

Fort Collins Utilities – Customer Connections 222 Laporte Ave PO Box 580, Fort Collins, CO 80522

970-212-2900 Utilities@fcgov.com

# **MEMORANDUM**

**Date:** April 30, 2024

To: Mayor and City Councilmembers Through: Kelly DiMartino, City Manager

Tyler Marr, Deputy City Manager

Jacob Castillo, Chief Sustainability Officer

From: Brian Tholl, Energy Services Manager

Katherine Bailey, Program Manager

**Subject:** April 23, 2024 Work Session Summary: Building Performance Standards (BPS)

### **BOTTOM LINE**

The purpose of this memo is to document the summary of discussions during the April 23, 2024 Work Session. All Councilmembers were present and Councilmember Pignataro joined remotely. A BPS policy aims to reduce energy use in commercial and multi-family buildings in alignment with Our Climate Future (OCF) and supports the adopted Council priority to reduce climate pollution and air pollution through best practices, emphasizing electrification.

### **DISCUSSION SUMMARY**

The majority of Councilmembers expressed general support for the policy. They requested more information on topics related to the BPS recommendations and expressed interest in further discussion.

Questions and subsequent discussion included:

- The role of policy adoption within the City strategy of reducing climate and air pollution
- Understanding current participation in the C-PACE (Commercial Property Assessed Clean Energy) financial program
- The impacts of BPS in other jurisdictions
- Clarification of proposed covered buildings including single-family residential, townhomes, row homes, condos, and industrial properties
- Relationship of BPS to existing building energy and water scoring reporting policy (§ 12-203 of Municipal Code)
- Potential for compliance waivers for vacant buildings and other unique circumstances
- Small building pathway including extended timeline and lower performance targets
- Timeframe for adoption and implementation

CC: Gretchen Stanford, Utilities Deputy Director

Travis Storin, Chief Financial Officer

 Contributing community members and organizations on policy Task Force and Technical Committee

In addition, Councilmembers requested more information on the following topics for the next discussion:

- What specific support will be available to help building owners identify opportunities to use less energy?
- What resources will be available to prevent rents from increasing significantly resulting from a BPS policy?
- What type of engagement is planned to ensure building owners of covered buildings will hear about, and understand, adopted requirements?
- What type of resources will be needed to implement and administer the policy?
- Provide more specifics on which environmental groups were engaged, and when, along with departments represented during City staff engagement. (See attachments 1 and 2.)

### **NEXT STEPS**

- Revisit BPS topic in a future Work Session (tentatively scheduled for June 11, 2024) to provide additional background on Council questions and feedback.
- Councilmembers requested additional information on cadence of updates on progress and challenges toward meeting OCF goals.
  - A memo including the 2022 community inventory, progress to goals, and updated Council Roadmap will be provided by Q3 2024.
- Provide additional information on City staff and environmental groups engaged (see attachments 1 and 2).

### **ATTACHMENTS**

- Attachment 1: List of engaged environmental groups and engaged City of Fort Collins Environmental Services staff, list of internal Task Force members and department
- Attachment 2: Organizational Chart





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## **WORK SESSION MEMORANDUM**

Date: June 18, 2024

To: Mayor and City Councilmembers os

Through: Tyler Marr, Deputy City Manager

Gretchen Stanford, Utilities Deputy Director

From: Brian Tholl, Energy Services Manager,

Katherine Bailey, Program Manager

Subject: June 11, 2014 Work Session: Proposed Building Performance Standards (BPS)

**Policy Discussion** 

### **BOTTOM LINE**

The purpose of this memo is to document the summary of discussions during June 11, 2024 Work Session. All Councilmembers were present and in person, with the exception of Councilmember Canonico. The proposed Building Performance Standards (BPS) policy supports the adopted Council priority to reduce climate pollution and air pollution, as well as the Our Climate Future goal to reduce carbon emissions. To achieve these through a successful BPS implementation, sufficient resources are critical.

