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**Sponsor:** Parks & Recreation

**Meeting Date:** 11/19/2024

**Title:** Agreement with Honeywell International for Arenas &  
Administration Building Guaranteed Energy Savings Project Design /  
Build Part II

**File Number:** 2024-501

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**Background and Rationale:**

Ramsey County's 2017 Strategic Energy plan identifies a goal of 30% reduction (against a 2008 baseline) in energy use and carbon emissions by 2025, and an 80% reduction by 2050. Parks & Recreation's Energy Action Plan, intended to compliment the Strategic Energy Plan by identifying department-specific strategies for achieving the goals, includes a 35% energy reduction goal, with a focus on the department's ice arena portfolio, which accounts for nearly 85% of the department's energy consumption. These arena-specific strategies represent the department's Green Ice Initiative and include:

- LED lighting upgrades
- Building management systems/controls
- Energy optimization/submetering
- Ice resurfacing de-gassing technologies
- Building envelope efficiency
- Renewable energy (solar arrays)
- Waste heat recovery
- Refrigeration system conversion

Parks & Recreation (Parks) has previously submitted Capital Improvement Program (CIP) requests related to ice arenas and the Green Ice Initiative.

The proposed project represents an innovative approach to implementing much-needed energy efficiency measures without requiring an up-front capital investment. This approach offers an alternative funding solution that reduces the need for county CIP funding.

Section 471.345 of Minnesota Statutes includes provisions for energy efficiency projects and guaranteed energy savings contracts. The Part II agreement was developed in compliance with that statute.

On August 16, 2022, the Inflation Reduction Act was signed into federal law, which provided funding opportunities to invest in clean energy infrastructure. Because the installation of solar arrays are part of the project scope this project will be eligible for an Inflation Reduction Act credit through the Inflation Reduction Act. Parks will work with the county's financial advisor, Baker Tilly, on the submittal of the Inflation Reduction Act credit which is estimated to 30% of the cost of the solar array project costs.

On April 17, 2024, Ramsey County adopted its first Climate Equity Action Plan aimed at reducing greenhouse gases and helping communities thrive in changing climate conditions. One of the six focus areas from the plan is on Clean Energy and Efficient Buildings. Through the implementation of the Part II Agreement energy consumption will be reduced in the Parks Administration building and

ice arenas and clean energy will be produced from solar arrays located at the Aldrich Arena and TCO Sports Garden helping to achieve the goals of the Climate Equity Action Plan.

At the conclusion of the Part 1 services, Honeywell International Inc. (Honeywell) submitted a report which found that the amount Ramsey County would spend on the energy conservation measures is not likely to exceed the amount to be saved in energy and operation costs over 20 years from the date of final installation if the recommendations in the report were followed. In the agreement, Honeywell has provided a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system, as required, and authorized by Section 471.345, Subdivision 13 of Minnesota Statutes. The agreement includes the Design Development Documents; a statement of the proposed Guaranteed Energy Savings Program based on the Design Development Documents; a statement of the Small Business Enterprises (SBE) utilization and labor goals for Part II services that have been approved by the county; a scope of work; supporting exhibits; and a proposed schedule for Part II project services. The Part II agreement includes complete construction phase services, including bidding and construction management.

**Recommendation:**

The Ramsey County Board of Commissioners resolved to:

1. Approve the report provided by Honeywell International, Inc., 715 Peachtree Street NE, Atlanta, GA, 30308 which is contained within the agreement for Part 2 Services for the Arenas & Admin Building Guaranteed Energy Savings Project.
2. Approve the selection of and the agreement with Honeywell International Inc, 715 Peachtree Street NE, Atlanta, GA, 30308 for Part 2 Services for the Arenas & Admin Building Guaranteed Energy Savings Project upon execution of the agreement and for the duration of the agreement and subject to the county's right to extend the measurement and verification period of the agreement on a year-to-year basis up to an additional 17 years, in accordance with the rates established.
3. Authorize the Chair and Chief Clerk to execute the agreement.
4. Authorize a loan from the general fund to the Parks Department for the Arenas & Administration Building Guaranteed Energy Savings Project of up to \$6,012,000 to finance the energy investments and approve the associated loan repayment schedule.
5. Authorize the County Manager to execute amendments to the agreement and to exercise the extension rights provided in the agreement in accordance with its terms, all in accordance with the county's procurement policies and procedures, provided the amounts are within the limits of available funding.
6. Request that a copy of the agreement and the report be provided to the Commissioner of Commerce within 30 days of the effective date of the agreement, as required by Minnesota Statutes, section 471.345, subdivision 13.

A motion to approve was made by Commissioner Frethem, seconded by Commissioner McGuire. Motion passed.

Aye: - 6: Frethem, McGuire, Moran, Ortega, Reinhardt, and Xiong

By:   
Jason Yang, Interim Chief Clerk - County Board