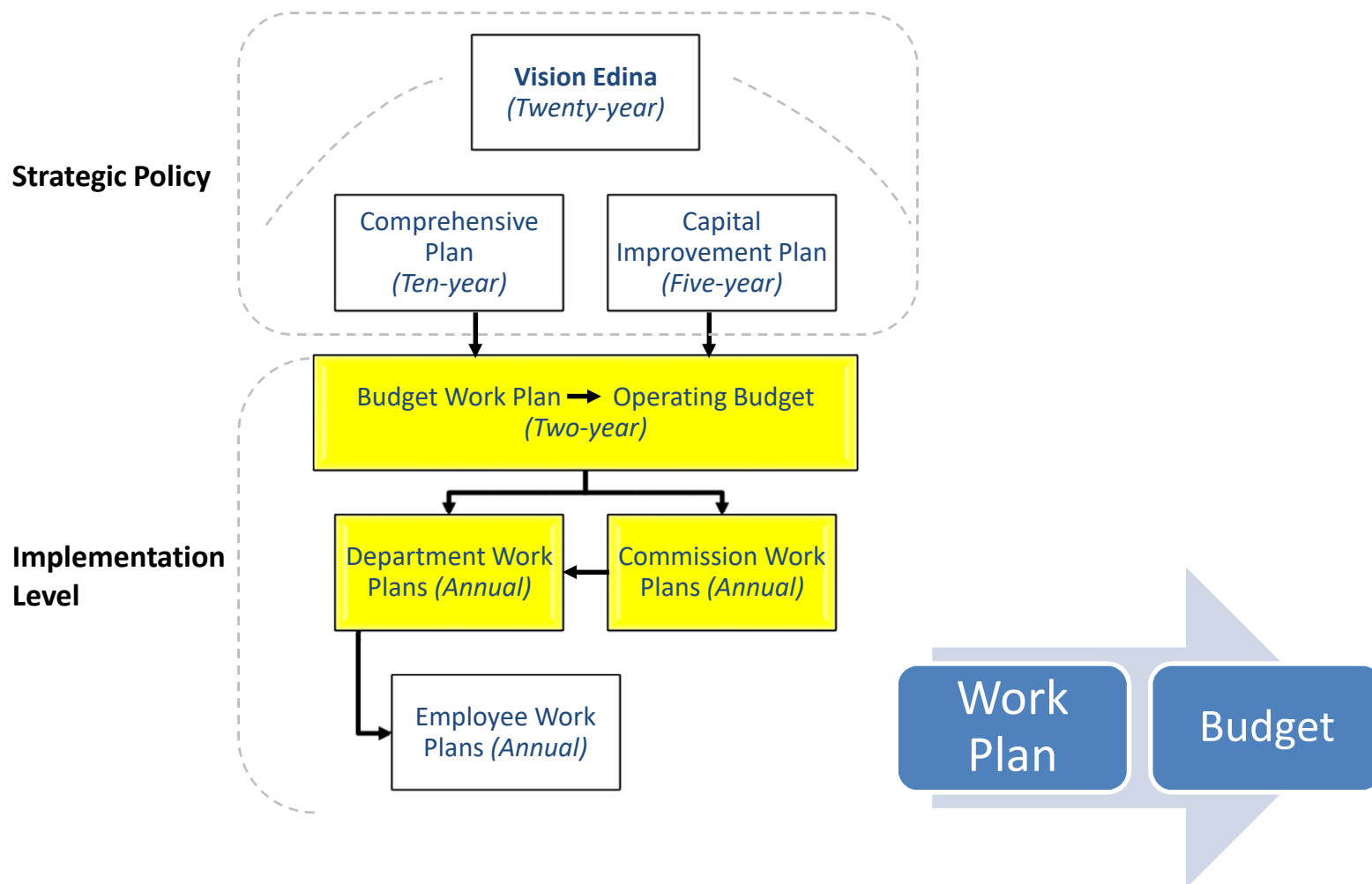
→ Maintain and operate facilities

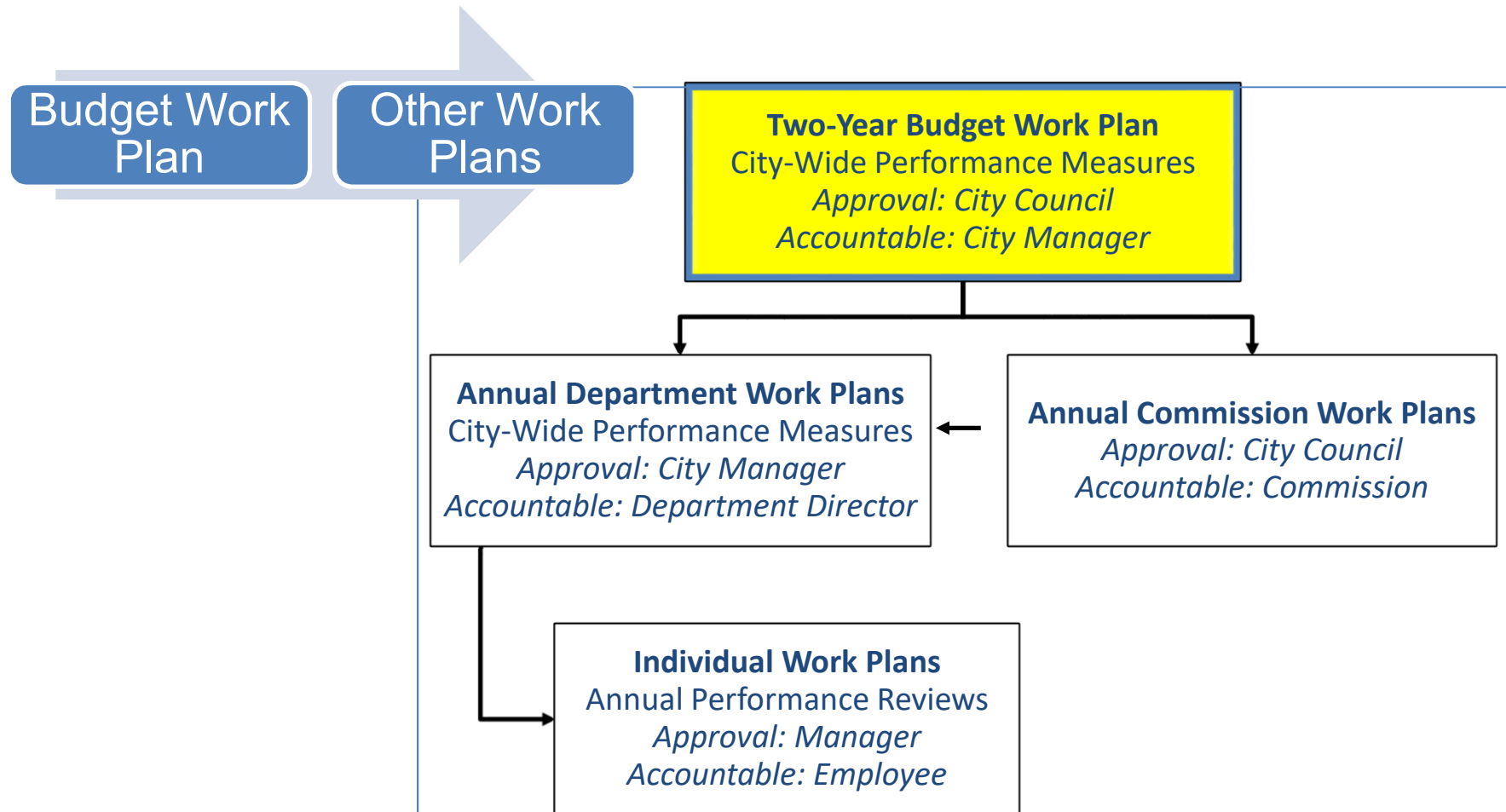
2022 Estimated Levy Impacts



The CITY of
EDINA

- In 2021 the median home pays about \$135 per month in property taxes to fund all City provided services.
- Total EMV is increasing by about 3.7% for taxes payable in 2022. The median value single family home is now \$571,800.
- With the proposed property tax levy increase, the effect on the 2022 median valued home would be about a:
 - 4.87% increase in City property taxes.
 - \$80 increase per year, or \$6.63 per month.
 - \$142 payment per month in 2022 City property taxes.





2022-2023 Budget & Work Plan

GOALS



OBJECTIVES



STRATEGIES



Feedback from Council:

- Goals/descriptions that are more aspirational
- Incorporate recently adopted Council Values

Feedback from Staff:

- Eliminate redundancy
- Align terminology

DRAFT: 2022-2023 Budget & Work Plan

Budget Pillars (ONGOING)

Describe the broad outcomes that must be achieved through the budget.

Pillar Objectives (ONGOING)

Measurable results that demonstrate success in the Pillar.

Pillar Values Indicators (ONGOING)

The way in which values are used in decision-making for each Pillar.

STRATEGIES (THIS BUDGET)

Specific actions, projects, and targets to strengthen the pillars in this two-year budget.

