

C Community Development Committee
Meeting date: October 1, 2012
For the Council Meeting of October 10, 2012

ADVISORY INFORMATION	
Date:	September 25, 2012
Subject:	Authorization to Negotiate and Execute HUD Sustainable Communities Regional Planning Grant Sub-recipient Agreement with Ramsey County Regional Railroad Authority for a Resource Efficiency Demonstration Project
District(s), Member(s):	All
Policy/Legal Reference:	MN Statutes 473.145, Regional Framework Policies 1, 2, 3
Staff Prepared/Presented:	Nora Riemenschneider, Project Coordinator, Corridors of Opportunity, 651-602-1361
Division/Department:	Community Development/Regional Planning

Proposed Action

Authorize the Regional Administrator to negotiate and execute a HUD Sustainable Communities Regional Planning Grant (SCRPG) Sub-recipient Agreement with Ramsey County Regional Railroad Authority for a Resource Efficiency Demonstration Project, totaling \$137,700.

Background

On April 27, 2011, the Council approved sub-recipient agreements with nine consortium partners as part of the HUD SCRPG, which are part of the Corridors of Opportunity Initiative. A project approved at that time was with District Energy St. Paul for a \$150,000 project called "Transit Corridors: Alternative Energy Models." The project was initially proposed to incorporate a study with the installation of a district energy system along Central Corridor LRT. When it became clear that construction of the Central Corridor LRT project could not incorporate installation of a district energy system, the related Sustainable Communities-funded planning project became less compelling and was, therefore, withdrawn.

This new project, proposed by Ramsey County Regional Railroad Authority and City of Saint Paul, seeks to use most of the funds from the terminated project for an energy and resource efficiency demonstration project for culturally diverse small businesses on Central Corridor (see Attachment A). The other portion of the funds is proposed to be allocated to an existing project with the City of St. Paul, the Stormwater and Green Infrastructure Planning project. The project and allocation of funds was approved by the Corridors of Opportunity Policy Board at their meeting on September 19, 2012.

Rationale

The Corridors of Opportunity Policy Board approved the addition of these resources to the project in order to keep the focus on Central Corridor and energy efficiency, in an effort to maintain focus on the overall intent of the original District Energy St. Paul project, which had an environmental focus on Central Corridor.

Funding

This proposed action will grant Ramsey County Regional Railroad Authority a \$137,700 sub-recipient award. The funds became available through the terminated sub-recipient agreement with District Energy St. Paul, which was in the amount of \$150,000. The remaining \$12,300 of these funds are proposed for an additional allocation of resources

to the existing Stormwater and Green Infrastructure Planning project with the City of St. Paul to be considered in a separate business item. These funds are part of the \$5 million HUD award for the SCRPG.

Known Support / Opposition

There is no known opposition.

Memorandum

Date: September 5, 2012

TO: Sue Haigh, Co-chair, Corridors of Opportunity Policy Board
Lee Sheehy, Co-chair, Corridors of Opportunity Policy Board

FROM: Jim McDonough, Chair, Ramsey County Regional Rail Authority
Paul Williams, Deputy Mayor, City of Saint Paul

RE: Proposal

Introduction

When it became clear that construction of the Central Corridor LRT project could not incorporate installation of a district energy system, the related Sustainable Communities-funded planning project became less compelling and was, therefore, withdrawn. In its place, Ramsey County and the City of Saint Paul propose the following:

- Allocation of \$12,300 to the existing Stormwater Management/Green Infrastructure Plan to allow for additional visualization of proposed treatment systems on key sites; and
- Allocation of \$137,700 to a proposed Energy and Resource Efficiency Demonstration Project for Culturally Diverse Small Businesses on the Central Corridor (described below).

Project Description: Energy and Resource Efficiency Demonstration Project for Culturally Diverse Small Businesses on the Central Corridor

Energy, water and trash-hauling costs are significant for small businesses, especially restaurants. Therefore, efficiencies in water conservation, lighting retrofits, waste reduction programs, and other low cost- short payback strategies make a difference to small business owners focused on the bottom line. However, very few of them—especially business owners of color--take advantage of the high quality technical assistance programs designed to assist them in making energy and resource efficiency upgrades.

