



CITY COUNCIL WORK SESSION MEETING

AGENDA SECTION	WORK SESSION
MEETING DATE	APRIL 6, 2026

ITEM:	Solar and Lighting Improvements for Select City Facilities. (30 Minutes)		
<i>Presenting Item: Rochelle Widmer, City Engineer / Director of Facilities</i>			
DEPARTMENT:	Facilities	BY/DATE:	Rochelle Widmer / March 31, 2026
CORE CITY STRATEGIES: <i>(please indicate areas that apply by adding an "X" in front of the selected text below)</i>			
<input type="checkbox"/> Community that Grows with Purpose and Equity		<input type="checkbox"/> Engaged, Effective and Forward-Thinking	
<input checked="" type="checkbox"/> High Quality Public Spaces		<input type="checkbox"/> Resilient and Prosperous Economy	
<input type="checkbox"/> Safe, Accessible and Built for Everyone		<input type="checkbox"/> Inclusive and Connected Community	

BACKGROUND

When Murzyn Hall was remodeled in the early 2000s, the City entered into an agreement with Honeywell on the building automation controls. Honeywell’s proprietary controls were for heating and cooling the building. Honeywell often prioritized meeting energy requirements which made occupying the building uncomfortable for staff and visitors. City staff was not satisfied with the results from Honeywell and their systems and canceled the City’s contract with Honeywell within 2 years of implementation.

In 2015, Columbia Heights City Council approved rooftop solar arrays for electric power generation on the City Library, Municipal Service Center, Public Safety Building, and Top Valu 1. In 2016, the City entered into a Power Purchase Agreement (PPA) with a third-party investor, Apex Efficiency Solutions. The existing solar array at Top Valu 1 was included in a 10-year agreement and ownership of the equipment will be transfer to the City in June 2026 with full energy benefits. The PPA term for the solar arrays at the Library, Municipal Service Center, and Public Safety Building is for 15 years with the ownership transfer to take place in 2031 along with complete energy benefits to the City.

In Fall 2025, Honeywell connected with City staff to schedule energy audits on select City facilities. City staff met with Honeywell for site inspections at the Public Safety Building, Murzyn Hall, Top Valu 1, and Top Valu 2. In February 2026, Honeywell presented their findings from the energy audits with potential energy conservation measures and associated costs. These estimates included Honeywell’s assistance in implementing these measures. City staff met internally to discuss potential financing of the proposed energy conservation measures and determined which improvements were feasible in 2026. City staff has the capability to manage this project internally, without assistance from Honeywell. To compare the cost estimates proposed by Honeywell, City staff requested additional proposals from other vendors. The City reached out to Center for Energy and Environment (CEE) and Collins Electrical for parking lot light improvements at Murzyn Hall, Public Safety Building, Top Valu 1, and Top Valu 2. City staff also received bids for solar improvements from Cedar Creek Energy.

The Inflation Reduction Act includes a program which enables tax-exempt entities to receive the cash value of the investment tax credit (ITC) as a direct refund, effectively acting as a rebate. Municipalities can receive a direct payment equal to 30% of the project cost from the IRS and an additional 10% for low-income areas such as the City of Columbia Heights. This program expires on July 4, 2026. To qualify for this program, the City must purchase at least 5% of the total project costs by this deadline.

With a PPA, the full energy savings are not immediate since the City must wait until the payback period has ended. City staff is proposing using internal funds for the installation of the Top Valu 2 solar array, without the assistance of a third-party investor. This will allow the City to receive full energy benefits immediately after the system is installed and operational.

SUMMARY OF CURRENT STATUS

The cost estimates City staff received from vendors for the solar and lighting improvements were significantly less than the cost estimates from Honeywell.

STAFF RECOMMENDATION

City staff recommend choosing Cedar Creek Energy for the solar array at Top Valu 2. The funding for the solar improvements will come from liquor sales (Fund 609). City staff also recommends choosing CEE for the parking lot light retrofits at select City buildings. The lighting improvements for Top Valu 1 and Top Valu 2 will come from liquor sales (Fund 609). The funding for the lighting improvements at Murzyn Hall and the Public Safety Building will come from each individual building fund (Fund 411).

Requested Council Action/ Discussion Topics / Key Questions
<i>(Briefly state the specific action staff is requesting of the City Council, if any. For example: provide direction, discuss options, or review information.)</i>
Staff requests that council have a brief discussion regarding the solar and lighting improvements at select City facilities.

ATTACHMENT(S)

Honeywell - Preliminary Assessment

Cedar Creek Energy - Solar Proposal

CEE - Lighting Proposals

Collins Electrical - Lighting Proposals