Engagement

Equity

Sustainability



Budget Goals or Pillars



Maintain physical
assets and
infrastructure



Maintain service
levels that best meet
community needs



Plan for connected
and sustainable
development



Foster an inclusive
and engaged
community

Maintain resilient City infrastructure and facilities.	Provide City services that enhance the safety and wellbeing of the public.	Promote healthy, connected, & sustainable spaces.	Foster an inclusive and engaged Community.
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Discussion

1. Terminology/Definitions
 - Budget Goals vs. Budget Pillars?
 - Budget Goal/Pillar Objectives and Values Indicators?
2. Budget Goals/Pillar descriptions
3. Health as an additional Council Value?
4. Community Engagement as a Council Value or as Goal/Pillar 4?

Next Steps



The CITY of
EDINA

- Based on Council input, continue to refine 2022-2023 budget
- Budget discussion/update to Council at work session on Nov. 16
- Public hearing on Dec. 7
- Final date to take action is hearing on Dec. 21



CITY OF EDINA

4801 West 50th Street

Edina, MN 55424

www.edinamn.gov

Date: October 19, 2021

Agenda Item #: IV.

To: Mayor and City Council

Item Type:

Reports / Recommendation

From: Grace Hancock, Sustainability Coordinator

Item Activity:

Subject: Sustainable Buildings Policy Proposal

Action

ACTION REQUESTED:

Review and comment on proposed Sustainable Buildings Policy

INTRODUCTION:

Relates to Sustainability staff work plan items:

- Create a Green Building Policy for City facilities incorporating sustainability principles into evaluation, design and construction of City capital projects
- Create a green building policy to incent sustainable building and operational practices for new development and redevelopment
- Implement Next Phase of Energy Benchmarking Ordinance and Analyze Penalties

ATTACHMENTS:

Staff Report: Sustainable Buildings Policy Proposal

Proposed Sustainable Buildings Policy 10.11.21

Appendix: Sustainable Buildings Policy Operations Plan

Appendix: Hennepin County Scope of Support Services

Appendix: MN Sustainable Buildings Report - CEE

Appendix: CEE-Edina SBP Agreement 2021

Staff Presentation



Date: October 19th, 2021

To: Mayor and City Council

From: Grace Hancock, Sustainability Coordinator

Subject: Proposed Sustainable Buildings Policy

Executive Summary

The City of Edina staff requests the City Council review and comment on the proposed Sustainable Buildings Policy. After receiving comment, staff will submit the policy for adoption by the City Council at a future 2021 City Council meeting.

The policy reads: New Construction or Major Renovations to which this policy applies are required to be certified under an eligible Sustainable Building Rating System at the listed rating level and must meet the standards set forth in the Edina Overlay. Effective April 1, 2022.

A policy of this kind will affect roughly 2/3 of large building proposals in Edina each year. Large buildings are the greatest emitter of greenhouse gas emissions in Edina and, based on energy benchmarking data from 2019 and 2020, are *not* operating more efficiently than buildings built 20 years ago despite advancements in sustainable design technology. Thus, this policy lever is required to drive new construction to adopt more efficient building techniques and achieve efficiency targets that meaningfully contribute to making progress on the City's greenhouse gas emission reduction goals.

What is a Sustainable Buildings Policy

Sustainable building policies establish minimum sustainability criteria that go beyond existing state code for new construction or significantly renovated developments. Included criteria typically target areas for pollution reduction and resource conservation. Because the State of Minnesota sets the building code, cities are unable to establish building requirements that are more strict than existing code; however, with financial levers and authority over land use, cities can use sustainable building policies as a tool to make progress toward sustainability goals. Thus, where triggered by funding or land use incentives, sustainable building policies establish minimum sustainability criteria that go beyond existing state code for new construction or significantly renovated developments.

This policy, known as the Edina Sustainable Building Policy, proposes to require sustainability components beyond existing code for developments receiving financial and planning incentives from the City. The requirements include complying with one sustainability rating system, which is selected from a list, as well as with an Edina-specific overlay. The overlay targets specific sustainability strategies that align with existing Edina goals and are not necessarily covered by all rating system options.

Why a Sustainable Buildings Policy

Climate change in Minnesota is here. The state's climate today is warmer, wetter, and less predictable than in the past thanks to an accumulation of greenhouse gas emissions (GHGs) - primarily CO₂ and CH₄ (methane) - in the atmosphere. To meet this challenge, the City of Edina set emission reduction goals of 30% by 2025, and 80% by 2050, from 2007. These goals are under review as part of the climate action plan development process, and will likely become more ambitious in line with current understanding of the climate crisis.

In Edina, building energy use – electricity and natural gas - accounted for ~60% of GHG emissions in 2018¹. Roughly 60% of building energy use comes from commercial buildings (rather than residential). Finally, the top 20% of commercial energy accounts consume nearly 90% of Edina's commercial electricity use².

The City of Edina currently has a voluntary development questionnaire that asks developers and architects to design for sustainability early in the design process. While this questionnaire uses guided questions on a limited number of topic areas to encourage sustainable development, the new policy requires developers select one third-party green rating systems from a list and become certified, along with compliance with a short specific list of overlay requirements.

A sustainable buildings policy would complement the City's existing Efficient Building Benchmarking Ordinance and its Green Business Recognition program - ensuring the most efficient building is designed, constructed and operated to help the community meets its GHG emission reduction goals and build a more resilient city.

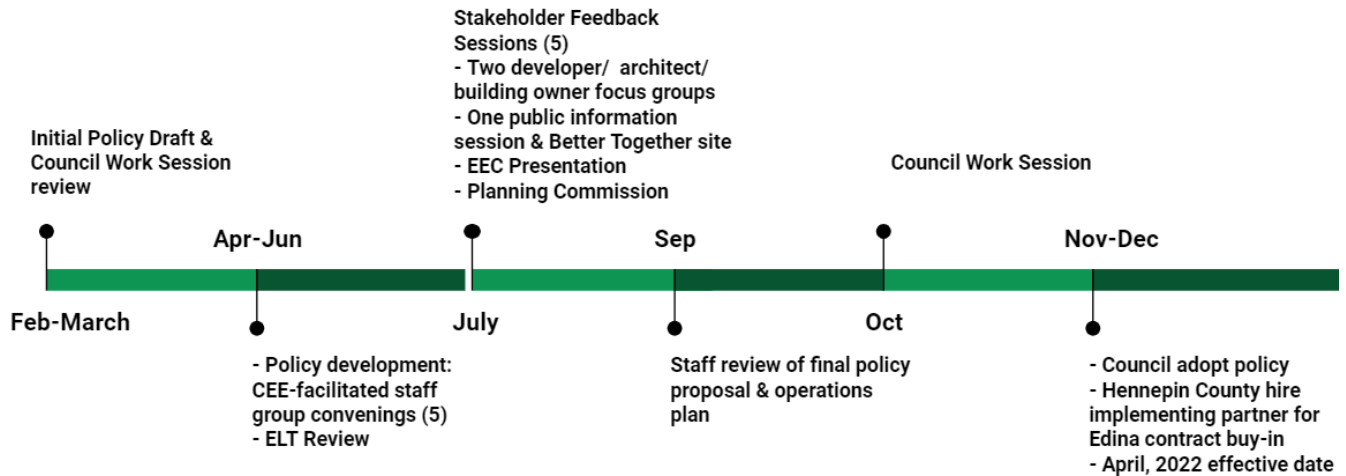
The policy would apply to new construction and significant renovations that either (a) seek public funding or (b) seek a Planned Unit Development variance. A policy of this design would cover roughly two thirds of large commercial development proposals, while only relying on a funding trigger would cover just 10-15%. The policy would include two requirements: projects select and comply with a third-party rating system and comply with the City's Overlay.

The City's forthcoming Climate Action Plan addresses the need for a policy such as the proposed Sustainable Buildings Policy. One of the eight chapters included in the plan focuses on building energy use. This chapter outlines strategies to reduce building energy needs 15% community-wide by 2030, increase renewable energy use to 17%, transition 10% of on-site fossil fuel combustion (like natural gas) to less carbon intensive sources, and reduce the number of residents living in high energy poverty by half. Each of these strategies is supported by implementing the proposed policy.

¹ Regional Indicators Initiative, <https://www.regionalindicatorsmn.com/emissions-chart>, 2018

² Edina Electricity Action Plan, Xcel Energy, 2016

Policy Development Process



Feb-March: Staff convened an internal working group in February, 2021 to study the impact and craft an initial version of a sustainable buildings policy for city-owned buildings. This preliminary information was shared with City Council at their March 16, 2021 work session.