Organizations that have worked on this issue have found that financing is not the main barrier to participation in energy conservation programs. Some of the suspected barriers include lack of time to sort through all of the available options and opportunities, the assumption on the part of business owners that utility costs are not controllable, trusting the information they are getting is accurate so that the investments they make will result in real cost savings, and the desire on the part of small, local business owners to have a trusted, reliable and dependable contact for these types of issues. Meeting someone once or twice, which is typical of current programs, may not meet the cultural and business needs of this small business community. Yet, there is currently no trusted “one stop shop” for energy and related issues.

This project seeks to engage the owners of culturally diverse businesses in a variety of ways to gain an understanding of their perspectives about current program offerings, identify all of the barriers they face related to achieving greater energy-efficiency and then to convene the many professional organizations and energy and resource efficiency service providers to share the feedback and comments of the small businesses. The goal will be to share perspectives and analyze how they can work more effectively with small, culturally diverse businesses.

Project staff will then take the information gleaned from this process and develop the tools, programs and processes necessary to overcome these barriers along the Central Corridor and other Corridors of

Opportunity. This will be an iterative process, and as such, will require tools and processes to be tested to ensure they are effective. This process will repeat itself until the right mix of program elements and tools are agreed upon and a pilot phase can occur. The new model will then be piloted with a small number of businesses to gauge success and/or make changes as needed.

HUD Livability Principles

This proposed project supports the Corridors of Opportunity outcomes, strategies, and principles and HUD’s Livability Principles in the following ways:

- **Sustainability:** This project will identify and address barriers that keep small restaurant businesses, typically larger consumers of energy and water resources, from reducing their consumption of these resources. The result will increase conservation of natural resources.
- **Equity:** This project will support small, culturally diverse restaurants, which are foundational to the community fabric along Central Corridor.
- **Economic Competitiveness:** Energy and water consumption represent a largely controllable cost to restaurants. Assisting businesses in being aware of and reducing controllable costs supports their economic stability and viability.
- **Support Existing Communities / Community Engagement:** A key component of this project is to engage the local culturally diverse businesses in meaningful ways in order to realign programs and services to be more responsive to the needs of business owners.
- **Secure and Align Resources:** This project will address challenges that environmental and technical groups have long experienced in engaging small businesses with existing resources.
- **Collaboration:** The project will work with existing government and nonprofit environmental, technical assistance groups, and trades in forging greater collaboration and coordination.
- **Innovation:** This project suggests a new approach to working with existing resources to meet the needs of the small business owners in controlling energy and water consumption.

Deliverables

There will be four key deliverables:

- Identification of barriers within culturally diverse small businesses to participation in energy-efficiency improvement programs
- New tools and strategies for overcoming these barriers
- Communication of findings to the various stakeholders and service providers who have programs that serve this sector
- A planning document that outlines the recommended approach for these programs and a process for bridging gaps that currently exist

Potential Partners in this Project

Ramsey County will lead this project with assistance from the City of St. Paul. The lead partner for this project will be the Neighborhood Development Center (NDC). NDC helps emerging entrepreneurs develop successful businesses that serve their communities and helps communities build strong neighborhood economies. NDC has a solid record of activity in providing entrepreneurs business training, financial assistance and the ongoing support crucial to their success. NDC focuses on low-income entrepreneurs and low-income communities. They work to eliminate barriers to the success of individual entrepreneurs through long-term relationships and culturally competent programs.

Budget

Description	Total
Contract with Neighborhood Development Center for project coordination;	\$90,000

Conduct outreach with translators as needed; meeting facilitation, develop and revise model tools with translations, pilot new model; file project reports and updates	
Technical consultant and incentives for businesses participating in focus groups, interviews and meetings (light bulbs, set back thermostats, vending misers, etc.)	\$ 15,000
Meeting expenses, supplies, postage, mileage, misc. office expenses.	\$ 3,000
Pilot project – technical expertise, labor and materials to install low cost, high payback items – vending misers, hood fan controls, freezer and other door gaskets, set back thermostats, etc.	\$ 20,000
Disseminate reports, recommendations and related information, in-person seminars to share findings with stakeholders	\$ 6,500
Contingency	\$ 3,200
Total	\$137,700