

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: March 28, 2011
	Agenda Item No. 33 Roll Call No. <u>11-0530</u> Communication No. <u>11-182</u> Submitted by: Terrance N. Vorbrich, Acting Economic Development Administrator, Jeb E. Brewer, P.E., City Engineer

AGENDA HEADING:

Approval of Agreement for Professional Services with Sebesta Blomberg & Associates, Inc. (d.b.a. Sebesta Blomberg, Richard Ney, Principal-in-Charge, 2381 Rosegate, Roseville, MN 55113) to conduct an Energy Use Analysis and Plan for Certain Buildings and Facilities in the City of Des Moines under the Eco Core Downtown Sustainability Study with funds made available through the American Recovery and Reinvestment Act, awarded under the Department of Energy (DOE) Energy Efficiency and Conservation Block Grant (EECBG).

SYNOPSIS:

Recommend City Council approval of staff recommendation to approve agreement with Sebesta Blomberg & Associates Inc., with an Iowa office at 305 2nd Street SE, Suite 210, Cedar Rapids, Iowa 52401) in the amount of \$122,500. Sebesta Blomberg will perform technical engineering audits on five downtown Des Moines buildings that are experiencing significant vacancy, actively seeking tenants, and looking for ways to improve building sustainability and operational efficiencies. The Eco Core Downtown Sustainability Study was approved by City Council in 2009 as part of the scope of work for funds awarded under the Department of Energy (DOE) Energy Efficiency and Conservation Block Grant (EECBG). The Eco Core effort is being conducted in partnership with the Downtown Community Alliance, with the combined goals to promote sustainability and high performance of buildings, and to increase the competitiveness of downtown office space in the Greater Des Moines Metro Area market.

FISCAL IMPACT:

Amount: \$122,500

Funding Source: 2011-2012 Operating Budget, Page 73, Community Development Federal Stimulus Money, Department of Energy, Energy Efficiency and Conservation Block Grant, EECBG0001.

ADDITIONAL INFORMATION:

The EECBG is part of the American Resource and Recovery Act (ARRA). The primary purposes of the program are to reduce fossil fuel emissions, improve energy efficiencies in buildings and the transportation sector, reduce total energy use overall, and maximize benefits to local and regional communities. The City of Des Moines is undertaking a number of projects under the \$1,982,300 EECBG

grant that was awarded, including developing a strategy to increase the energy performance of City owned buildings, providing hybrid vehicles in the City's fleet, replacement of non-energy efficient windows in City Hall and the Police Station, and the Eco Core Downtown Sustainability Study.

The Eco Core Downtown Sustainability Study is intended to provide participating building owners with useful, practical information on ways to improve the energy performance of their buildings, resulting in improvements that can offer substantial abilities to reduce operation and maintenance costs, increase occupancy rates and increase building valuation. It is reasoned that new investment in the existing downtown office building stock can lead to increased environmental sustainability as well as enhanced competitiveness for the improved spaces.

The buildings included in the Eco Core Downtown Sustainability Study were nominated by their owners through an Expression of Interest (EOI) process conducted by the Downtown Community Alliance. Eligibility for participation was based on being located within a targeted area between Park Street, Cherry Street, 3rd Street and 8th Street. This area was recognized to have a number of buildings experiencing significant vacancy that could potentially benefit from the sustainability audits, and offer an opportunity to develop a core district of sustainable buildings. The area has the ability to build on natural sustainability characteristics already present, including high density, mixed uses, and public transportation access. Buildings selected include the Hub Tower (699 Walnut Street), Bank of America Building (317 6th Avenue), Amerus Life (611 5th Avenue), 420 Watson Powell Avenue, and the Midland Building (206 6th Avenue). Collectively, there is an estimated 365,000 square feet of vacant space in these buildings, and all are either experiencing operational inefficiencies or do not meet current energy efficiency standards.

The City of Des Moines conducted a Request for Proposals (RFP) to secure the services of a professional consultant to conduct the Energy Usage Analysis and Plan for the selected buildings. Four proposals were received and evaluated by a staff selection committee including representatives from the Downtown Community Alliance, City Engineering Department, City Manager's Office and Office of Economic Development. Selection criteria included experience, qualifications, expertise, cost, work plan development, references, local preference and schedule. The firm recommended by the committee is Sebesta Blomberg & Associates Inc. at a cost of \$122,500. A total of \$250,000 had been allocated from the EECBG award for the Eco Core Downtown Sustainability Study; the remainder of funds will be evaluated for usage on other projects under the EECBG scope of work.

Sebesta Blomberg & Associates, Inc. will conduct the evaluation of the selected buildings, including existing building conditions, energy consumption by utility, potential for LEED Existing Building Operation and Maintenance Certification (EBOM), opportunities for improving building performance (lighting, heating, ventilation, air conditioning, low use plumbing fixtures, wall, roof and glass thermal values), opportunities to further "green" buildings by behavior modification (recycling, green cleaning products, green purchasing), address increased human health and productivity related to high performance buildings (higher occupancy rates, reduced absenteeism, increased productivity), and analyze marketability of facilities. Strategies will be identified for the building owners for investment payback on improvements made of less than three years and three to six years.

PREVIOUS COUNCIL ACTION(S):

Date: June 28, 2010

Roll Call Number: 10-1097

Action: [Amendment](#) to the scope of the Department of Energy (DOE) Energy Efficiency and Conservation Block Grant (EECBG), and approving staff recommendation to utilize aluminum replacement windows in City Hall and the Police Station. ([Council Communication No. 10-410](#)) Moved by Hensley to defer consideration to the July 12, 2010 Council Meeting. Motion Carried 7-0.

Date: February 22, 2010

Roll Call Number: 10-322

Action: [Assistance](#) Agreement for second grant payment of \$555,000 for a Mortgage Buy-Down Program for Energy – Efficient Residential Buildings as part of Department of Energy (DOE) Energy Efficiency and Conservation Block Grant (EECBG). ([Council Communication No. 10-075](#)) Moved by Mahaffey to adopt. Motion Carried 6-1. Pass: Hensley.

Date: January 25, 2010

Roll Call Number: 10-118

Action: [Acceptance](#) of Department of Energy (DOE) Energy Efficiency and Conservation Block Grant for a Retrofit Ramp-Up Program made available through The American Recovery and Reinvestment Act, initial award of \$57,300. ([Council Communication No. 10-017](#)) Moved by Mahaffey to adopt. Motion Carried 7-0.

Date: June 22, 2009

Roll Call: 09-1150

Action: [Application](#) for Energy Efficiency and Conservation Block Grant from the Department of Energy, \$1,982,300. ([Council Communication No. 09-437](#)) Moved by Vlassis to approve. Motion Carried 6-1. Absent: Mahaffey.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Results of Eco Core Downtown Sustainability Study to be presented to building owners, City Council, Downtown Community Alliance and the citizens of Des Moines.

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