April-June: Soon after, the Center for Energy and Environment (CEE) approached Edina with the opportunity to provide their services to assist in a policy development process. These services were rendered free of charge, thanks to support from Hennepin County Efficient Buildings Collaborative. Edina agreed to engage CEE, and from April to October worked together to craft the proposed policy under review at the October 19th, 2021 City Council Work Session

Five planning meetings took place with City staff in May and June of 2021. City staff representing sustainability, community and economic development, and building inspections participated in the sessions led by the Center for Energy and Environment on behalf of Hennepin County's Efficient Buildings Collaborative. In these sessions, staff learned about the basic elements typical of sustainable building policies, internal operational needs of a policy, and best practices around stakeholder engagement. Given the development patterns in Edina, one planning meeting focused on this policy's potential applicability for single-family homes, where it was determined there was not a pathway to expressly apply this to single-family home developments.

July: After staff scoped initial policy details, the Sustainability Coordinator hosted five stakeholder engagement sessions in partnership with CEE. The audiences for these sessions included the Planning and Energy & Environment Commissions, the public, and those directly impacted by the policy – developers, architects, and contractors. A [BetterTogetherEdina](#) project site was made available for community information.

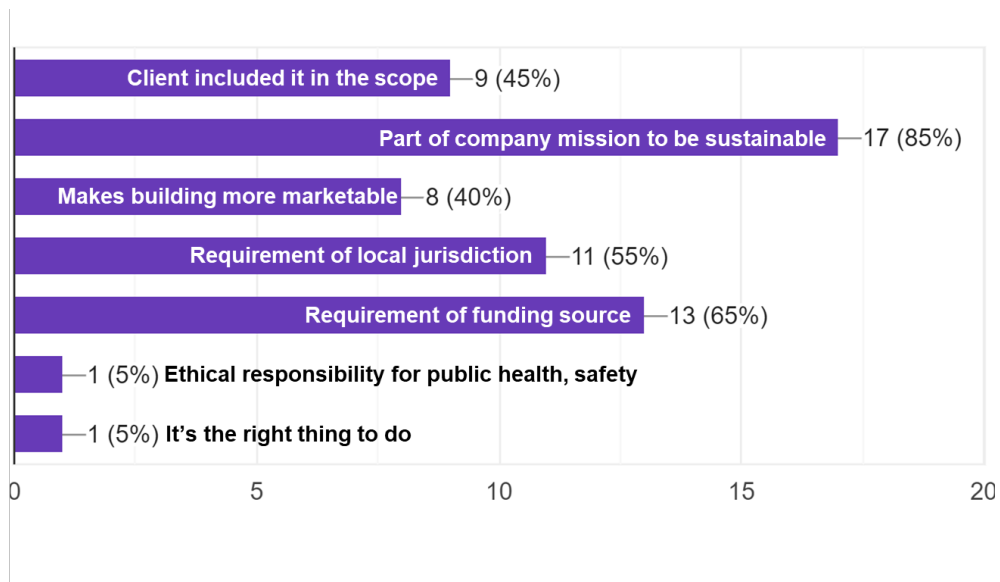
Stakeholders received information on the policy within the following parameters:

- Tone:
 - Overall positive tone with focus on how sustainable building development is core to the city realizing its sustainability values and that more sustainable development will make the city even more attractive.
 - The City will help building owners and managers succeed in developing their building.

- This is an established policy by our peers. We're not the first.
- **Process and Resources:**
 - The policy leverages the existing development process, adding an additional meeting pre-project, agenda items during the 30, 60, 90 check-ins, and inspection items.
 - The City will provide technical resources to help developers comply.
 - The City is taking best practices from other cities and aims to support regional consistency.
- **Benefits:**
 - Sustainable development saves businesses and residents operational costs.
 - Sustainable development will help the city reach its environmental goals and make the city more attractive.

Stakeholder Engagement Results

- I. Statewide developer attitudes - Concurrent to the stakeholder engagement activities described above, CEE conducted a statewide survey of developers and architects, to set a baseline understanding of attitudes toward sustainable building. Here are their findings in brief:
 - a. Many developers and architects already incorporate sustainable elements
 - i. 90% of surveyed developers answered "yes" they incorporate some sustainable standard into design
 - ii. Majority of respondents said because of mission, requirement of development funding and then requirement by local policy



2. Edina-specific developer attitudes – Two virtual focus group sessions were held with architects and developers who commonly propose projects in Edina. These stakeholders shared the following:

a. **Barriers and Concerns** mentioned by stakeholders:

Compliance	Expertise
<ul style="list-style-type: none"> Setbacks, design guidelines, zoning Evolving policies Who is confirming compliance? 	<ul style="list-style-type: none"> Lack of technical expertise at different points in process (design, approvals, construction, certification) Only so many contractors who can do this work
Cost implications	Consistency
<ul style="list-style-type: none"> Higher standards result in more costs Additional review can delay construction Most funding sources don't identify additional expense as "eligible" 	<ul style="list-style-type: none"> Some funding sources have their own requirements Differences between jurisdictions on overlays

b. **Solutions and Benefits** mentioned by stakeholders:

Compliance	Expertise
<ul style="list-style-type: none"> Single point of contact on who to ask questions Clear decision maker on adherence to policy Updated website, development review 	<ul style="list-style-type: none"> Technical expertise for guidelines and overlays early on in process Different points in process (design, approvals, construction, certification)
Cost implications	Consistency
<ul style="list-style-type: none"> Grants or incentives to help achieve goal Streamlining process to avoid construction and permit delays 	<ul style="list-style-type: none"> Uniform policies across jurisdictions to avoid confusion Developer agreement listing requirements to avoid changes in standards

3. Community Information sharing – Edina sustainability and CEE hosted a virtual information session with the public, primarily to share additional information and contextualize the information shared on the Better Together Edina Sustainable Buildings project site.
4. Primary developer & public findings and takeaways:
- Building owners should be able to choose their rating system based on goals and cost
 - Bringing in third party rating requirements takes risk/liability off design team
 - Need for technical expert for questions
 - It's important to be able to tell the story of SBP through case studies, both to demonstrate best practices and to sell to financiers
 - Currently, there is a market for sustainability in commercial buildings
 - There is less of a market demand for sustainability in multi-family buildings.

- iii. In both cases, SBP can help move the market.
 - c. This policy takes a different approach than Edina's development questionnaire
 - i. Rather than guided questions, it requires a third-party certification and compliance with an overlay
 - d. Be very clear about rating system version requirements and the policy's relationship to code
 - i. Requirement will be for whichever is most stringent between chosen rating system and code
 - e. There was interest:
 - i. In addressing sustainability in existing buildings
 - ii. To accelerate this policy's adoption
- 5. Commission feedback – The EEC and Planning Commission each received a presentation on the Sustainable Buildings Policy at their July meetings. Comments received include:

EEC:

- a. Overlay requirements for electrification and electric vehicles should be stronger
 - i. Electrification has greenhouse gas emission impacts and is important component of Climate Action Plan under development
 - ii. Electric vehicle requirements seem low, especially with even more new vehicles on the road
- b. Timeline for implementation should be moved up
 - i. Education period should be shorter to avoid missing 2022 projects
- c. Renovations and remodels should be included in the policy at 10,000 sq ft
- d. Sustainability rating systems should include LEED Silver as a minimum
- e. Where possible, integrate this into EEC business recognition program

PC:

- a. Single-family: is there a way to put incentives specific to single-family homes so more are included in this policy scope?
- b. Parking: the overlay should include additional requirements around parking maximums, flat ramp requirements (for future reuse) and bike parking minimums
- c. Healthy buildings: how are healthy building principles included here? Can we call out goals or objectives around this?
- d. Costs: LEED and other certifications are costly and there are concerns about the burden being put on developers
- e. Operationalizing: Ensure developers know about this early on and don't skirt the requirement by asking for TIF after project approval
- f. Emphasize Edina is joining an existing community of practice nation and statewide where sustainable building policies are common. Consider if there more leading-edge and ambitious requirements we can incorporate using other cities as an example.
- g. "This kind of policy is important"... "a good start"... "I would support a policy that goes further quicker"... "Only addressing a small wedge of what we need to."

Policy Description

Staff expertise and stakeholder feedback shaped the attached policy proposal and related policy operations plan for Edina. The following section describes the policy elements and seeks to contextualize reasoning for inclusion.

The policy, known as the Edina Sustainable Building Policy, proposes to require sustainability components beyond existing code for developments receiving financial and planning incentives from the City. The requirements include complying with one sustainability rating system, which is selected from a list, as well as with an Edina-specific overlay. The overlay targets specific sustainability strategies that align with existing Edina goals and are not necessarily covered by all rating system options.

I. Policy Application

The policy applies to all of the following new construction and major renovation projects:

1. Facilities owned or operated by the City of Edina or the HRA.
2. Facilities of which the City or HRA are, or will become, the sole tenant.
3. Facilities within the City of Edina receiving Financial Assistance (*further defined in 2. Policy Triggers*).
4. Facilities within the City of Edina with Planned Unit Development District zoning.

Policy application of this scope will affect roughly 2/3 of all large projects proposed in Edina.

Note on single-family homes: it is rare for a single-family home development to apply for a PUD or financial incentive from the City. Examples of when this policy might affect single-family homes include an affordable townhome development or a subdivision development requesting a PUD. Thus, staff expects this policy will not have a large effect on single-family home development.

