

**HOPKINS CITY COUNCIL
AGENDA
Tuesday, December 19, 2023
6:30 pm**

**THIS AGENDA IS SUBJECT TO CHANGE
UNTIL THE START OF THE CITY COUNCIL MEETING**

I. CALL TO ORDER

II. ADOPT AGENDA

III. PRESENTATIONS

1. 2023 Hopkins Community Image Awards Presentation; Elverum
2. Sustainability Update; Howard/Imihy Bean

IV. CONSENT AGENDA

1. Minutes of December 4, 2023, City Council Regular Meeting Proceedings
2. Minutes of December 5, 2023, City Council Regular Meeting Proceedings
3. Minutes of December 5, 2023, City Council Closed Meeting Proceedings
4. Second Reading: Ordinance Granting Centerpoint Energy a Franchise for Gas Energy; Bishop
5. Second Reading: Ordinance Amending Chapter 102 of the Hopkins City Code Regarding Signage; Krzos
6. Resolution Approving Laws of Minnesota 2023, Chapter 64, Article 8, Section 2, Relating to Tax Increment Financing District 2-11; Elverum
7. Joint Powers Agreement with the City of Minnetonka for Youth Advisory Board and ACE Programs; Imihy Bean

V. PUBLIC HEARINGS

VI. OLD BUSINESS

VII. NEW BUSINESS

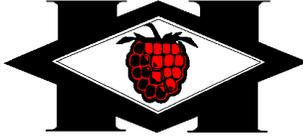
1. Sustainability Building Policy; Howard
2. Recognition of Council Member Alan Beck; Hanlon

VIII. PUBLIC COMMENT

IX. ANNOUNCEMENTS

- Next City Council Regular Meeting: January 2, 9 and 16 at 6:30 p.m.

X. ADJOURN



CITY OF HOPKINS

Planning & Development

Memorandum

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

From: Kersten Elverum, Director of Planning & Development

Date: December 19, 2023

Subject: 2023 Hopkins Community Image Awards Presentation

PURPOSE

Each year the City of Hopkins recognizes certain properties for their contribution toward the positive image of the community. Awards are grouped in three categories – Commercial/Industrial/Office, Multi-Family Residential, and Single-Family Residential. Nominations are sought from the public through August and a review committee determines which nominated properties receive awards. Each property that receives at least four of the five review committee votes receives an award. There is no limit to the number of properties that can be awarded, but winners from the last 10 years are not considered.

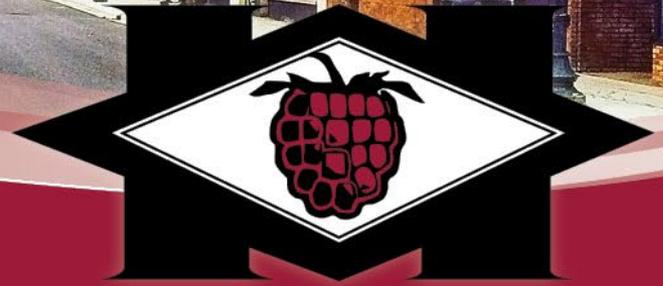
This year the review committee consisted of business representative Danny McDonald from State Farm, residents Rosetta Muhammad and Jodie Arfmann, and City staff members Muse Mohamed and Brad Ferguson.

The following property was selected by the committee:

- 610 Drillane Road

INFORMATION

- 2023 Community Image Awards presentation



City of Hopkins

2023 Hopkins Community Image Awards

610 Drillane Road



BEFORE



610 Drillane Road



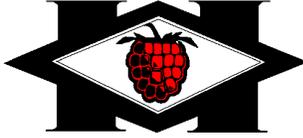
AFTER



THANK YOU TO OUR JUDGES!

- Muse Mohamed
- Brad Ferguson
- Jodie Arfmann
- Rosetta Muhammad
- Danny McDonald





CITY OF HOPKINS

Administration

Memorandum

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

From: PeggySue Imihy Bean, Special Projects and Initiatives Manager &
Kurt Howard, Planner

Date: December 19, 2023

Subject: Sustainability Update

PURPOSE

Following sustainability updates in [October 2022](#) and [May 2023](#), tonight staff will present an update on sustainability initiatives and accomplishments across departments. Special Projects and Initiatives Manager PeggySue Imihy Bean will present a brief sustainability update and Planner Kurt Howard will report on the completion of the planning process for Hopkins' participation in Xcel Energy's Partners in Energy program.

Ongoing Initiatives

Conservation Minnesota Blazing Star Award

Tonight, staff from Conservation Minnesota will present the City of Hopkins with a Blazing Star Award. This award recognizes the City for its work on the Heat Vulnerability Study. The Blazing Star Award acknowledges local governments for exciting projects that advance conservation, climate resilience, environmental protection, or outdoor recreation opportunities. Staff from LHB, one of the consultants who worked on the award, will also be in attendance.

Hopkins Climate Solutions Fund

The first round of funding for the Hopkins Climate Solutions fund closed in September with many fantastic projects having already been completed. Eligible items for the fund include solar energy systems, electric heating and cooling technologies, and even electric bicycles. In 2023, the City provided \$55,000 in grants to residential and commercial properties, who in turn invested \$750,000 of private funds into clean energy products. Some highlight projects include helping fund solar installations on two new affordable housing buildings - Chorus Apartments by Alatus and Vista 44 by Beacon Development. The fund will reopen for new applications in spring 2024.

HOURCAR

In January 2023, the City entered into an agreement with car sharing provider HOURCAR and Xcel Energy to host HOURCAR 'Evie' vehicles at Dow Towers. Due to unforeseen issues with the Public Utilities Commission, this has been delayed significantly. However, Public Housing Manager Muse Mohamed has recently worked with Xcel on the design for the charging ports and we are optimistic that the cars will be installed in summer 2024.

Sustainability Specialist

Over the fall, the City posted for a Sustainability Specialist position which will take over the bulk of sustainability work from Special Projects and Initiatives Manager Imihy Bean. The new position will be situated within public works, and report to City Engineer Eric Klingbeil. Sustainability initiatives related to transportation and land use will continue to be worked on by Planner Howard, and everything else will be handled by the new position. We anticipate this person starting after January 1.

Partners in Energy (PiE)

Tonight, Planner Howard and staff from the Center for Energy and Environment (CEE) will present on the current status of Hopkins' participation in the Partners in Energy program, which provides assistance to the City in developing and implementing an Energy Action Plan over a two-year period. Shortly after the May 2023 sustainability update, the City finished recruiting members for its Energy Action Team through an open application process and targeted outreach. The Energy Action Team held its first in a series of five planning workshops in May and completed its final workshop in October. These workshops involved establishing a baseline of Hopkins' energy use, developing a vision and goals for the future, and identifying strategies and tactics to achieve those goals. Staff from CEE are in the process of documenting this work in a draft Energy Action Plan which will be finalized by the Energy Action Team and is anticipated to come before the City Council for formal adoption in February 2024.

FUTURE ACTION

Staff will return with a draft Energy Action Plan to propose for formal adoption. This is anticipated to occur in February 2024.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
DECEMBER 4, 2023**

CALL TO ORDER

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Tuesday, November 21, 2023, at 6:30 p.m. in the Council Chambers at City Hall, 1010 1st Street South.

Mayor Hanlon called the meeting to order with Council Members Balan, Beck and Hunke attending. Council Member Garrido was absent. Others attending included City Manager Mornson, Assistant City Manager Lenz, City Clerk Domeier, Finance Director Bishop, Director of Public Works Autio, Fire Chief Specken and Police Chief Johnson.

