HILLCREST REDEVELOPMENT SUSTAINABILITY WORKGROUP

Meeting Minutes | Friday, March 25, 2022

Attendees

- Chelsea DeArmond
- Matt Doll
- Ian Houmas
- Keeli Siyaka
- Rebecca Nelson
- John Metza
- Monte Hilleman
- Becky Alexander
- Tiffani Navratil

Meeting Summary
ACTION ITEMS

	DESCRIPTION	ASSIGNEE
1.	Email images and descriptions of inspirational sustainability measures to Tiffani, Becky, and Monte	Work Group Members

MEETING SUMMARY

1. Welcome (Monte)
    a. The site has a new name! "The Heights" was selected via social media-based voting.
    b. New video has been released to the public – several work group members appear in the video; the mayor narrates the video
    c. Monte reviewed the 6 photorealistic renderings that appear in the video

2. Homework Discussion – talk to 3-5 people/organizations that should know more about the sustainability aspirations of the Heights
    a. Broad themes?
        i. Chelsea – broad consensus on the sustainability aspects of the plan – it's a very important part of this development
        ii. Rebecca – Land acknowledgement needs to be made clear
            1. Monte said the city staff is working on making a public statement to the make this acknowledgement appropriately
            2. Hoping to have a deep engagement with Native communities to program and name those spaces appropriately
        iii. Ian – working on talking to a couple more people; everyone was very interested and endorsed the 100% renewable aspect; question about the possibility of wind power; questions about traffic impacts
            1. Wind installation could be demonstrative – something that tells you that the site is innovative
        iv. Matt Doll – people have been overall excited about the site, but they are concerned that the process will get bogged down; Matt said that he's been impressed with the engagement and planning process thus far.
        v. John Metza – has been talking to a lot of people across the county, and at least half of them is very impressed and want a link to the website about the project, John intends to have one-directional wind turbines on his building on the site.
3. LEED for Communities, continued from last meeting
    a. Carbon-free Community – energy and greenhouse gas emissions
        i. Design strategies – all electric, district geothermal, energy efficient buildings

ii. Energy efficient buildings – reducing energy use in each building before generating renewable energy
    1. Six different types of proposed buildings and how they can be designed to be energy efficient
        a. Compared these efficient designs to business-as-usual building design (gray)
        b. (Yellow) Efficient mechanical systems, lighting, reducing plug loads, building insulation, etc. – right at the edge of what the market will bear
        c. 70-82% reduction from business-as-usual
    2. Currently working on developing Covenant language that will ensure these measures are implemented in every building
    3. The Port will be providing PACE turn-key financing to help developers implement these strategies
        a. Property-Assessed Clean Energy financing – the Port has Obama-era funds that have been rolled into the PACE program; it's a low-risk loan that is paid back through property tax assessment, which is a very secure guarantee
        b. Port has 56M of this kind of financing around the State – if PACE is structured to be cash-flow positive, even though its still debt that would need to be taken on by the business owner; doesn't impact cash flow; payback is typically in year 7
        c. Maxed out rooftop solar will be a requirement, PACE financing for it will be offered, but not required.

iii. Carbon-free Costs
    1. Comparison of costs with or without a district energy system
    2. Over a 25-year period, using a district energy system can reduce the costs of building operations
    3. The bucket of funding that is hardest to fill is the building-level upfront costs, so the more we can take those costs away from the building and put in a district system, the more likely this can be successfully financed
    4. 20-40% capitalization rate increase for LEED buildings – creates inherent value
    5. NY, CA will be requiring these buildings – this is the direction that the market is going
    6. Port is working on a variety of funding sources to get this implemented successfully
        a. What are we missing? Is there another funding source that we need to explore?
            i. John – grant money could be available for this kind of system; he's applied for a major grant that he has a good chance of getting, a second one has come up that he might get too, especially if they can get timber buildings implemented on a large scale
            ii. Chelsea – possibility of cooperative ownership model for financing (like cooperative energy futures – they deploy community solar gardens that are equitable) – this is an outlier, and don't always mean the community actually own the system; we also need to keep the energy rec's on the site to count them toward our net-zero goal; local energy production is philosophically in-mind with local ownership – keep the wealth and the equity within the community itself
            iii. This energy system is approximately 100M, but it's not all new money, it's reallocated money – 50M should be PACE financing eligible, 38M in remaining funding options seem likely, but we're still looking at a gap that needs to be covered

iv. Transportation and Land Use – Tiffani reviewed the Master Plan requirements
    1. We feel like the walkability and bike-ability of the site has been very well addressed
    2. Keeli – did St. Paul get rid of all the Lime Scooters?