2. Policy Triggers

Per Minnesota law, cities cannot make additional requirements of developers unless as part of an exchange in which the developer is asking something of the city. In the case of Edina, staff recommend that the following planning and financial incentives be used to trigger sustainable development requirements:

- Primary
 - Tax Increment Financing (TIF)
 - HRA Funds
 - Metropolitan Council Livable Communities Grant
 - Housing Improvement Area
 - Affordable Housing Trust Fund
 - Conduit Bonds
 - Land sale
 - Land write-downs
 - Other funds granted or loaned by the City of Edina and Edina HRA

3. Rating Systems

Sustainability rating systems encourage increased environmental and health performance in buildings through comprehensive sets of energy, water, waste, material, siting, and other strategies. They are third party administered and certified. Not all rating systems are exactly alike but may accomplish similar goals. Some are building type specific, while others are more adaptive.

Using a third-party rating system, such as LEED or MN Green Communities, ensures that buildings are meeting sustainability requirements that are widely recognized as best practices. Doing so also clarifies liability and allows for more certainty for the design team in knowing the policy requirements will be met. The cost for engaging the third-party rater is typically less than one percent of the cost of a project and when examined early in the design process, studies show that utilizing sustainability practices contributes 1-2% to total costs. While third party verification is relatively easy to operationalize for a city, some certifications cannot be given until 12 months after a development is constructed.

When a development triggers the sustainability requirements, we recommend the following rating systems as options by development type.

Development Type	Recommended Rating Systems
Municipal, Commercial, Mixed-Use, Industrial	LEED for New Construction and Major Renovations; Certified Silver or higher B3 Guidelines; Certified Compliant
Multifamily	LEED for New Construction and Major Renovations; Certified Silver or higher B3 Guidelines Green Communities; Certified
Single-family	LEED for Homes; Certified Silver or higher Green Communities
Parking	Park Smart Silver; Certified Silver or higher

As rating systems are constantly evolving and developing, the policy allows for developments to petition for alternative rating systems.

4. Overlay

An overlay is used to customize sustainability requirements based on City goals. The overlay is additive to the selected rating system. In some cases, an overlay requirement may help to create standardization among the rating systems for a specific topic area (i.e. using the same energy standard). Based on existing City goals and workplans, the following overlay requirements are proposed:

- a. Predicted greenhouse gas emissions
 - i. Calculated and reported
- b. Electric vehicle charging capability

- i. 5% of parking spaces must install Level 2 or higher charging stations –AND–
 - ii. Install conduit that allows 10% of spaces dedicated to Level 2 or higher charging stations, which would be installed at a future date
- c. Energy efficiency standard
 - i. For I-4 unit residential New Construction and Major Renovation projects:
 - I. US Department of Energy Zero Energy Ready Homes
 - ii. For all other residential and commercial New Construction and Major Renovation projects:
 - I. Sustainable Buildings 2030
- d. Bird-safe glazing
 - i. For New Construction and Major Renovation projects seeking LEED:
 - I. Achieve bird collision deterrence point
 - ii. For New Construction and Major Renovation projects seeking all other Sustainable Rating Systems:
 - I. Follow B3 Guideline S.9: Bird-Safe Building

5. Compliance

The policy reads:

- For any projects to which this policy applies, compliance must be a condition of receipt of Financial Assistance or Planned Unit Development approval.
- Buildings will not advance to the next stage of construction or operation, including necessary permit issuance, without demonstrated ongoing compliance with this Policy.
- The requirements of this Policy may be waived, in whole or in part, by the City Council after consideration of the advantages and disadvantages of a waiver, and upon demonstration by the developer of a compelling public purpose.

Sustainability, the Planning Department, and the Building Department will work jointly to implement and enforce the policy, with Sustainability having the ultimate responsibility. Although penalties for lack of enforcement were discussed, the recommendation is to use the development and inspection processes to ensure regular progress and adherence with the policy.

6. Effective Date

Staff originally recommended an effective date of July 1, 2022, allowing for a ~6-month transition and education period. Upon feedback from Planning Commission and EEC, the current policy will take effect in April 1, 2022.

Appendices:

- A. For Review: Proposed Sustainable Buildings Policy
- B. For Information: Draft Policy Operations Plan
- C. For Information: MN Sustainable Building Policy Recommendations
- D. For Information: CEE-Edina Policy Planning Services Report
- E. For Information: Staff Presentation: Proposed Sustainable Buildings Policy



- ☒ City Council
- ☐ City-Wide
- ☐ Department

Approved: [Click here to enter a date.](#)

Revised: [Click here to enter a date.](#)

Sustainable Building Policy

The Edina community is dedicated to building a sustainable environment where current and future generations benefit from clean air and water, climate and community resiliency, and access to nature, as reflected in City Council value statements. In particular, the City recognizes the risks of climate change and has set a goal of reducing greenhouse gas emissions 30% by 2025. Since the built environment is a significant contributor to Edina's greenhouse gas footprint, it is important that new developments are built to minimize emissions and environmental impact during construction as well as the operation of buildings. For developments that seek City funding or land use incentives, it is reasonable that they meet set sustainability requirements in service to those goals. As such, the City of Edina adopts the following Sustainable Building Policy:

FOR THE PURPOSES OF THIS POLICY:

For the purposes of this chapter, the following words and phrases shall have the following meanings:

1. "Developer" means the entity, whether public or private, that undertakes New Construction or Major Renovation projects, and to whom the provisions of this policy apply.
2. "Division" means the Sustainability Division or their designee.
3. "Financial Assistance" means funds provided for New Construction or Major Renovations projects provided by agreement from the City of Edina or the Edina Housing and Redevelopment Authority (HRA), including:
 - a. Tax Increment Financing (TIF)
 - b. HRA Funds
 - c. Metropolitan Council Livable Communities Grant
 - d. Housing Improvement Area
 - e. Affordable Housing Trust Fund
 - f. Conduit Bonds
 - g. Land sale
 - h. Land write-downs
 - i. Other funds that require approval by the City of Edina and Edina HRA

Notwithstanding the above, Financial Assistance does not include environmental remediation funds such as the following:

- j. Department of Employment and Economic Development (DEED) Cleanup and Investigation Grants
 - k. Met Council Tax Base Revitalization Account (TBRA) Contamination Cleanup Grants
 - l. Met Council TBRA Site Investigation Grants
4. "Level 2" electric vehicle charging capability means chargers with voltage greater than 120 and includes 240.
5. "Major Renovation" means renovation work performed on an existing building or portion thereof consisting of at least 10,000 square feet (gross) for non-municipal buildings and 2,500 square feet (gross) for municipal buildings, and requiring installation of new mechanical, ventilation, or cooling systems, or the replacement of such systems.

6. "New Construction" means the planning, design, construction and commissioning of a new building, or an addition of at least 10,000 square feet to an existing building if such addition requires installation of new mechanical, ventilation, or cooling systems.
7. "Sustainable Building Rating System" means any of the following:
 - i. LEED; Certified Silver, Gold or Platinum
 - I. US Green Building Council SITES Certification can be used in tandem with LEED for suitable municipal projects
 - ii. State of Minnesota B3 Guidelines; Certified Compliant
 - iii. Green Communities; Certified
 - iv. Parksmart; Certified Silver or Gold
- b. Equivalent substitute standards may be utilized at the discretion of the Division.
8. "Edina Overlay" means specific measurable standards that New Construction and Major Renovations must meet regardless of sustainable rating system, and which are to be managed by the Division. The Edina Overlay includes:
 - a. Predicted greenhouse gas emissions
 - i. Calculated and reported
 - b. Electric vehicle charging capability
 - i. 5% of parking spaces must install Level 2 or higher charging stations –AND–
 - ii. Install conduit that allows 10% of spaces dedicated to Level 2 or higher charging stations, which could be installed at a future date
 - c. Energy efficiency standard
 - i. For 1-4 unit residential New Construction and Major Renovation projects:
 - I. US Department of Energy Zero Energy Ready Homes
 - ii. For all other residential and commercial New Construction and Major Renovation projects:
 - I. Sustainable Buildings 2030
 - d. Bird-safe glazing
 - i. For New Construction and Major Renovation projects seeking LEED:
 - I. Achieve bird collision deterrence point
 - ii. For New Construction and Major Renovation projects seeking all other Sustainable Rating Systems:
 - I. Follow B3 Guideline S.9: Bird-Safe Building

THIS POLICY APPLIES TO ALL OF THE FOLLOWING NEW CONSTRUCTION AND MAJOR RENOVATION PROJECTS:

1. Facilities owned or operated by the City of Edina or the HRA.
2. Facilities of which the City or HRA are, or will become, the sole tenant.
3. Facilities within the City of Edina receiving Financial Assistance.
4. Facilities within the City of Edina with Planned Unit Development District zoning.