## **DISCUSSION SUMMARY**

Councilmembers showed general support for the proposed resources and requested more information on topics related to BPS implementation.

Questions and subsequent discussion included:

- Clarification of proposed BPS policy coverage of Fort Collins municipal buildings and other public buildings in Fort Collins.
- Costs related to City buildings under the proposed policy.
- Planned community engagement and communications, including relevant target/goal information.

- The forecasted resources that will be needed for implementation, including forecasted incremental costs.
- Methodology used for creating targets that account for behavioral or operational changes.
- More details on multi-family properties, including resources to mitigate negative impacts on naturally occurring affordable housing.
- The qualifications and criteria for building owners to take alternative pathways and those administrative processes.
- Exploring the possibility to leverage voter approved 2050 tax for funding BPS policy initiatives.

In addition, Councilmembers requested more information on the following topics:

- Status of City buildings in compliance with BPS targets and associated estimated costs.
- Details around incremental costs associated with implementation.
- Summary of input from the Climate Equity Committee (next meeting scheduled for June 24, 2024).
- Support for under-resourced buildings and outline of procedures related to compliance pathways.

### **NEXT STEPS**

- Provide additional information on topics identified above in a follow-up memo.
  - Staff anticipate providing additional information no later than July 15, 2024.

CC: Kelly DiMartino, City Manager Jacob Castillo, Chief Sustainability Officer



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## WORK SESSION MEMORANDUM

Date: January 21, 2025

To: Mayor and City Councilmembers DS

Through: Kelly DiMartino, City Manager

Jacob Castillo, Chief Sustainability Officer

From: Brian Tholl, Energy Services Manager 5/1

Katherine Bailey, Energy Services Program Manager

Subject: January 14, 2025 Building Performance Standards (BPS) Policy Discussion

### **BOTTOM LINE**

The purpose of this memo is to document a summary of discussions during the January 14, 2025 Work Session. All Councilmembers except Councilmember Ohlson were present and none were remotely attending. The proposed Building Performance Standards (BPS) policy supports the adopted Council priority to reduce climate pollution and air pollution, as well as the Our Climate Future goal to reduce carbon emissions.

### **DISCUSSION SUMMARY**

Work session discussion was centered on policy alignment and possible tensions related to council priorities, especially regarding affordable housing, climate and economy. Councilmembers asked for more information on specific buildings' likely experiences. Questions and subsequent discussion included the following content:

- Councilmembers showed support for a 6-month pilot effort related to BPS implementation.
   This pilot is a voluntary opportunity for a limited number of building owners to complete the technical assessment and support to determine potential pathways to policy compliance
- Staff understand the outcomes of a proposed pilot would include:
  - Test and/or validate staff assumptions used in policy development through engagement with local building owners focused on building upgrades and associated costs
  - Test and/or validate process steps and resources required to implement a successful policy
  - Identify tensions and opportunities associated with economic impact and provide information regarding implementation feasibility
- Considering staff resources and timeline, staff can commit to:
  - Develop criteria and methods for enrollment of up to 5 buildings of varying building types and energy use

1

o Conduct onsite analysis of opportunities and incorporate building owner insights