v. Access to Quality Transit
    1. Car sharing, Micro-mobility, Live/Work, Transit Use, Parking
    2. Opportunities for Work Force housing right next to jobs – if a person walks to work, they emit zero carbon!
    3. Working remotely is also a good option to reduce travel carbon
    4. Are there other ideas on low-carbon transportation strategies
        a. Nice Bike – bike share! Furness is technically part of the Grand Rounds, whenever it gets completed
        b. Other bike share companies could be explored
        c. Tesla has a plan for self-driving cars – major plan to change car ownership to make it completely unnecessary for a household – it could be that the landscape changes so much that a lot of these problems evaporate
            i. Where do the cars go when they don't have anyone inside of them?
            ii. Personally owned vehicles sit 90-96% of the time; people can rent out their personal vehicles to make money for them while they're sleeping/at work/etc.
        d. Is there any plan for advertising for this community? Convince people to come live here, to let them know that they can live close to their jobs
vi. Alternative Fuel Vehicles
    1. About 160 spots will ideally have EV-charging stations – a significant contribution to City-wide charging options
    2. Light Industrial will need 20% EV-charging, and 30% EV-ready
    3. People charge most at night, at home, but there are opportunities to charge at work as well
    4. Other things we should be looking at?
        a. John – one cannot underestimate the power of "free" – extra power during the day in this community, so it would really encourage employees to buy their own EV cars; we can't underestimate how fast EV adoption will go, latest spike in gas prices have causes Tesla cars to be sold-out well into the future; he has 4 spots on his site currently, and his employees don't need to buy gas at all
        b. Are there funding sources that can help us offset the cost of buying an EV fleet?
        c. Rebecca – question about EV car sharing suitability for the site
        d. EVIE – spot network of EV cars; cars need to be returned to one of those nodes, or somewhere nearby and someone moves it back to a charging station over night
        e. Keeli – how was it determined how much parking will be on site? If we want to integrate alternative transportation, maybe we don't need as much parking as we thought – City has removed parking minimums, each building needs to go through its own site plan review; most of businesses will assume they need 100 parking spaces for 100 jobs; as soon as owners realize they don't need that much parking, they can expand their buildings (i.e. more jobs); some of these buildings will have 2-3 shifts, so there will possibly be a lot of coming and going
vii. Covenants
    1. We want to lead the market, but we can't bleed the market
    2. The Covenants are trying to ensure that each building/site reaches a foundational level of sustainability
    3. Overlay component that speak to special priority areas
viii. Building Certification for LEED
    1. Set-up in a similar way for LEED for Communities

2. Need 40 points minimum out of 110
3. Alternative compliance for MN Housing-financed projects – Green Communities

ix. Energy Efficiency
1. Building and tenant improvements certifying to LEED shall use energy modeling to demonstrate achievement of at least 40% reduction in predicted annual energy costs over baseline, or…

x. Renewable Energy
1. Maximize PV production on rooftops
2. Ownership is flexible as long as the records are maintained on site

xi. Energy Sources
1. Restricting natural gas service
2. All buildings need to participate in the district energy and geothermal system

xii. Embodied Carbon
1. Buildings needs to do a life-cycle analysis and reduce their operational carbon by 10-20%

xiii. EV Support

xiv. Waste
1. All buildings need to have a construction waste management plan, and divert at least 50% of waste from landfills

xv. Reporting
1. Energy consumption, energy generation, electrical demand, water use

4. Around the Room – what do we need to talk about at the next meeting?
   a. Ian – impact on human environment, hiring people that are local, putting a % requirement on that, economic impact – Monte will discuss Work Force agreements
   b. Chelsea – interested in water on the site, liked what the MP had to say about stormwater treatment, wants to learn more about it, more droughts, and more floods in the future, so how is that considered on the site?
   c. Keeli – interested in using permeable materials throughout all parking lots, especially if they might be phased out of use with EV vehicles proliferation; is that feasible is some of the contaminated soils are under the parking lots?
   d. Ian – first or second slide should be revisited – Embodied Carbon; a very new emphasis in the industry that needs to be considered
   e. John – who can be influenced regarding the PV arrays and the practicality of living with it, snow, maintenance, etc.; he has a lot to add about how to take care of them; if you design them to shed their own snow, their energy production capacity significantly increases; IPS is helping us figure all of this out
   f. Rebecca – her questions have already been touched on by other people
   g. Matt – stormwater, permeable paving as relates to parking
   h. John – Embodied carbon needs to be standardized in the Covenants, a certain percentage should come from a renewable source
   i. Keeli – public transportation credits, incentivize employees to use alternative transportation
   j. Homework – find some funding sources!
   k. Live/Work incentives to be implemented by the employer – John says many of them already live closer to their site – incentive to not drive their cars to work