ADOPT AGENDA

Motion by Balan. **Second** by Hunke.

Motion to Adopt the Agenda.

Ayes: Balan, Beck, Hanlon, Hunke

Nays: None. Absent: Garrido. Motion carried.

PUBLIC HEARING

III.1. 2024 Budget Meeting, 2024 Tax Levy, 2024 HRA/EDA Levy and General and Special Revenue Fund Budgets; Bishop

Finance Director Bishop summarized City Council Report 2023-130. On September 19, the preliminary levy of \$19,678,939, a \$912,715 or 4.86% increase from 2023 was approved. The staff's recommendation is to adopt this levy as Final. The purpose of tonight's meeting is to hold a public hearing on the 2024 tax levy. The final levy must be adopted and submitted to Hennepin County by December 28.

Police Chief Johnson provided more information about the enhanced security measures mandated by the BCA. He also provided an update on partnerships with surrounding agencies for a records management system. Mayor Hanlon requested efficiency savings and return on investment for the street light improvement project.

Mayor Hanlon opened the public hearing at 6:52 p.m.

Motion by Hunke. **Second** by Balan.

Motion to Close the Public Hearing.

Ayes: Balan, Beck, Hanlon, Hunke

Nays: None. Absent: Garrido. Motion carried.

The Public Hearing closed at 6:54 p.m.

Council Members Hunke and Balan thanked staff's efforts for reducing the levy throughout the budget process while maintaining core services and programs. Council Member Beck did not support spending down surplus funds to balance the budget. Mayor Hanlon spoke to the competing interests that are incorporated into the budget.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
DECEMBER 4, 2023**

Motion by Balan. **Second** by Hunke.

Motion to Adopt Resolution 2023-050 Approving the 2024 Tax Levy, 2024 HRA Levy and Adopting the 2024 General and Special Revenue Fund Budgets.

Ayes: Balan, Hanlon, Hunke

Nays: Beck. Absent: Garrido. Motion carried.

ANNOUNCEMENTS

Mayor Hanlon reviewed the upcoming meeting schedule.

ADJOURNMENT

There being no further business to come before the City Council, and upon a motion by Balan, second by Hunke, the meeting was unanimously adjourned at 7:01 p.m.

Respectfully Submitted,



Amy Domeier, City Clerk

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
DECEMBER 5, 2023**

CALL TO ORDER

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Tuesday, December 5, 2023, at 6:45 p.m. in the Council Chambers at City Hall, 1010 1st Street South.

Mayor Hanlon called the meeting to order with Council Members Balan, Beck, Garrido and Hunke attending. Others attending included City Manager Mornson, Assistant City Manager Lenz, City Clerk Domeier, Finance Director Bishop, Director of Planning and Development Elverum, City Planner Krzos and City Attorney Riggs.

ADOPT AGENDA

Motion by Garrido. **Second** by Balan.

Motion to Adopt the Agenda.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

CONSENT AGENDA

Motion by Hunke. **Second** by Garrido.

Motion to Approve the Consent Agenda.

1. Minutes of November 21, 2023, City Council Regular Meeting Proceedings
2. Resolution Approving Amendments to the Hopkins Fire Department Relief Association Bylaws; Specken
3. Ratify Checks Issued in November 2023; Bishop
4. Renewal of General Liability and Property Insurance and Authorize Not Waiving of the Statutory Tort Liability on the League of Minnesota Insurance Trust Policy; Bishop

Ayes: Balan, Garrido, Hanlon, Hunke

Nays: None. Absent: Beck. Motion carried.

NEW BUSINESS

VII.1. Resolution Approving an On-Sale Liquor and Sunday Sales Liquor License for Shaughnessy Plating LLC DBA Pink Ivy Kitchen and Bar; Domeier

City Clerk Domeier summarized City Council Report 2023-131. Shaughnessy Plating LLC applied for an on-sale liquor license and Sunday sales liquor license at Pink Ivy Kitchen and Bar ("Pink Ivy"), a new restaurant to be located at 712 Mainstreet. The licensed premise includes the interior space and outdoor seating area at 712 Mainstreet.

Motion by Balan. **Second** by Garrido.

Motion to adopt a Resolution Approving an On-Sale Liquor and Sunday Sales Liquor License for Shaughnessy Plating LLC DBA Pink Ivy Kitchen and Bar.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
DECEMBER 5, 2023**

Ayes: Balan, Beck, Garrido, Hanlon, Hunke
Nays: None. Motion carried.

VII.2. First Reading: Ordinance Granting Centerpoint Energy a Franchise for Gas Energy; Bishop

Finance Director Bishop summarized City Council Report 2023-134. Centerpoint Energy currently holds a franchise to operate and supply gas within the City of Hopkins. The franchise was adopted in 2002 for a 20-year term and is due for renewal. Franchises are granted under Section 10.02 of the City Code and can be for a maximum of 20 years. Ordinance No. 2023-1205 continues Centerpoint's Franchise for an additional 20-year term.

Motion by Balan. **Second** by Hunke.

Motion to adopt Ordinance No. 2023-1205 Granting Centerpoint Energy Resources Corp., A Minnesota Corporation, d/b/a Centerpoint Energy Minnesota Gas, its Successors and Assigns, a nonexclusive Franchise to Construct, Operate, Repair and Maintain Facilities and Equipment for the Transportation, Distribution, Manufacture and Sale of Gas Energy and to use the Public Ways and Grounds of the City of Hopkins, Hennepin County, Minnesota, for Such Purposes; and Prescribing Certain Terms and Conditions thereof for first reading.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke
Nays: None. Motion carried.

VII.3. First Reading: Ordinance Amending Chapter 102 of the Hopkins City Code Regarding Signage; Krzos

City Planner Krzos summarized City Council Report 2023-133. The City's Development Code contains provisions to regulate signage displayed in Hopkins. When the Development Code was updated, the signage-related provisions were mostly unchanged and carried over from the previous Zoning Ordinance. While a more complete update of the sign code is warranted in the future, two issues need more immediate consideration for amendment. The first issue relates to the definition of sign area, the second matter would create a new type of sign for pedestrian wayfinding.

Motion by Hunke. **Second** by Garrido.

Motion to Adopt for First Reading Ordinance 2023-1204 amending the Hopkins Development Code regarding signage.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke
Nays: None. Motion carried.

ANNOUNCEMENTS

Mayor Hanlon reviewed the upcoming meeting schedule.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
DECEMBER 5, 2023**

ADJOURNMENT

There being no further business to come before the City Council, and upon a motion by Balan, second by Hunke, the meeting was unanimously adjourned at 7:15 p.m.

Respectfully Submitted,



Amy Domeier, City Clerk

**HOPKINS CITY COUNCIL
CLOSED MEETING PROCEEDINGS
DECEMBER 5, 2023**

CALL TO ORDER

Pursuant to due call and notice thereof a closed meeting of the Hopkins City Council was held on Tuesday, December 5, 2023, at 7:15 p.m. in the Council Chambers at City Hall, 1010 1st Street South.

Mayor Hanlon called the meeting to order with Council Members Balan, Beck, Garrido and Hunke attending. Others attending included City Manager Mornson, City Attorneys Riggs and Jessica Schwie.

Motion by Balan. **Second** by Hunke.