THE POLICY

1. Requirements. New Construction or Major Renovations to which this policy applies are required to be certified under an eligible Sustainable Building Rating System at the listed rating level and must meet the standards set forth in the Edina Overlay. Applicable versions of Sustainable Rating Systems and Overlay standards include the most recent or current iteration of a rating system in existence at the time of development application.
2. For any projects to which this policy applies, compliance must be a condition of receipt of Financial Assistance or Planned Unit Development approval.
3. Buildings will not advance to the next stage of construction or operation, including necessary permit issuance, without demonstrated ongoing compliance with this Policy.
4. The requirements of this Policy may be waived, in whole or in part, by the City Council after consideration of the advantages and disadvantages of a waiver, and upon demonstration by the Sustainability Division of a compelling public purpose. Applicable portions of this Policy are contingent upon availability of programs at participating utility companies. This Policy may be amended or discontinued without prior notice.

Effective date: April 1, 2022

Originally adopted:



Edina Sustainable Building Policy Operations Plan

Background: The following plan was developed over planning workshops with City staff and stakeholder engagement that occurred in May through September of 2021. City staff representing sustainability, community and economic development, and building inspections were represented in the sessions led by the Center for Energy and Environment on behalf of Hennepin County's Efficient Buildings Collaborative. In the sessions, staff learned about the basic elements typical of sustainable building policies, internal operational needs of a policy, and best practices around stakeholder engagement.

1. Project Management

The implementation of the policy will be overseen by the Sustainability Division, with the Planning Department and the Building Department playing key roles. Management tasks include:

- establishing and updating a City webpage about the policy
- establish and manage Hennepin County Implementor contract
- coordinating with Implementor to:
 - developer education
 - developer technical support
 - overall compliance tracking
 - impact analysis and reporting
- communicating about the program to Council, established relevant commissions, and other groups as necessary
- coordinating along the development process through 30/60/90% meetings and inspections as needed.

2. Efficient Buildings Collaborative Support

Because the thrust of the policy is to encourage developers to succeed in constructing a sustainable building, the group recommends taking advantage of the resources and expertise of the Efficient Buildings Collaborative (EBC). The EBC is a Hennepin County initiative to provide a platform of shared resources for cities as a way to lower costs and administrative burden as well as generally make sustainable building policy feasible for cities. As part of the EBC, the County is undergoing a competitive RFP process to hire a vendor to provide education, technical resources, and compliance assistance. The City already takes advantage of the EBC model for the Efficient Building Policy and contracts with the County's vendor to provide valuable benchmarking services. The EBC support is scoped to be customizable to the number of annual developments in the city that would be subject to the policy and to fit the operational needs of staff. Staff intend to take advantage of the EBC vendor's resources sustainable building policy

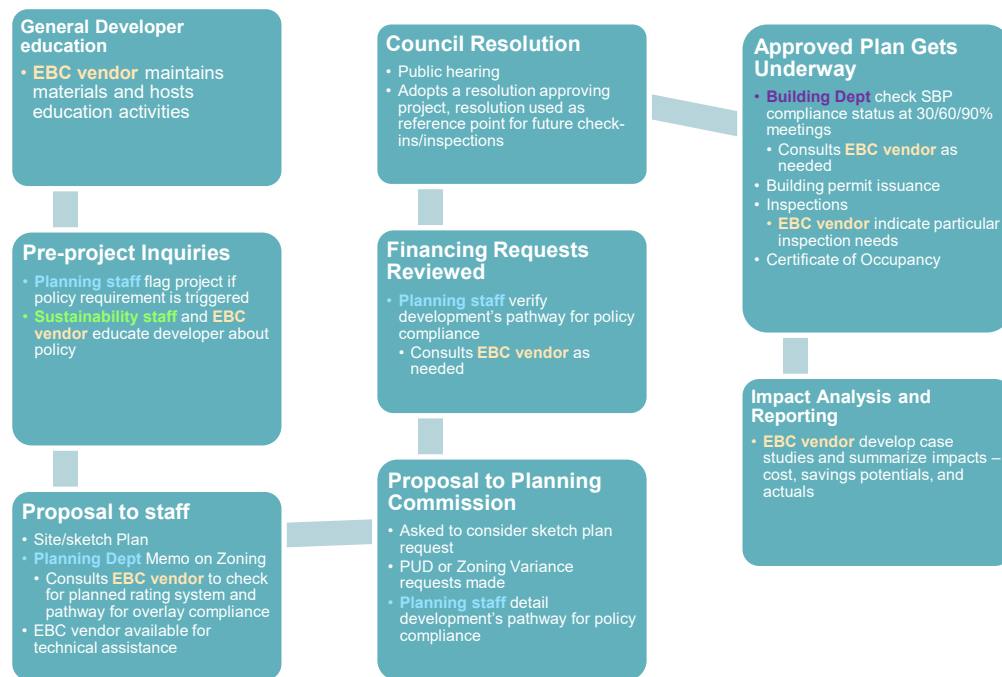
for implementation. Upon policy passage and JPA approval, the City will enter into a contract with Overlay to better detail its desired services.

3. Compliance Process

The policy relies on certification by third-party rating systems, which cannot provide certification until the development is complete and sometimes not until up to a year after construction due to on-going tracking requirements. For that reason, it is impractical to withhold a PUD, occupancy permit, or revoke funding. It's recommended that a development be tracked to be on a pathway for compliance throughout the development and inspection processes.

Sustainability staff would be ultimately responsible for the policy. They will oversee that a development project is on track for compliance, while Planning staff, Building staff, and the EBC vendor play specific roles in that process. Developers requesting a planning or financial incentive are to be notified early in the development process about the sustainability requirements, prior to the initial sketch plan review and zoning memo. Progress will be monitored during the 30%, 60%, 90% plan review check-ins.

If some element of the policy is found to be unworkable within a given development, Sustainability staff is responsible for drafting a memo requesting a waiver from the City Council. The memo will describe the policy element they seek to except the development from, and the reasoning. No development receiving City support, defined by the policy, can receive a waiver for the full policy. Below we provide more detail on the sustainable building policy compliance is integrated into the existing development process.



Hennepin County Sustainable Building Policy

Technical Support Services

Hennepin County has a goal to create a comprehensive program to aid cities within Hennepin County in successful implementation of sustainable building policies. Sustainable building policies establish minimum sustainability criteria that go beyond existing state code for new construction or significantly renovated developments. Cities may set these requirements for developments receiving financial or land use incentives. Included sustainability criteria typically target areas for pollution reduction and resource conservation. Given Hennepin County's Climate Action Plan goals, the Hennepin County seeks to make the adoption of sustainable building policies more streamlined and economically feasible for small and mid-sized cities. The successful development of this program will help the County achieve its sustainability goals and will help the County and its cities, businesses, and residents benefit from a cleaner, more efficient built environment.

The County is in the process of initiating an RFP to procure services to be offered to cities to implement a sustainable building policy in their city. The services will be provided for a minimum of six years. The services will be priced based on the number of developments anticipated along with the specific services to be contracted for. Cities will individually enter into a contract with the Consultant as services are needed over the life of the contract. The intent is to provide services to the cities at a more economical rate due to economy of scale and consistent approach. Cities outside of Hennepin County will also be able to utilize the services offered under this contract.

This program is intended to promote regional consistency for sustainable building policies in order to reduce complexity and promote cost effectiveness. Building off existing Minnesota city sustainability policies, the County developed model guidance in the [Minnesota Municipal Sustainable Buildings Policies Guide](#). Sustainable building policies of participating cities must be consistent with the model guidance. The Guide details two requirements – a third party green rating system and a city-specific overlay. Developers choose among a list of sustainability rating systems, including as LEED, B3, Green Communities, and ParkSmart, which provide recognized, holistic approaches to sustainability including energy, water, waste, materials, and site best practices. The city-specific overlay is a set of universal requirements applied to developments in a city regardless of rating system selected. Overlays allow a city to customize a set of requirements to strategies of greatest importance to an individual city. Such strategies can range in effort from calculating predicted greenhouse gas emissions to installing electric vehicle chargers for a percentage of parking spots.

Key focus areas of this support services will be:

- ensuring a smooth implementation of sustainable building policies for Hennepin County cities;
- developing outreach and engagement efforts that educate developers, architects, and contractors about the sustainable building policy model and differences in policies among cities;
- Providing expertise on sustainability rating systems, design, and construction practices, as well as technical support to ensure compliance;
- Confirming design and construction will meet rating system through spot checks and verifying overlay component compliance.

- making sustainable building policy implementation economically feasible for small to mid-sized cities.



MINNESOTA MUNICIPAL SUSTAINABLE BUILDING POLICIES GUIDE

Policy Framework and Implementation Recommendations

January, 2021

Prepared by
Katie Jones, Marisa Bayer
Center for Energy and Environment

In collaboration with
Hennepin County

OVERVIEW

Cities throughout Minnesota seek to improve public health, environmental justice, and environmental and economic sustainability. As cities set targets to reduce carbon emissions, reduce waste, protect natural areas, and mitigate stormwater runoff, many are turning to building-related strategies to help achieve these goals.