CC: Tyler Marr, Deputy City Manager

- Conduct customer journey map exercise to gain understanding of customer pain points to refine the implementation process
- The pilot will examine unique properties, complementing broader community analyses. Staff
  anticipate the small sample size is unlikely to represent average findings, but will outline
  potential compliance pathways for individual buildings, providing insights to assist in
  continued policy development and implementation
- Councilmembers expressed interest in hearing pilot findings and considering policy during this council period, considering environmental goals and impacts
- Policy implementation focused questions included:
  - Vendor support vs internal staff resources
    - Importance of providing continuous customer service and guidance for covered buildings to minimize disruption
  - Importance of safety nets and/or waivers for unique buildings such as historic properties to avoid conflicting regulations or policies
  - Financial resources including direct City support available to a broad spectrum of businesses and owners
    - Support for incentives for early adopters
    - Potential additional incentives contingent upon rent increase limits in affordable housing
    - Consideration of additional resources for specific under-resourced market segments, including multi-family
  - Municipal building costs
    - Municipal buildings have a higher cost per square foot as upgrades encompass leading by example in attaining 2050 goals (rather than the proposed community 2030 goals)
- General clarity and common understanding of the policy, including relationship between building targets and maximum reduction caps and policy impacts on new construction
  - Clarity around maximum reduction caps. The proposed Fort Collins policy recommends a 15% maximum cap for 5,000 to 10,000 sq ft buildings and a 25% maximum cap for 10,000 sq ft buildings and larger. This percentage is the maximum any building would need to reduce their energy use regardless of how high above the absolute target their energy use may be
  - Distinction between State and locally covered buildings and requirements
- Declining incentive program participation and methods of increasing efficiency through regulatory and economic methods

### **NEXT STEPS**

Provide a follow-up memo outlining timeline and scope for technical pilot work

- Council requested staff return in six months to discuss initial findings
  Attached is the executive summary of work identifying local under-resourced buildings and their barriers to efficiency
  - Staff are exploring best means to incorporate findings



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## WORK SESSION MEMORANDUM

Date: November 4, 2025

To: Mayor and City Councilmembers

Through: Kelly DiMartino, City Manager

Jacob Castillo, Chief Sustainability Officer

Travis Walker, Light & Power Director

From: Brian Tholl, Energy Services Director

Subject: October 28, 2025, Work Session Summary: Building Performance Standards

#### **BOTTOM LINE**

The purpose of this memo is to document the summary of discussions during the Oct. 28, 2025 Building Performance Standards (BPS) Work Session. All Councilmembers were present and Councilmember Pignataro attended remotely.

### **DISCUSSION SUMMARY**

Staff presented high level findings from requested BPS pilot activities, including a customer journey map activity and information collected during technical support assessments completed across six buildings in Fort Collins. Discussion was centered on potential pathways forward including a consideration of the policy as presented or adjusted through a variety of levers considering tradeoffs between council priorities. There was general support to bring the policy framework to a regular council meeting for consideration for adoption. Questions and subsequent discussion included the following content:

- Several Councilmembers shared feedback on the staff options presented, including a hybrid method that includes a regulatory approach along with an enhanced incentivebased framework.
- Councilmembers asked questions about the availability of 2050 climate tax funds and/or other state and federal options. Staff explained they are exploring several funding sources, including 2050 tax budget, to support a local BPS policy.
- Several Councilmembers expressed the desire for an enhanced incentive-based framework to support a regulatory approach, including an increased incentive for early adopters.
- Several Councilmembers expressed feedback related to excluding multi-family buildings from the list of covered buildings.
- Council discussed extending the policy timeline to 2032 and how that would impact Our Climate Future emissions goals.
- Councilmembers supported encouraging simplicity in the compliance process, noting the customer journey map identified too many steps and negative sentiment.

- Council shared concerns around federal preemption issues and ongoing legal challenges in other jurisdictions.
- Councilmembers requested more information on the following items:
  - o Detail on estimated cost for City buildings to come into compliance
- Greenhouse gas (GHG) impacts of displacement associated with vehicle miles traveled
  - Data on the specific GHG impact of excluding multi-family properties
- Councilmembers requested a written response to the Service Area Request submitted by the Fort Collins Sustainability Group relating to BPS targets.

### **NEXT STEPS**

Staff will bring a BPS framework recommendation for Council consideration to the Dec. 2, 2025 City Council Meeting. Options for proposed adoption will include a revised staff recommendation based on feedback collected during this work session.

### **FOLLOW-UP ITEMS**

- Provide a follow up memo outlining responses to the questions above
- Respond to Service Area Request relating to GHG target development