Motion to go into closed session pursuant to Minnesota Statutes, section 13D.05, subd. 3(b) regarding the following: to conduct a closed session pursuant to the attorney-client privilege to engage in confidential attorney-client communications and litigation strategy related to a pending litigation matter entitled: ninety n ninety, LLC v. City of Hopkins, Minnesota; a Minnesota corporation, United States District Court, District of Minnesota: Case No. 0:23-cv-03224.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

The closed session moved to the Involve Room. The city's attorneys were present to discuss the status of this dispute and options for the city council moving forward. The need for confidentiality outweighs the purposes of the open meeting law because our attorneys intend to candidly discuss the City's position, its options, and potential strategies related to this active litigation dispute.

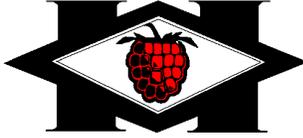
ADJOURNMENT

There being no further business to come before the City Council, and upon a motion by Balan, second by Hunke, the meeting was unanimously adjourned at 8:21 p.m.

Respectfully Submitted,



Amy Domeier, City Clerk



Finance Department

CITY OF HOPKINS

City Council Report 2023-134

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

From: Nick Bishop, Finance Director

Date: December 19, 2023

Subject: Second Reading of An Ordinance Granting Centerpoint Energy a Franchise for Gas Energy

RECOMMENDED ACTION

MOTION TO adopt for Second Reading Ordinance No. 2023-1205 Granting Centerpoint Energy Resources Corp., A Minnesota Corporation, d/b/a Centerpoint Energy Minnesota Gas, its Successors and Assigns, a nonexclusive Franchise to Construct, Operate, Repair and Maintain Facilities and Equipment for the Transportation, Distribution, Manufacture and Sale of Gas Energy and to use the Public Ways and Grounds of the City of Hopkins, Hennepin County, Minnesota, for Such Purposes; and Prescribing Certain Terms and Conditions thereof.

OVERVIEW

Centerpoint Energy currently holds a franchise to operate and supply gas within the City of Hopkins. The franchise was adopted in 2002 for a 20-year term and is due for renewal. Franchises are granted under Section 10.02 of the City Code and can be a maximum of 20 years. Ordinance No. 2023-1205 continues Centerpoint's Franchise for an additional 20-year term. It does not have any significant changes compared to the 2002 Ordinance and will not cause any changes to utility services of City Operations.

No changes have been made to the Ordinance since the December 5 first reading.

SUPPORTING INFORMATION

- Ordinance No. 2023-1205

**CITY OF HOPKINS
COUNTY OF HENNEPIN
ORDINANCE NO. 2023-1205**

AN ORDINANCE GRANTING CENTERPOINT ENERGY RESOURCES CORP., A MINNESOTA CORPORATION, d/b/a CENTERPOINT ENERGY MINNESOTA GAS (“CENTERPOINT ENERGY”), ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN FACILITIES AND EQUIPMENT FOR THE TRANSPORTATION, DISTRIBUTION, MANUFACTURE AND SALE OF GAS ENERGY AND TO USE THE PUBLIC WAYS AND GROUNDS OF THE CITY OF HOPKINS, HENNEPIN COUNTY, MINNESOTA, FOR SUCH PURPOSES; AND, PRESCRIBING CERTAIN TERMS AND CONDITIONS THEREOF

THE CITY COUNCIL OF THE CITY OF HOPKINS DOES HEREBY ORDAIN:

SECTION 1. DEFINITIONS

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

City. The City of Hopkins, County of Hennepin, State of Minnesota.

City Utility System. Facilities used for providing public utility service owned or operated by City or agency thereof, including sewer, storm sewer, water service, street lighting and traffic signals, but excluding facilities for providing heating, lighting, or other forms of energy.

Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate gas retail rates now vested in the Minnesota Public Utilities Commission.

Company. CenterPoint Energy Resources Corp., a Minnesota corporation, d/b/a CenterPoint Energy Minnesota Gas its successors and assigns including all successors or assigns that own or operate any part or parts of the Gas Facilities subject to this Franchise.

Franchise. This gas franchise ordinance, also referred to as Ordinance.

Gas Energy. Gas Energy includes both retail and wholesale natural, manufactured or mixed gas.

Gas Facilities. Gas transmission and distribution pipes, lines, mains, ducts, regulators, fixtures and all necessary equipment and appurtenances owned or operated by the Company for the purpose of providing Gas Energy for retail or wholesale use.

Notice. A writing served by any party or parties on any other party or parties. Notice to Company shall be mailed to CenterPoint Energy, Minnesota Division Vice President, 505 Nicollet Mall, Minneapolis, Minnesota, 55402. Notice to the City shall be mailed to City Manager, 1010 First

Street South, Hopkins, MN 55343. Any party may change its respective address for the purpose of this Ordinance by written Notice to the other parties.

Ordinance. This gas franchise ordinance, also referred to as the Franchise.

Public Way. Public right-of-way within the City as defined in Minnesota Statutes § 237.163, subdivision 3 .

Public Ground. Land owned or otherwise controlled by the City for utility easements, park, trail, walkway, open space or other public property, which is held for use in common by the public or for public benefit.

SECTION 2. ADOPTION OF FRANCHISE

2.1 **Grant of Franchise.** City hereby grants Company, for a period of twenty (20) years from the date this Ordinance is passed and approved by the City, the right to import, manufacture, distribute and sell Gas Energy for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future and also the right to transport Gas Energy through the limits of the City for use outside of the City limits. For these purposes, Company may construct, operate, repair and maintain Gas Facilities in, on, over, under and across the Public Ways and, as may be provided by separate instrument, Public Grounds, subject to the provisions of this Ordinance. Company may do all reasonable things necessary or customary to accomplish these purposes, subject, however, to such reasonable regulations, or ordinance or permit requirements, as may be imposed by the City in accordance with state law.

2.2 **Effective Date; Written Acceptance.** This Franchise shall be in force and effect from and after the passage of this Ordinance and publication as required by law and its acceptance in writing by Company. Company shall file a written acceptance with the City within sixty (60) days after passage.

2.3. **Service and Gas Rates.** The terms and conditions of service and the rates to be charged by Company for Gas Energy in City are subject to the jurisdiction of the Commission.

2.4. **Publication Expense.** Company shall reimburse the City's expense of publication of this Ordinance.

2.5. **Dispute Resolution.** If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within thirty (30) days of the written Notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used or if the parties are unable to resolve the dispute within thirty (30) days after first meeting with the selected mediator, either party may commence an action in District Court to interpret and enforce this Franchise or for such other relief as may be permitted by law or equity.

2.6. **Continuation of Franchise.** If the City and the Company are unable to agree on the terms of a new franchise by the time this Franchise expires, this Franchise will remain in effect until

a new franchise is agreed upon, or until ninety (90) days after the City or the Company serves written Notice to the other party of its intention to allow Franchise to expire, but in no event shall this franchise continue for more than one year after the expiration of the 20-year term set forth in Section 2.1.

SECTION 3. LOCATION, OTHER REGULATIONS

3.1. **Location of Facilities.** Gas Facilities shall be located, constructed, and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt normal operation of any City Utility System including specifically any street lighting or traffic signal system of the City. Gas Facilities may be located on Public Grounds in a location mutually agreed upon by the city and company. The location and relocation of Gas Facilities shall be subject to reasonable regulations of the City consistent with authority granted the City to manage its Public Ways and Public Grounds under state law, to the extent not inconsistent with a specific term of this Franchise. Company shall provide field locations for its underground Gas Facilities within the City consistent with the requirements of Minnesota Statutes, Chapter 216D.