Generally, cities have three main levers to create change: mandatory requirements, process incentives, and financial incentives. Because the State of Minnesota sets the building code, cities are unable to establish building requirements that are more strict than existing code; however, with financial levers and authority over land use, cities have tremendous potential to use sustainable building policies as a tool to make progress toward sustainability goals.

To date, Minnesota cities have taken three approaches in the application of sustainable building policies, listed below in order of impact:

1. **Mandatory approach (Recommended).** This policy approach identifies default sustainability requirements for funding programs and land use variances above certain thresholds. These requirements are in addition to other program and land use requirements.
2. **Scoring approach.** Buildings are scored on a set of criteria and those with the highest scores qualify for city program funding and approval.
3. **Suggestion approach.** Developers are strongly encouraged to consider sustainability in construction through a sustainability questionnaire.

Based on research of existing policies and interviews with Minnesota cities, we identified best practices and recommendations for creating a framework and implementing a mandatory sustainable building policy.

The intent of this guide is to provide a resource for cities considering sustainable building policies and to encourage standardization across cities. Standardization has many benefits including improving efficiency and cost-effectiveness across the region, facilitating the adoption of sustainable building practices, and reducing competition among cities for development.

Sustainable Building Policy Defined

Sustainable building policies establish minimum sustainability criteria that go beyond existing state code for new construction or significantly renovated developments. Included criteria typically target areas for pollution reduction and resource conservation. Also known as green building policies.

Existing Policies

As of 2020, seven Minnesota cities have some type of formal sustainable building approach: Duluth, Edina, Maplewood, Minneapolis, Rochester, St. Louis Park, and Saint Paul.

The affected building types, triggers, and criteria vary by policy, although some standardization is taking shape. See the *Appendix* for detailed comparison of the policies.

POLICY FRAMEWORK GUIDE

A policy framework addresses the fundamental questions of “what” and “who” — what does the policy cover, who does this apply to, who manages the policy, and what happens with non-compliance.

Identify City Overlay and Applicable Rating Systems

The first step is to understand the universe of existing third-party green building rating systems.¹ Such rating systems provide processes for developers to achieve the city’s aims. Rating systems are often similar but not identical. For that reason, the city should note the strengths and weaknesses of the rating systems relative to one another and make a list of priority impacts the city wants to target. That list, along with considerations of other city goals, becomes a city overlay — a set of specific measurable minimum requirements that go beyond the base construction code and may exceed a standard’s requirements.

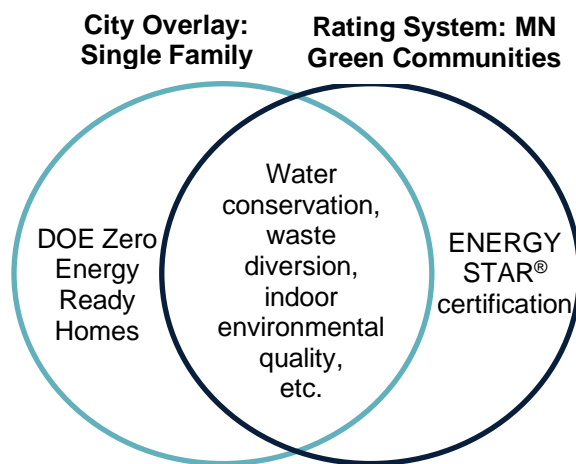


Figure 1: Example relationship between the city overlay and an existing rating system for a single-family home new construction. A development must comply with everything in the city overlay. For many components, the MN Green Communities rating system meets the city’s criteria. However, as this example shows the city is specifically targeting higher building performance with DOE Zero Energy Ready certification.

Applicable rating systems and the overlay should both be included in a policy. The two work in tandem, giving the city high-level policy customization, while giving developers flexibility in how to meet the targets. One benefit for the city is that using such rating systems lessens the need for specialized staff. In addition, leveraging existing rating systems that are well known in today’s construction industry allows for ease of communication and cost-effectiveness of implementation.

¹ Green building rating systems — sets of sustainability criteria with detailed and proscriptive pathways for meeting the criteria. They are generally broad covering many sustainability areas (e.g., water, energy, waste, materials) and can include topic focused standards (e.g., Sustainable Buildings 2030 energy standard).

Leverage existing third-party rating systems

Cities with existing sustainable building policies recognize the value of standardization across the region — the more ubiquitous the rules, the more practiced the industry becomes at complying with them and the more cost-effective implementation becomes. Because of the unique characteristics of different building types, policy requirements should specify the appropriate rating system for each building type. The table below shows the most common and recommended minimum rating systems and their associated levels by building type.

Municipal, Commercial, Mixed-Use, Industrial	<ul style="list-style-type: none">• LEED for New Construction and Major Renovations; Certified Silver or higher• B3 Guidelines
Multifamily	<ul style="list-style-type: none">• LEED for New Construction and Major Renovations; Certified Silver or higher• B3 Guidelines• GreenStar Homes; Certified Silver or higher• Green Communities *
Single-family	<ul style="list-style-type: none">• LEED for Homes; Certified Silver or higher• MN GreenStar; Certified Silver or higher• Green Communities*
Parking	<ul style="list-style-type: none">• Park Smart Silver

*For projects with MHFA funding, it is recommended that the MN Overlay version be used.

Establish City Overlay Criteria

Below we lay out the most common overlay criteria. Where possible, criteria are performance-based, which gives developers flexibility, and drives innovation and cost efficiencies. Cities should prioritize criteria for adoption that balance needs for implementation with city goals to ensure policy success.

It is also important to note that as environmental and economic conditions change, flexibility within each criterium is valuable. For that reason, it is recommended that a department director be charged with promulgating the detailed overlay requirements. It is also critical to include a third-party verification component in the policy. Verifiers should be proposed by the developer and acceptable to the city.

Recommended Overlay Criteria	Recommended Rule
Predicted and actual energy use	Meet SB 2030 Energy Standard through design and operation; for 1-3-unit buildings, meet DOE's Zero Energy Ready Homes standard.
Predicted greenhouse gas emissions	Calculate and report.
Predicted and actual use of potable water	Achieve 30% below the water efficiency standards of the Energy Policy Act of 1992.
Predicted use of water for landscaping	Achieve 50% reduction from consumption of traditionally irrigated site.
Utilization of renewable energy	Evaluate 2% of on-site renewables; install if cost-effective using SB 2030 guidance.
Electric vehicle charging capability (if parking is included)	Install conduit that allows charging stations to be installed at a future date.
Diversion of construction waste from landfills and incinerators	Achieve 75% diversion rate
Indoor environmental quality	Use low-VOC (volatile organic compounds) materials including paints, adhesives, sealants, flooring, carpet, as well as ASHRAE thermal and ventilation minimums.
Stormwater management	Adhere to quantity and quality requirements, including infiltration rate, suspended solid, and phosphorous reductions.
Resilient design	Document a design response to several identified potential shocks and stressors such as utility interruption, extreme rainfall and transportation interruption. Design Team shall integrate the identified strategies into the design of the project.
Ongoing monitoring of actual energy and water use	Benchmark using ENERGY STAR® Portfolio Manager annually.

Policy Triggers

Given the regional competition for development, cities often balance priorities of encouraging development while achieving community-wide goals, such as sustainability targets. For this reason, we 1) encourage the greatest number of cities to adopt similar sustainable building policies to standardize the practice across a region, and 2) recommend cities consider their unique leverage points for the greatest impact. Cities can use the following triggers to activate a sustainable building policy:

1. **Funding incentives.** The most straightforward trigger is a developer's request for public funding. To date, several cities have successfully used a minimum trigger of \$200,000 in cumulative public funding. The types of qualifying funding sources vary. We recommend maximizing public funding sources for the greatest impact. (See examples below.)
2. **Land use incentives.** Though there is little track record of this approach for sustainability in Minnesota, it is used in other areas of the country. For cities with established zoning rules, we recommend cities consider three types of land use triggers:
 - a. **Planned unit development (PUD).** Where a city has a large tract of land for development, it can set high-level density and other rules, such as a sustainable building policy, for the site, while giving the developer flexibility in how that is accomplished.
 - b. **Premiums.** Setting clear expectations for developers can reduce costs and encourage specific types of development. We recommend cities consider codifying sustainability premiums as an incentive for density and height bonuses.
 - c. **Variance.** Where not codified as premiums, cities should consider applying a policy when more intense variances are requested.
3. **Process incentives.** Cities can create faster approval processes and higher prioritization in permit and inspection reviews for developments that adhere to the sustainable building policy. This has not yet been tried in Minnesota but has been done elsewhere.
4. **Building size.** Because larger building developments have the greatest environmental impact and more sophisticated design teams, we recommend that a policy apply to buildings that meet the following size thresholds. This trigger is only activated when a project receives a funding, land use, or process incentive.
 - a. New construction of 10,000 square feet and greater.
 - b. Significant renovation of buildings 10,000 square feet and greater that include a new heating, ventilation, and air conditioning (HVAC) system.

