



## Legislation Text

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**File #:** RES 24-889, **Version:** 1

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Supporting The Heights Community Energy's application for recognition as a 501(c)(3) organization and its project to provide an environmentally sustainable, cost-efficient energy system at The Heights.

WHEREAS, the City of Saint Paul (the "City") has adopted a goal to reduce and eventually reach carbon-zero greenhouse gas emissions in the industrial, commercial, and multifamily building sector. The plan focuses on achieving carbon neutrality in city operations by 2030 and citywide by 2050 (the "Saint Paul Climate Action & Resilience Plan"), as set forth in December 2019; and

WHEREAS, the City has identified and is undertaking improvements to implement the City's Reduce GHG Emissions by 2050 Goal, including, but not limited to: [using the Energy Benchmarking Program to track electric and gas use of commercial and multifamily buildings, exploring industrial-scale carbon free energy systems for industrial use, and encouraging the implementation of existing zero/low emission energy technologies among private, public, nonprofit, academic, and community participants]; and

WHEREAS, the 2040 City Comprehensive Plan identifies the former Hillcrest Golf Course as an opportunity site with potential features such as higher-density mixed-use development or employment centers with increased full-time living wage job intensity; and

WHEREAS, the City of Saint Paul commenced a master planning process in 2019 to determine the future uses and layout for the site, which has resulted in a Hillcrest Master Plan passed by the City Council in 2022; and

WHEREAS, the Hillcrest Master Plan designates 54 acres for light industrial uses, 25 acres for residential/mixed uses, 5 acres for a City Park, and 15 acres for wetlands, district stormwater, and passive open space; and

WHEREAS, the Hillcrest Master Plan land use allocations are estimated to provide for approximately 1,000 jobs and 1,000 households; and

WHEREAS, the Hillcrest Master Plan supports sustainability goals that integrate with the ecology of the site, support responsible material and waste stream management, and pursues effective, integrated, and visible stormwater management; and

WHEREAS, the Hillcrest Master Plan noted that some sustainability goals were dependent on the potential availability of securing future funding from external sources, such as the potential for a district-scale ground source energy system; and

WHEREAS, The Heights Community Energy, Inc. ("The Heights Community Energy") has been incorporated as a Minnesota nonprofit corporation, to be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, to assist the City in its goal of reducing greenhouse gas emissions, with the expectation that The Heights Community Energy will design, construct, and operate an aquifer energy storage system at the Project to serve The Heights community and other nearby customers as the system may efficiently and economically allow; and

WHEREAS, The Heights Community Energy is not yet recognized under Internal Revenue Code 501(c)(3), and intends to submit its application for recognition, understanding the process may take several months to a year to complete; and

WHEREAS, the City understands that the public purpose of The Heights Community Energy is to further the environmental goals of reduction of fossil fuels by providing public utility services in a low-carbon or carbon-free manner, and the planning and development of an ATES system that will further assist the City in meeting its Reduce GHG Emissions by 2050 Goal.

NOW THEREFORE, BE IT RESOLVED, that the City hereby acknowledges its support for the proposed ATES system at the Project and the application of The Heights Community Energy for recognition as a 501(c)(3) tax-exempt organization with the Internal Revenue Service, and determines that The Heights Community Energy's efforts to build and operate the ATES system at the Project would, upon the project's completion, lessen the City's burden to meet the sustainability, greenhouse gas reduction, and renewable energy requirements and goals for the City as described in its 2019 plan, and

BE IT FURTHER RESOLVED, that the City supports the formation of The Heights Community Energy and its development of an environmentally sustainable, cost-efficient energy system at the Project, and

BE IT FURTHER RESOLVED, that the City hereby recognizes its and/or the Saint Paul Port Authority's right to appoint a designee to serve on the Board of Directors of The Heights Community Energy under its Bylaws, should such an appointee be necessary.