3.2. **Street Openings.** Company shall not open or disturb the surface of any Public Way or Public Ground for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee. Permit conditions imposed on Company shall not be more burdensome than those imposed on other public right-of-way users for similar facilities or work. Company may, however, open and disturb the surface of any Public Way or Public Ground without a permit if (i) an emergency exists requiring the immediate repair of Gas Facilities and (ii) Company gives telephone, email or similar Notice to the City before commencement of the emergency repair, if reasonably possible. Within two (2) business days after commencing the repair, Company shall apply for any required permits and pay any required fees.

3.3. **Restoration.** After undertaking any work requiring the opening of any Public Way or Public Ground, the Company shall restore the Public Ways or Public Grounds in accordance with Minnesota Rules, part 7819.1100. Company shall restore the Public Ground to as good a condition as formerly existed, and shall maintain the surface in good condition for one (1) year thereafter. All work shall be completed as promptly as weather permits, and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground in the said condition, the City shall have, after demand to Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five (5) days, the right to make the restoration of the Public Ways or Public Grounds at the expense of Company. Company shall pay to the City the cost of such work done for or performed by the City. The Company shall not be required to post a construction performance bond.

3.4. **Avoid Damage to Gas Facilities.** The Company must take reasonable measures to prevent the Gas Facilities from causing damage to persons or property. The Company must take reasonable measures to protect the Gas Facilities from damage that could be inflicted on the Gas Facilities by persons, property or the elements. Per Minnesota Statutes § 216D.05, the City must take protective measures when it performs work near the Gas Facilities.

3.5. **Notice of Improvements to Streets.** The City will give Company reasonable written Notice of plans for improvements to Public Ways and Public Grounds where the City has reason to

believe that Gas Facilities may affect or be affected by the improvement. The Notice will contain: (i) the nature and character of the improvements, (ii) the Public Ways or Public Grounds upon which the improvements are to be made, (iii) the extent of the improvements, (iv) the time when the City will start the work, and (v) if more than one Public Way or Public Grounds is involved, the order in which the work is to proceed. The Notice will be given to Company a minimum of eight (8) weeks time, considering seasonal working conditions, in advance of the actual commencement of the work to permit Company to make any additions, alterations or repairs to its Gas Facilities Company deems necessary.

3.6 **Mapping Information.** If requested by City, Company must promptly provide complete and accurate mapping information for any of its Gas Facilities in accordance with the requirements of Minnesota Rules, parts 7819.4000 and 7819.4100.

SECTION 4. RELOCATIONS

4.1. **Relocation in Public Ways.** If the City orders Company to relocate its Gas Facilities in a Public Way for a City improvement project including changes to the Public Way, or construction or reconstruction of any City Utility System in the Public Way, the Company and City shall comply with the provisions of Minnesota Rules, part 7819.3100 with respect to the Company's relocation of Gas Facilities.

4.2 **Relocation in Public Grounds.** City may require Company at Company's expense to relocate or remove its Gas Facilities from Public Grounds upon a finding by City that the Gas Facilities have become or will become a substantial impairment to the existing or proposed public use of the Public Grounds. Nothing in this Section 4.2 shall be construed so as to invalidate or impair any existing company easements in Public Grounds.

4.3. **Projects with Federal Funding.** Relocation, removal or rearrangement of any Company Gas Facilities made necessary because of the extension into or through City of a federally aided highway project shall be governed by the provisions of Minnesota Statutes §§ 161.45 and 161.46.

SECTION 5. INDEMNIFICATION

5.1. **Indemnity of City.** Company shall indemnify and hold the City harmless from any and all liability, on account of injury to persons or damage to property occasioned by the construction, maintenance, repair, inspection, the issuance of permits or the operation of the Gas Facilities located in the Public Ways and Public Grounds. The City shall not be indemnified for losses or claims occasioned through its own negligence or otherwise wrongful act or omission except for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, Company's plans or work.

5.2. **Defense of City.** In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if written Notice thereof is promptly given to Company within a period wherein Company is not prejudiced by lack of such Notice. If Company is required to indemnify and defend,

it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City. The Company, in defending any action on behalf of the City, shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf. This Franchise agreement shall not be interpreted to constitute a waiver by the City of any of its defenses of immunity or limitations on liability under Minnesota Statutes, Chapter 466.

SECTION 6. VACATION OF PUBLIC WAYS AND PUBLIC GROUNDS

The City shall give Company at least two (2) weeks' prior written Notice of a proposed vacation of a Public Ways or Public Grounds. The City and the Company shall comply with Minnesota Rules, parts 7819.3100 and 7819.3200 with respect to any request for vacation.

SECTION 7. CHANGE IN FORM OF GOVERNMENT

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

SECTION 8. FRANCHISE FEE

8.1. **Form.** During the term of the franchise hereby granted, the City shall require the Company to pay a franchise fee. The franchise fee will be collected in a manner that is legally acceptable to the Company. The amount of the fee collected may differ for each customer class. The City will use a formula that provides a stable and predictable amount of fees, without placing the Company at a competitive disadvantage. Such fee shall not exceed any amount that the Company may legally charge to its customers prior to payment to the City and be consistent with the Minnesota Public Utility Commission's March 23, 2011, Order establishing franchise fee filing requirements in Docket No. E,G999/CI-09-970. If the Company claims that the City required fee formula is discriminatory or otherwise places the Company at a competitive disadvantage, the Company will provide a formula that will produce a substantially similar fee amount to the City.

8.2. **Separate Ordinance.** Any modification to the franchise fee and fee schedule contained in Ordinance No. 2023-1200, enacted in accordance with Minnesota Statutes §§ 216B.36 and 301B.01, shall be imposed by separate ordinance duly adopted by the City Council. The effective date of any such franchise fee ordinance shall be no less than ninety (90) days after written Notice enclosing a copy of the duly adopted and approved ordinance has been served upon the Company by Certified mail. Section 2.5 shall constitute the sole remedy for solving disputes between Company and City in regard to the interpretation of, or enforcement of, the separate ordinance.

8.3. **Condition of Fee.** The separate ordinance imposing the fee shall not be effective against the Company unless it lawfully imposes a fee of the same or substantially similar amount on the sale of energy within the City by any other energy supplier, provided that, as to such supplier, the City has the authority or contractual right to require a franchise fee or similar fee through an agreed-upon franchise.

8.4. **Collection of Fee.** The franchise fee shall be payable not less than quarterly during complete billing months of the period for which payment is to be made. The franchise fee formula may be changed from time to time, however, the change shall meet the Notice requirements provided above and the fee may not be changed more often than annually. Such fee shall not exceed any amount that the Company may legally charge to its customers prior to payment to the City and be consistent with Minnesota Public Utility Commission's March 23, 2011, Order establishing franchise fee filing requirements in Docket No. E,G999/CI-09-970. Such fee is subject to subsequent reductions to account for uncollectibles and customer refunds incurred by the Company. The Company shall not be responsible to pay City fees that Company is unable to collect under Commission rules or order. Company agrees to make available for inspection by City at reasonable times all records necessary to audit Company's determination of the franchise fee payments.

8.5. **Continuation of Franchise Fee.** If this Franchise expires and the City and the Company are unable to agree upon terms of a new franchise, the franchise fee, if any being imposed by the City at the time this Franchise expires, will remain in effect until a new franchise is agreed upon. However, the franchise fee will not remain in effect for more than one (1) year after the franchise expires as stated in Section 2.6 of this Franchise. If for any reason the franchise terminates, the franchise fee will terminate at the same time.