Funding Sources

Comprehensive policies count all public dollars toward the threshold that triggers compliance including:

1. Community Development Block Grants (CDBG)
2. Bonds
3. Tax Increment Financing (TIF)
4. HOME Investment Partnership Program
5. Housing Redevelopment Authority funds
6. Land write-downs
7. Low-Income Housing Tax Credits (LIHTC)
8. A dedicated Sustainable Building Policy fund
9. Any other Federal, State, Regional (e.g., Met Council), or City funding source

Enforcement

Enforcement can be approached from two angles — either for financially incentivized projects or for those triggered by land use and process incentives.

The financial incentive is often needed to encourage and make such developments viable in the first place, making a financial penalty for non-compliance challenging to employ. For that reason, the best practice is to be proactive on the front end, providing sufficient resources and check-ins during the design development process to ensure compliance along the way.

For projects triggered by land use and process incentives, the city could enact a fine for violation, which has been done in other American cities with some as high as \$500 per day for non-compliance. In either case, compliance with the sustainable building policy should be included in the development agreement and loan documents.

Evaluation

Cities should evaluate a policy's impact and adjust over time in order to meet stated goals. A best practice is to build a framework for these components within the policy itself by requiring an annual progress and impact report and setting a reassessment timeline (e.g., every 3-5 years) for overlay criteria and the approved third-party rating systems.

Codify the Policy

After the city council or board adopts the sustainability building policy, it is important to codify the policy within or near zoning- and planning-related chapters in city code because a sustainable building policy concerns land development.

IMPLEMENTATION GUIDE

Before approval, it is important to have a plan to address questions of “how” — namely, how to operationalize the policy. Policy adoption alone will not ensure a sustainable building policy will be successful. Additional steps are needed to create structure, ownership, and awareness of the policy.

Identify Leaders and Collaborators

Policies are often managed by departments that are responsible for education, awareness, and enforcement. In some cases, these responsibilities may fall across departments, so it is important early on to identify the department and individual who will take primary ownership for the policy. Below is a list of key stakeholders to involve:

Sustainability Staff

As topic specialists, sustainability staff should either lead or play a significant part in policy development and assist in policy implementation. Such staff can advocate for the policy internally and educate external stakeholders. In addition, any initial meetings with

a project's development team should include sustainability staff or other designated, qualified individuals who can speak to the technical nature of sustainability requirements.

Planning Department

City planning departments should be involved in the management of the sustainable building policy. City planners are responsible for reviewing project applications, engaging with developers, and ultimately drafting the developer's agreement, which is the document holding a project developer accountable for following policies and codes.

External Collaborators

External partners can provide technical assistance to project teams to meet policy rating systems. These generally fall into two categories:

- **Specific:** A partner that develops and manages an individual rating system is best equipped to answer questions regarding pathways for compliance for their rating system (e.g., USGBC for LEED).
- **Broad:** A partner that can answer questions across multiple rating systems.

Community Highlight: St. Louis Park, MN

Because the City's Community Development Department oversees project and land use applications as well as financial incentives for development, it is a natural fit for the sustainable building policy to be managed by that department. Sustainability staff, who are in a different department, remain engaged by attending project meetings with developers to educate them about the City's climate goals and aspects of the policy. The City also keeps an architecture and engineering firm on retainer for more detailed review beyond sustainability staff's abilities and to help developers meet the goals of the policy.

Increase Awareness of the Policy

A key question to ask is: how do developers, architects, and contractors know the policy exists?

If the policy is new, or if major changes have been made to an existing policy, cities should take proactive steps to inform their development community about how this policy will impact future projects. At minimum, cities should post the policy clearly on the city's website for easy access. Additional engagement would build support and acceptance of the policy. We recommend cities offer trainings, networking events, and building tours, as well as engage building associations to spread the word about the policies. Cities could also partner on outreach initiatives to increase reach and minimize cost.

Community Highlight: Rochester, MN

The City of Rochester hosts green building tours to showcase successful implementation of their policy in new development. Developers and architects can tour new buildings, ask questions, and learn how their peers are following Rochester's sustainable building policy.

Identify Projects Subject to the Policy

Although a policy itself specifies minimum requirements for subject developments, the city must create a process to easily identify incoming projects that meet those requirements. This is accomplished by leveraging existing development review processes. Planners also often use checklists and review guides to ensure projects meet required development policies and codes.

For that reason, we recommend cities use this process to integrate a review for the sustainable building policy. Cities should make sure someone with sustainability expertise, either sustainability staff or other designated reviewers, attend development review meetings.

Educate Project Teams

Once the city has identified an eligible project, the policy should be reviewed with the project's development team to ensure they understand all the components of the policy. This is a great opportunity for development teams to ask questions and for city staff to champion their policy.

Community Highlight: Saint Paul, MN

The City of Saint Paul uses funding and size minimums to determine the projects subject to their sustainable building policy. After public project funding is requested and before it is approved, the staff member responsible for managing the policy is notified of the project. Staff send a letter to the project team detailing compliance requirements for the project, and soon after they hold a meeting involving the project team to review these requirements. Sustainability staff leverage this opportunity to walk through the policy step by step to make sure there are no surprises for the project team.

This meeting should be scheduled after a project application or funding application is received to ensure policy criteria can be incorporated as early as possible in the design process. Having the right people at the meeting will ensure that the policy expectations are clearly communicated, and any questions are addressed. On the city's side, this meeting should include those involved in managing the policy, such as sustainability and planning staff. If the city is working with an external collaborator to help with technical assistance, including them in this meeting would be advantageous. From the project team, the architect and owner's representative should be invited so that the team responsible for designing and funding the project understand the expectations.

Ensure Compliance

A best practice for compliance is for cities to connect project teams with external collaborators who are technical experts in both the development process and sustainability requirements. Cities then track compliance with the list of requirements. Because most projects that have been subject to sustainable building policies in Minnesota have been commercial, mixed use, or large multifamily, city staff have relied on the B3 Tracking Tool to monitor compliance for most recommended overlay criteria and then have separate manual tracking mechanisms to track any remaining criteria.

Another best practice is to leverage other existing processes for front end-confirmation of sustainable design, such as Xcel Energy's Energy Design Assistance program and other similar utility programs that incentivize energy modeling to meet building performance criteria.

Enforce the Policy

Enforcement comes into play once a project receives the necessary approvals to start construction. In most cases, following the previous steps will ensure that a project adheres to the policy; however, if the project does not meet minimum standards, enforcement may be necessary. Formal enforcement should be codified in the policy, so developers understand the implications of not complying. Informally, city staff can communicate with project teams about the negative impact to their relationship and concerns over future projects following city policies.

Community Highlight: Rochester, MN

The City of Rochester structures their Tax Increment Financing (TIF) agreements as pay-as-you-go disbursements, giving the city the opportunity to withhold future disbursements if a project does not adhere to certain policies or codes. The city has used this approach for projects in the Destination Medical Center and throughout the municipality.

Evaluate Impact

Evaluating the policy's impact helps city staff and city decision-makers understand if the policy achieved the intended goals. Project reports should detail the size, cost, and anticipated savings compared to actual performance. A summary of these along with the collective environmental benefits (e.g., gallons of water and greenhouse gas emissions saved compared to code) should be shared with city council, staff, and the public. In addition, annual or biennial reviews with project teams, city staff, and external collaborators give valuable input into the effectiveness of the policy. Cities should talk to project teams about what worked and what could be improved about the sustainable building policy's implementation process. They should also talk to external collaborators and sustainability experts about the latest trends and best practices for sustainable buildings. Having both quantitative and qualitative data on the policy's success will be useful during future policy updates to strengthen its impact.

FUTURE CONSIDERATIONS

Going forward, these policies should evolve as new sustainability standards become available and as city goals around reducing structural racism and ensuring equity become clearer and more focused. As cities find alignment on these issues, they should continue to exchange best practices and evolve together. We recommend cities check in on at least a biannual if not quarterly basis. This could be led by cities themselves or by an external coordinator.

Areas that may warrant further exploration include:

- **Compliance tracking tool.** Cities currently lack a holistic method for tracking compliance for all property types and may benefit from the development of one.

- **Additional compliance strategies.** Another possible route to ensure compliance is by leveraging permitting and inspections processes. However, because construction code is prescriptive and most sustainability criteria is performance-based, there has been no attempt in Minnesota thus far to take either of these two routes:
 - **During permit approval.** Because cities approve permits that give the green light for construction, they could explore issuing permits only once design models adequately indicate that sustainability requirements will be met. Incorporating permit approvals that are based on modeled designs of performance would necessitate thorough consideration of expertise and permitting staff needs.
 - **During inspections.** Building inspectors could take a bigger role in ensuring sustainability criteria are incorporated during construction. Similar to design review for permits, inspectors evaluate a building based on prescriptive code. For that reason, inspector scope would need to expand to include evaluation against a performance-based model design.
- **A one-stop-shop for expertise on sustainable building policies.** An external collaborator would not only consult on multiple rating systems, but also serve as a single point of communication for technical questions and compliance monitoring for project teams and cities, respectively. This type of group has not yet been established to serve Minnesota cities. However, such a partner with broad expertise, design review experience, and implementation support ability could serve multiple cities while reducing sustainability staff needs.