SECTION 9. ABANDONED FACILITIES

The Company shall comply with Minnesota Rules, part 7819.3300, as it may be amended from time to time with respect to abandoned facilities in Public Ways. The Company shall maintain records describing the location of all abandoned and retired Gas Facilities within the Public Ways and Public Grounds, produce such records at the City's request and comply with the location requirements of Minnesota Statutes § 216D.04 with respect to all Gas Facilities located in Public Ways and Public Grounds.

SECTION 10. PROVISIONS OF ORDINANCE

10.1. **Severability.** Every section, provision or part of this Ordinance is declared separate from every other section, provision or part; and if any section, provision or part shall be held invalid, it shall not affect any other section, provision or part. Where a provision of any other City ordinance is inconsistent with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

10.2. **Limitation on Applicability.** This Ordinance constitutes a franchise between City and Company as the only parties. No provisions herein shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third-party beneficiary of this Ordinance or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

SECTION 11. AMENDMENT PROCEDURE

Either party may propose at any time that this Franchise Ordinance be amended. Franchise Ordinance may be amended at any time by the City passing a subsequent ordinance declaring the provisions of the amendment, which amendatory ordinance shall become effective upon the filing of

Company's written consent thereto with the City Clerk within ninety (90) days after the effective date of the amendatory ordinance.

First Reading: December 5, 2023

Second Reading: December 19, 2023

Date of Publication: December 28, 2023

Date Ordinance Takes Effect: January 1, 2024

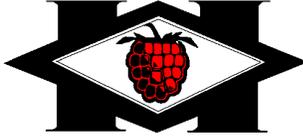
Patrick Hanlon, Mayor

AYES:

NAYS:

Attest:

Amy Domeier, City Clerk



CITY OF HOPKINS

City Council Report 2023-137

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

From: Ryan Krzos, City Planner

Date: December 19, 2023

Subject: Second Reading of a Zoning Text Amendment for Office Uses in Mixed Use Zones.

RECOMMENDED ACTION

MOTION TO Adopt for second reading, Ordinance 2023-1204, amending the Hopkins Development Code regarding signage.

BACKGROUND

Ordinance 2023-1204 is unchanged from the first reading conducted at the December 5, 2023 City Council meeting. The proposed ordinance amendment clarifies the definition of sign area and creates a new type of sign for pedestrian wayfinding.

SUPPORTING INFORMATION

- Proposed Ordinance 2023-1204 amending the Hopkins Development Code regarding signage

**CITY OF HOPKINS
HENNEPIN COUNTY, MINNESOTA**

ORIDNANCE 2023-1204

**AN ORDINANCE AMENDING CHAPTER 102 OF THE HOPKINS CITY CODE
REGARDING SIGNAGE**

THE CITY COUNCIL OF THE CITY OF HOPKINS HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Hopkins City Code, Part III, Chapter 102, Article 10, Section 102-10110, is hereby amended by adding the double-underlined language as follows:

102-10110 Driveway and Walkway Signs

102-10110 (a) ENTRANCES AND EXITS One driveway sign may be installed at each vehicle entrance and exit to any lot occupied by an allowed nonresidential use or multi-unit residential building. Such signs must be located within 10 feet of the intersection of the driveway and the street right-of-way. Driveway signs may be illuminated but may not exceed 4 square feet in area or 3 feet in height.

102-10110 (b) INTERNAL

(1) Off-street parking areas with a capacity of more than 4 vehicles, multi-tenant developments and uses on lots exceeding 50,000 square feet in area may display internal site driveway signs. Such signs must be located within 10 feet of an internal site driveway or drive aisle and may not exceed 8 square feet in area or 6 feet in height.

(2) Developments containing multiple buildings on a lot, or lots exceeding 50,000 square feet in area may display internal walkway signs. Such signs must be located within 10 feet of an internal walkway and may not exceed 6 square feet in area or five feet in height.

SECTION 2. Hopkins City Code, Part III, Chapter 102, Article 10, Section 102-1010 (f) (61), is hereby amended by adding the double-underlined language as follows:

(61) Walkway sign. A sign located near an internal site sidewalk circulation network that provides a permanent pathway for pedestrians between public streets and building entrances.

(62) Window sign. Any building sign, pictures, symbol, or combination thereof, designed to communicate information about an activity, business, commodity, event, sale, or service, that is placed inside a window or upon the window panes or glass and is visible from the exterior of the window.

SECTION 3. Hopkins City Code, Part III, Chapter 102, Article 10, Section 102-1010 (f) (51), is hereby amended by adding the double-underlined language as follows:

(51) Sign area. A measurement of the area (size/square footage) within the frame of the sign, excluding any structural elements outside the limits of such sign and not forming an integral part of the display. ~~except that when the width of the frame exceeds 12 inches in the frame must be included in calculating sign area.~~ When letters or graphics are mounted directly on a wall, or fascia, canopy, or awning without a frame, the calculation of the sign's area shall be the smallest rectangle which encloses the sign message or logo. ~~must include the area extending 6 inches beyond the periphery formed around the letters or graphics in a plane figure bounded by straight lines.~~ Each surface utilized to display a message or to attract attention must be measured as a separate sign. Symbols, flags, pictures, wording, figures or other forms of graphics painted on or attached to windows, walls, awnings, freestanding structures, suspended by balloons, or kites or on persons, animals, or vehicles are considered a sign and are included in calculating total sign area.

SECTION 4. The effective date of this ordinance shall be December 28, 2023.

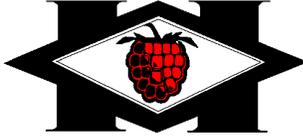
First Reading:	December 5, 2023
Second Reading:	December 19, 2023
Date of Publication:	December 28, 2023
Date Ordinance Takes Effect:	December 28, 2023

By: _____

Patrick Hanlon, Mayor

ATTEST:

Amy Domeier, City Clerk



CITY OF HOPKINS

City Council Report 2023-138

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

From: Kersten Elverum, Director of Planning & Development

Date: December 19, 2023

Subject: Approve Special TIF Law for 2-11

RECOMMENDED ACTION

MOTION TO Approve Resolution 2023-051 Approving Laws of Minnesota 2023, Chapter 64, Article 8, Section 2, Relating to Tax Increment Financing District 2-11

OVERVIEW

The City of Hopkins established redevelopment Tax Increment Financing (TIF) District No. 2-11 in 2003. Due to market conditions, development did not occur within the allowed timelines under State Statute and the City of Hopkins pursued legislation to provide additional four years to realize qualified expenditures. In 2008, this request was granted through special legislation, but with an additional restriction on the use of funds outside of the district, often referred to as “pooling.” The pooling limits were capped at 20% rather than the 25% allowed in all other redevelopment districts.

Recently, the City of Hopkins went back to the Legislature and requested that the percent of funds that could be spend outside of the district not be restricted to 20% but to revert back to the 25% allowed under general TIF law. The State of Minnesota approved a special law providing that up to 25% of the total tax increment from the TIF District can be expended outside the TIF District for housing or redevelopment activities as provided in Laws of Minnesota 2023, Chapter 64, Article 8, Section 2.

In the past, TIF pooling from this District has been used to right-size development assistance for Ovation Apartments and Hallon 1&2. With the reversion back to standard pooling limits, the City of Hopkins may be able to capture some additional funds to use towards redevelopment efforts before the District expires in 2029. In order to accept the special legislation and authorize its use, the City Council must pass a resolution and file a certificate with the State of Minnesota.

SUPPORTING INFORMATION

- Resolution 2023-051
- Exhibit A

**CITY OF HOPKINS
HENNEPIN COUNTY, MINNESOTA**

RESOLUTION 2023-051

**APPROVING LAWS OF MINNESOTA 2023, CHAPTER 64,
ARTICLE 8, SECTION 2, RELATING TO TAX INCREMENT
FINANCING DISTRICT 2-11**

WHEREAS, the City of Hopkins, Minnesota (the “City”) has duly established Tax Increment Financing District No. 2-11 (the “TIF District”) within the Project Area in accordance with Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”) and the Housing and Redevelopment Authority in and for the City of Hopkins, Minnesota administers such TIF District; and

WHEREAS, the Legislature of the State of Minnesota passed a special law providing that the duration of the TIF District may be extended for up to four additional years, providing that up to 25% of the total tax increment from the TIF District can be expended outside the TIF District for housing or redevelopment activities and providing that up to 28% of the total amount of increment may be spent on activities located outside the area of the TIF District, all as provided in Laws of Minnesota 2023, Chapter 64, Article 8, Section 2 (the “2023 Special Law”); and

WHEREAS, pursuant to Minnesota Statutes, Section 645.021, subdivisions 2 and 3, the 2023 Special Law is effective upon approval by a majority vote of the governing body of the City and the filing of a certificate, including a copy of this resolution, in the form prescribed by the Minnesota Attorney General with the Minnesota Secretary of State, as set forth in Exhibit A; and

WHEREAS, the City Council of the City has determined that it is in the best interest of the City and its residents to approve the Special Law.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hopkins, Minnesota, as follows:

1. The 2023 Special Law is approved.
2. The City Clerk, as the chief clerical officer of the City, is hereby authorized and directed to file the certificate and a copy of this resolution, as approved, with the Minnesota Secretary of State as required by Minnesota Statutes, Section 645.021, subdivision 3.
3. City staff are authorized and directed to take any additional action necessary to implement the 2023 Special Law.

Adopted by the City Council of the City of Hopkins, Minnesota this 19th day of December, 2023.

Patrick Hanlon, Mayor

ATTEST:

Amy Domeier, City Clerk

EXHIBIT A

**CERTIFICATE OF APPROVAL OF SPECIAL LAW
BY GOVERNING BODY**

(Pursuant to Minnesota Statutes, 645.02 and 645.021)

STATE OF MINNESOTA

County of _____

TO THE SECRETARY OF STATE OF MINNESOTA:

PLEASE TAKE NOTICE, That the undersigned chief clerical officer of the

DOES HEREBY CERTIFY, that in compliance with the provisions of Laws, 20____,

Chapter _____ requiring approval by a majority* of the governing body of said local

governmental unit before it becomes effective, the _____
(designate governing body)

at a meeting duly held on the ____ day of _____ 20____, by resolution _____

_____ did approve said Laws, 20____, Chapter _____
(if other than resolution, specify)

by a _____ majority vote* of all of the members thereof (Ayes _____; Noes _____;

Absent or not voting _____) and the following additional steps, if any required by statute

or charter were taken:

A copy of the resolution is hereto annexed and made a part of this certificate by reference.

Signed: _____

(Official designation of officer)

(This form prescribed by the Attorney General and furnished by the Secretary of State as required in Minnesota Statutes 645.021.)

*If extraordinary majority is required by the special law, insert fraction or percentage here.

Please see reverse side for instructions for completing this form.

S:\ELECT\ELECT\OPENAPPT\CERTIFICATE OF APPROVAL OF SPECIAL LAW.doc

INSTRUCTIONS

- Include the chapter number in the *Laws of Minnesota* that is to be approved on the Certificate of Approval form **and** in the resolution that approves the special law.
- Return the completed **originally signed** Certificate of Approval form **with a photo copy** of the resolution that approved the special law to:

Election Division
Secretary of State
180 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd
St Paul, MN 55155-1299

- If you have any questions please contact Nancy Breems at 651/215-1440.

EXHIBIT A

**CERTIFICATE OF APPROVAL OF SPECIAL LAW
BY GOVERNING BODY**

(Pursuant to Minnesota Statutes, 645.02 and 645.021)

STATE OF MINNESOTA

County of _____

TO THE SECRETARY OF STATE OF MINNESOTA:

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Chapter _____ requiring approval by a majority* of the governing body of said local

governmental unit before it becomes effective, the _____

(designate governing body)

at a meeting duly held on the ____ day of _____ 20____, by resolution _____

_____ did approve said Laws, 20____, Chapter _____

(if other than resolution, specify)

by a _____ majority vote* of all of the members thereof (Ayes _____; Noes _____;

Absent or not voting _____) and the following additional steps, if any required by statute

or charter were taken:

A copy of the resolution is hereto annexed and made a part of this certificate by reference.

Signed: _____

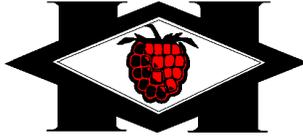
(Official designation of officer)

(This form prescribed by the Attorney General and furnished by the Secretary of State as required in Minnesota Statutes 645.021.)

*If extraordinary majority is required by the special law, insert fraction or percentage here.

Please see reverse side for instructions for completing this form.

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CITY OF HOPKINS

City Council Report 2023-140

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

From: PeggySue Imihy Bean, AICP, Special Projects and Initiatives Manager

Date: 12/19/2023

Subject: Joint Powers Agreement with the City of Minnetonka for the Youth Advisory Board and ACE Programs

RECOMMENDED ACTION

MOTION TO Enter into a Joint Powers Agreement (JPA) with the City of Minnetonka for the Youth Advisory Board and ACE Programs for a period of five years ending December 31, 2029.

OVERVIEW

For 25 years, the City of Hopkins in partnership with the City of Minnetonka, Three Rivers Park District and the Hopkins Public School district have operated an 18-member Youth Advisory Board (YAB) which creates events and programming for high school aged students within the community. This program was previously overseen by a full-time Youth Programs Coordinator employed by the City of Hopkins and supervised by a City of Minnetonka employee. This position has been vacant since April 2023 and has remained as such while the partners of the YAB work to set a new course for the Depot building. In 2022, the City of Hopkins ran a pilot version of the ACE Program, which provides internships within the City to young adults aged 16-24 who have faced some barrier to employment. In 2023, the City of Minnetonka joined this program as an employment partner and hosted their first intern. As this program grows, it has become necessary to have more staff time dedicated to recruitment, employer and supervisor engagement and general administrative work.

In considering the programs and the desire from both communities to have a higher level of teen and young adult focused programming, the cities have agreed to enter into a Joint Powers Agreement (JPA) which funds programming and staff time for both initiatives. The City of Minnetonka has agreed to contribute \$60,000 annually for a period of five years, matching the \$60,000 budgeted by the City of Hopkins, \$50,000 by the Hopkins School District, and Three Rivers Park District who covers the associated capital costs of maintaining the building in addition to a contribution of \$19,500. Following the execution of a JPA, the cities will work together to hire a Young Adult Programs Specialist which will oversee the programs and be employed by the City of Hopkins.