Although sustainable building policies have been around more than a decade in Minnesota, there remain great opportunities for more cities to leverage such policy tools and for better standardization among cities to ease implementation. As cities actively invest in new developments or receive developer requests outside existing zoning rules, they can use these policies to achieve sustainability goals. In the end, the built environment has strong impacts on environmental health and livability, and sustainable building policies are an important tool to build the physical environment that cities want and need.

Proposal

Edina Sustainability Policy Planning Services

Client: City of Edina
 Contact: Grace Hancock, Sustainability Coordinator
 Draft Date: April 7, 2021

Intent of Services

Through the Hennepin County Efficient Buildings Collaborative, the Center for Energy and Environment (CEE) will provide planning and technical assistance to support the successful development of a commercial sustainable building policy. These services will support the city with technical guidance on the program design, roles, timelines, resources, and stakeholder engagement required to pass and implement a policy or guidance, and to support city staff in those activities as needed.

Work to Date

The City of Edina has effectively already developed a sustainable building policy for municipal buildings. For that reason, several City staff are familiar with the general concept. In addition, City staff have already identified a comprehensive list of stakeholders that would likely be affected by a commercial policy. The proposed services below will leverage this work done to date.

Proposed Activities

To support the development of a sustainable building policy in the City of Edina, CEE will host a series of planning workshops, working with city staff to identify stakeholders and strategize on the appropriate timelines and order for city internal and external engagement, policy framework development, and internal operations planning. We will support the City in identifying the appropriate scope of policy based on current building data, existing sustainability initiatives, and operations. Following the workshops and the creation of the Development Plan, we will support the City in delivering that plan with stakeholder engagement, material development, and technical guidance.

Tasks:

1. Outline roles and responsibilities among City staff, relevant commissions, and other City leadership relevant to the policy development and implementation
2. Coordinate project management check-ins with City staff to keep project on track with established timelines
3. Plan and facilitate workshop series, as detailed below, to meet City timeline targets
4. Attend and support relevant City Council and Commission meetings
5. Provide technical support and best practice guidance
6. Support community and leadership stakeholder education by developing presentations and serving as a technical advisor

Month	Major Activity (<i>italics indicates City-lead, CEE supported activity</i>)
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May	<p>Workshop 1: Introduction and Foundations</p> <ul style="list-style-type: none"> a. Introductions and workshop objectives <ul style="list-style-type: none"> i. Develop policy framework ii. Develop stakeholder engagement plan iii. Develop internal operations plan b. Anchoring <ul style="list-style-type: none"> i. Discuss development review process c. Baseline <ul style="list-style-type: none"> i. Project information (number of annual projects, type, size, funding amounts)
	<ul style="list-style-type: none"> a. Policy framework: Discuss scenarios and detailed options <ul style="list-style-type: none"> i. Review sustainable building policy concepts ii. Narrow options and make decisions on as many areas as possible iii. Identify areas needing more information/feedback from stakeholders <p>Workshop 2: Stakeholder planning</p> <ul style="list-style-type: none"> a. Review any unfinished elements from the policy framework discussion b. Identify how to approach internal and external stakeholders c. Create a process and schedule for soliciting stakeholder feedback
June	<p>Workshop 3: Operations planning</p> <ul style="list-style-type: none"> a. Outline what tasks and activities will be needed to operationalize the policy/guidance in this city b. Walk through project approval process and identify how SBP fits
July	<i>Stakeholder Engagement</i>
August	<p>Workshop 4: Policy development - final</p> <ul style="list-style-type: none"> a. Use stakeholder feedback to finalize concepts and draft policy b. Finalize operations plan
September	<i>Policy Presentation to Council</i>

Deliverables:

1. Development Plan
 - 6-10-page reference document outlining engagement plans, policy framework, and city operations plan along with a timeline of activities
2. Educational Handout
 - A 1-page (front/back) document describing the policy to community stakeholders
3. Presentation for Stakeholders
 - Delivery of slide presentations to community stakeholders and to council members

Total Hours: Approx. 90

Costs

\$0

Timeline

All services will be completed by Dec. 31, 2021.



The CITY of
EDINA

Edina Sustainable Buildings Proposal

Grace Hancock, Sustainability Coordinator

October 19, 2021

Agenda

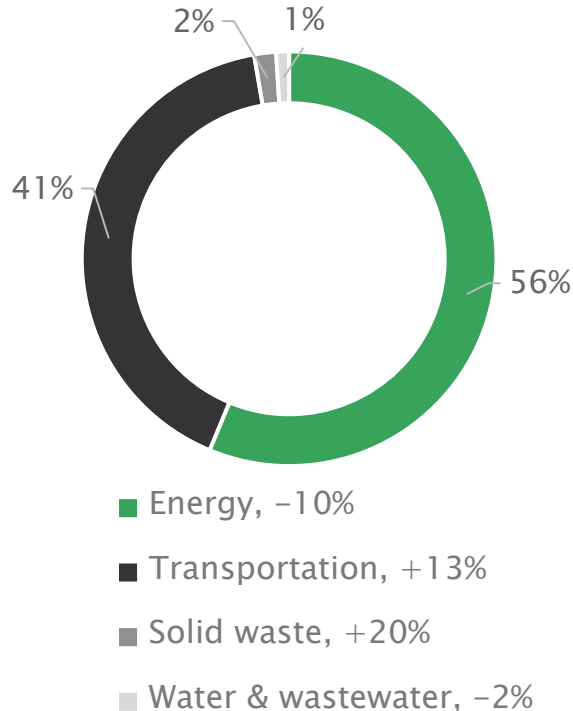


The CITY of
EDINA

- Policy context
- Proposed policy
- Implementation & next steps



Buildings impact climate goals



Existing Practices

- Reduce Greenhouse Gas Emissions 30% by 2025
- 2016 Electricity Action Plan
- 2019 Efficient Building Benchmarking Ordinance
- 2021 Climate Action Plan



The Triple Bottom Line

With this policy:

- 1-2% premium on project cost
- + ~3-400 metric tonnes GHGs to Edina/build

Without this policy:

- Cost premium shifts from developer to operator
- + ~1,000 annual metric tonnes GHGs to Edina/build

To meet City goals, reduce 50-55,000 mt GHGs/year.
This policy helps us build 80% more efficient than 2006 average build with a 12-year payback requirement for sustainable elements.



The CITY of
EDINA

Policies in Minnesota

Being Planned or Redesigned

- City of Bloomington
- City of Duluth
- City of Edina
- City of Minneapolis
- City of St. Louis Park

On the books

- City of Duluth
- City of Maplewood
- City of Minneapolis
- City of Rochester
- City of Saint Paul
- City of St. Louis Park

The Policy



The CITY of
EDINA

New Construction or Major Renovations to which this policy applies are required to be certified under an eligible Sustainable Building Rating System at the listed rating level and must meet the standards set forth in the Edina Overlay.

Applicability



The CITY of
EDINA

- Facilities owned or operated by the City of Edina or the HRA.
- Facilities of which the City or HRA are, or will become, the sole tenant.
- Facilities within the City of Edina receiving Financial Assistance.
- Facilities within the City of Edina with Planned Unit Development District zoning.



The CITY of
EDINA

Policy Triggers

- Land use incentives
 - Planned unit development (PUD)
- Financial incentive
 - Tax Increment Financing (TIF)
 - HRA Funds
 - Metropolitan Council Livable Communities Grant
 - Housing Improvement Area
 - Affordable Housing Trust Fund
 - Conduit Bonds
 - Land sale
 - Land write-downs



Rating Systems

- LEED; Certified Silver, Gold or Platinum
US Green Building Council SITES Certification can be used in tandem with LEED for suitable municipal projects
- State of Minnesota B3 Guidelines; Certified Compliant
- Green Communities; Certified
- Parksmart; Certified Silver or Gold

*Equivalent substitute standards may be utilized at the discretion of the Division.

Overlay



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- Predicted greenhouse gas emissions – calculated & reported
- EV chargers
 - i. 5% installed and 10% parking stalls EV-ready
- Energy efficiency standard
 - i. For 1-4 unit residential New Construction and Major Renovation projects:
 - US Department of Energy Zero Energy Ready Homes
 - ii. For all other residential and commercial New Construction and Major Renovation projects:
 - Sustainable Buildings 2030
- Bird safe glazing – Follow LEED or B3



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Compliance & Effective Date

“an ounce of prevention is worth a pound of cure”

- Use existing accountability processes (30/60/90% design meetings & inspections) to drive accountability and maintain transparency
- Compliance must be met to receive incentive
- Effective April 1, 2022



Implementation



- Policy Requirement Education
- Technical Assistance
- Compliance Tracking and Certification
- Reporting

What's Next



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Thank you!
Questions & Comments?