SUPPORTING INFORMATION

- Joint Powers Agreement with the City of Minnetonka on the Youth Advisory Board and ACE Programs

COOPERATIVE AGREEMENT REGARDING PARTNERSHIP IN YOUTH PROGRAMMING

This Agreement is made as of _____, 2023, the date of execution notwithstanding, by and between City of Hopkins, a Minnesota municipal corporation ("Hopkins") and the City of Minnetonka, a Minnesota municipal corporation ("Minnetonka"), referred to collectively as "the Parties"

Recitals

- A. Hopkins has designed and implemented a youth employment program known as the Advanced Career Employment Program ("ACE Program"). The Program focuses on youth participants, ages 14-24, who traditionally face barriers to employment and/or are traditionally underserved in the workforce ("Intern(s)"). Through internships with participating cities, the ACE Program provide Interns with an opportunity to gain professional and leadership skills.
- B. The Parties, with the support of the Hopkins School District and Three Rivers Park District, operate a Youth Advisory Board ("Board") which meets at the Depot Coffeehouse (9451 Excelsior Boulevard, Hopkins MN 55343) (the "YAB Program"). The YAB Program provides community networking, outreach, events, and engagement for high school aged students in a chemical-free environment. The Board consists of up to 18 students in grades 9-12, who either (1) attend schools in the Hopkins Public School District or Minnetonka Public School District, or (2) are residents of Hopkins or Minnetonka or reside in adjacent cities and have a strong connection to either Hopkins or Minnetonka. The YAB Program hosts youth led events serving youth from all over the region. (The ACE Program and YAB Program are collective called "the Programs".)
- C. Minnetonka desires to participate in the Programs and to host Interns according to the terms of this Agreement.

Terms and Conditions

- 1. Obligations of both parties
 - a. The Parties agree to equally share financial responsibility for any deficit incurred by the Program under this Agreement. Regular financial updates

will be given to all partners and decision making regarding the annual budget and goals for the program will be shared among the partners.

2. Hopkins obligations.

- a. Hopkins is responsible for screening ACE Program applicants, selecting applicants to accept into the ACE Program as Interns, and assigning Interns to work in Minnetonka. Before assigning the Intern, Hopkins will consult with Minnetonka to ensure that the Intern's areas of interest and Minnetonka's available areas of work are reasonably aligned.
- b. Hopkins will oversee supervision of the Program and provide regular financial updates regarding the Program.
- c. Hopkins will be responsible for grant applications and grant administration processes on behalf of the ACE Program.
- d. Hopkins will conduct workforce readiness trainings and conduct recruitment activities on behalf of the ACE Program.
- e. Hopkins will provide on-going annual reports to track the success of the ACE Program.
- f. Hopkins will oversee the Board and provide support to the Board for their meetings and events.
- g. Hopkins will continue to oversee the lease of the Depot Coffeehouse and cover fiscal items related to the Depot including insurance coverage, heating, electrical and any other items necessary for continuing young adult programming.

3. Minnetonka obligations.

- a. Minnetonka agrees to pay \$60,000 annually, each year on January 1, to Hopkins to fund the Programs and agrees to a 3.0% annual increase for the length of the agreement.
- b. Minnetonka shall be the employer of the Interns assigned to it and shall provide the Interns with their wages, benefits (including expense reimbursement, as applicable), payroll services, worker's compensation

coverage, and any human resource needs or accommodations as may be applicable under Minnetonka's employment policies or applicable law.

- c. Minnetonka will pay any necessary work expenses for any Interns hosted by Minnetonka. Necessary work expenses may include, but are not limited to, uniforms, PPE, bus passes, or specialized equipment.
 - d. Minnetonka will work with the Interns to develop a work plan which will include assigned work location and work schedule.
 - e. Minnetonka will assign job duties to the Interns that are suitable to the Interns' experience and education level and reasonably consistent with the Interns' stated areas of interest. Minnetonka will provide a staff person to act as the Interns' workplace supervisor, who will be responsible for making job assignments, answering any questions the Interns may have, and overseeing the Intern's Program experience while assigned to Minnetonka.
 - f. Minnetonka will provide Interns with a safe work site and will provide appropriate information, training, and safety equipment with respect to any hazardous substances or conditions to which they may be exposed at the work site.
 - g. Minnetonka shall provide Hopkins with regular updates on the Interns' activities as well as report any concerns regarding the Interns' performance.
 - h. Minnetonka may appoint up to five (5) youth members to the YAB Board.
 - i. Minnetonka may use the Programs to engage students and seek feedback from teens and young adults within their community.
4. Data practices. Minnetonka's Data Practices policy shall apply with respect to data the Interns receive from or create for Minnetonka, and Hopkins' Data Practices policy shall apply with respect to data the Interns receive from or create for Hopkins; provided, however, that the provisions of Minn. Stat. § 13.05, subd. 6 shall apply to any exchanges of data between Minnetonka and Hopkins as necessary to perform this Agreement.
 5. Term. This Agreement is effective for the term commencing on the date written above and ending on December 31, 2028.

6. Revenues. Minnetonka agrees that any revenues paid to Hopkins as part of the lease of the Depot will be used to pay the existing deficit of the Depot and fund the Board.
7. Audit Disclosure. Under Minn. Stat. § 16C.05, subd. 5, the parties' books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by the other party and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years after the termination of this Agreement.
8. Equal Opportunity. Each party agrees not to discriminate against any employee, applicant for employment, or participant in a program provided under this Agreement by reason of any characteristic or classification protected by state or federal law.
9. Electronic signatures. The parties agree that this Agreement may be electronically signed by one or both parties. The parties agree that electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity and admissibility.
10. Governing Law. This Agreement will be controlled by the laws of the State of Minnesota, without regard to conflict of law provisions.
11. Entire Agreement. This Agreement shall constitute the entire agreement between Minnetonka and Hopkins and supersedes any other written or oral agreements between the parties. This Agreement can only be modified in writing signed by both parties.

CITY OF HOPKINS

Date: _____

By _____
Patrick Hanlon, Mayor

Date: _____

By _____
Mike Mornson, City Manager

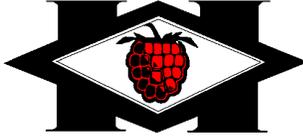
CITY OF MINNETONKA

Date: _____

By _____
Brad Wiersum, Mayor

Date: _____

By _____
Mike Funk, City Manager



CITY OF HOPKINS

Planning & Economic
Development

Memorandum

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

From: Kurt Howard, Planner

Date: December 19, 2023

Subject: Sustainable Building Policy

PURPOSE

The purpose of this item is to discuss the topic of sustainable building policies, present research findings on best practices and existing policies from other Minnesota communities, and seek direction from the City Council on an approach towards potential policy development.

INFORMATION

What is a sustainable building policy?

Sustainable building policies are tools used by local jurisdictions to increase the degree to which new development contributes to improvements in public health, environmental justice, and environmental and economic sustainability. This is accomplished by requiring, incentivizing, or encouraging development to occur in ways that reduce carbon emissions, reduce waste, protect natural areas, mitigate stormwater runoff, and contribute to other sustainability goals.

Basis for a sustainable building policy in Hopkins

A stated goal of the Cultivate Hopkins 2040 Comprehensive Plan is to encourage sustainable practices in locating, designing, constructing, and maintaining development in the city, with an associated strategy of exploring implementation of heightened development review through Green Building Codes and sustainable building regulations. Additionally, during the Partners in Energy planning process, one of the four Focus Areas identified by the Energy Action Team was sustainable development, with an associated strategy of developing a Hopkins sustainable building policy.

Existing policies and recommended best practices

To date, at least eight Minnesota cities have adopted some form of formal sustainable building policy, including St. Paul, St. Louis Park, Rochester, Edina, Maplewood, Duluth, Minneapolis, and Northfield. There is also a significant amount of guidance and resources available from the Center for Energy and Environment (CEE) to assist cities who may be considering sustainable building policies. One of the central recommendations of CEE's guidance is the encouragement of some degree of standardization among policies across cities. It is suggested that standardization has many benefits, including helping the development and construction industry become

practiced at complying with policies that are familiar and reducing competition for development among cities.

A degree of standardization is evident among six of the eight cities that have adopted sustainable building policies. Their general policy framework consists of two main components:

1. **Leveraging existing third-party rating systems:** several existing policies make use of the many existing third-party green building rating systems, such as LEED certification, Minnesota B3 Benchmarking, MN GreenStar Home certification, and Enterprise Green Communities green building program. These rating systems consist of sets of sustainability criteria and detailed pathways for meeting the criteria. They are generally broad and cover several aspects of sustainability, including water, energy, waste, and materials. The rating system component of these policies entails requiring developers to choose from a list of rating systems and their associated rating level that the development project must meet to comply with the policy. 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

2. **City-specific criteria:** the other main component of the general policy framework utilized by several existing sustainable building policies is a city-specific list of sustainability standards that must be met in all cases. These city-specific criteria offer cities a high degree of customization to ensure the policy is delivering on a particular set of a city’s sustainability goals and priorities. However, these standards are also typically performance-based and give developers flexibility in how to meet the standards, which can drive innovation and cost efficiencies. It is recommended that cities prioritize criteria for adoption that balance progress towards city goals with the administrative obligations associated with implementing the policy and verifying compliance. For this reason, many existing policies have developed city-specific criteria that reference previously existing standards as show in the table below:

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

While there is a fair amount of standardization among existing sustainable building policies across Minnesota, there are also precedents for alternatives to the general policy framework described above. For instance, the City of Duluth's policy offers developers the option to either achieve certification under a third-party rating system or use a point scoring system developed by the City to earn a minimum number of points based on the size of the project in order to be considered compliant with the policy. Points can be earned in categories ranging from energy efficiency, alternative energy, passive solar, water, vegetation, urban agriculture, or transportation. The City of Maplewood's policy bases its requirements for most buildings on the 2012 International Green Construction Code or the ICC 700-2008 National Green Building Standards for low density residential buildings.

Applicability

In addition to the general policy framework, another foundational component of a sustainable building policy is its applicability. Given the regional competition for development, cities often balance priorities of encouraging development while achieving goals that are specific to the community, including sustainability targets. For this reason, it is advised that a sustainable building policy's applicability be based on a set of policy triggers that leverage a city's unique leverage points. It's worth noting that most existing sustainable building policies contain provisions for waiving the requirements, in whole or in part, by the Housing and Redevelopment Authority (HRA) or City Council after considering the advantages and disadvantages of a waiver, and upon demonstration by the developer of a compelling public purpose.

Among existing sustainable building policies, policy triggers include:

- Projects for which the City or HRA is to become the sole tenant
- Projects of a specified size
- Projects receiving any amount of financial assistance through the City or HRA
- Projects receiving more than \$200,000 in financial assistance through the City or HRA
- Projects specifically receiving Tax Increment Financing (TIF)
- Projects requesting Planned Unit Development approval

Some of these policy triggers are similar to Hopkins' recently adopted Inclusionary Zoning Policy, which applies affordability requirements to any new or existing residential project that meets one or more of the following criteria:

1. A market-rate residential rental project that adds or creates twenty (20) or more residential units and that receives:
 - Discretionary land use approvals including a comprehensive plan amendment, zoning code text or map amendment or approval pursuant to a planned unit development (PUD); or
 - Financial assistance from the City or Housing and Redevelopment Authority (HRA)
2. Any residential development for which the developer voluntarily chooses to provide affordable dwelling units pursuant to the Inclusionary Zoning Policy

For a potential sustainable building policy, staff's preliminary recommendation is to keep the policy triggers somewhat consistent to those of the Inclusionary Zoning Policy, but set a threshold for financial assistance that is above the maximum award amounts for existing financial assistance programs including the Façade Improvement Program (\$25,000) and the Hopkins Climate Solutions Fund (\$10,000).

Questions for the Council

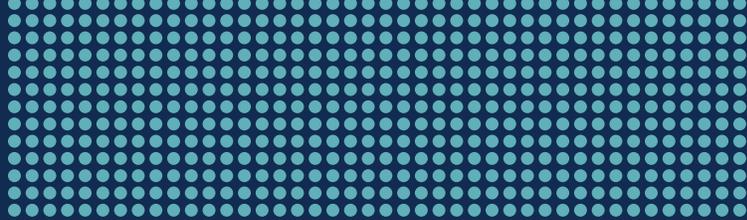
- Do you support developing a sustainable building policy?
- What are the priority sustainability impacts that a potential policy should target?
- Do you generally support an approach to policy development that includes a combination of third-party rating systems and city-specific criteria?
- How should the applicability and triggers of a potential policy be determined?

FUTURE ACTION

If the Council chooses to move forward with a sustainable building policy, staff will work with internal stakeholders and subject matter experts to develop a policy and return to the Council with a draft policy.

Attachments:

- Minnesota Municipal Sustainable Building Policies Guide



MINNESOTA MUNICIPAL SUSTAINABLE BUILDING POLICIES GUIDE

Policy Framework and Implementation Recommendations

Updated February, 2022

Originally published January, 2021

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Hennepin County



Center for Energy and Environment

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 2022, eight Minnesota cities have some type of formal sustainable building approach: Duluth, Edina, Maplewood, Minneapolis, Northfield, 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.

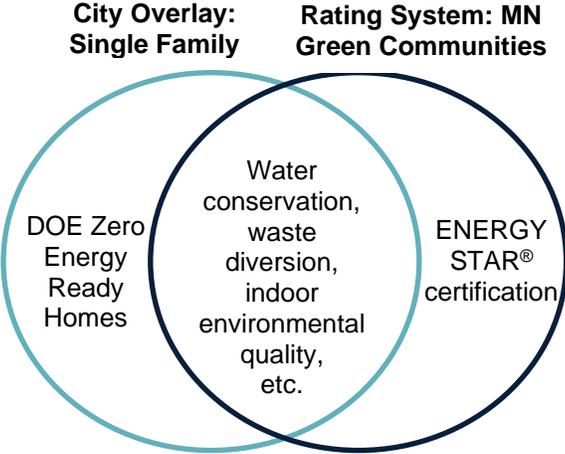


Figure 1: Example relationship between the city overlay and an existing rating system for a single-family home new construction. A development must comply with everything in the city overlay. For many components, the MN Green Communities rating system meets the city’s criteria. However, as this example 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 prescriptive 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:

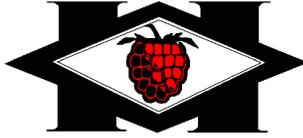
- **Compliance tracking tool.** Cities currently lack a holistic method for tracking compliance for all property types and may benefit from the development of one.

- **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.

APPENDIX

See a table summary of current Minnesota municipal sustainable building policies here: <https://www.mncee.org/minnesota-municipal-sustainable-building-policies-guide>



CITY OF HOPKINS

CITY COUNCIL

Memorandum

To: Council Members
Mike Mornson, City Manager

From: Patrick Hanlon, Mayor

Date: December 19, 2023

Subject: Recognition of Council Member Alan Beck

PURPOSE

It is my honor to recognize Council Member Alan Beck for his four years of service to the City of Hopkins. Together we will thank Alan for the part he played in maintaining our commitment to excellence to Inspire, Educate, Involve and Communicate.