



CITY OF IOWA CITY COUNCIL ACTION REPORT

March 21, 2023

Resolution approving agreement by and between Neumann Monson Architects and the City of Iowa City.

Prepared By:	Wendy Ford, Economic Development Coordinator
Reviewed By:	Redmond Jones II, Deputy City Manager
Fiscal Impact:	\$100,000 in tax increment financing
Staff Recommendation:	Approval
Commission Recommendations:	N/A
Attachments:	Resolution Agreement

Executive Summary:

Neumann Monson Architects has applied for an energy efficiency improvement grant for a project to update their office space. They will replace mechanical and electrical systems and lighting in their downtown Iowa City offices in Plaza Towers. The entire project cost is more than \$1.3 million. Eligible grant project costs are \$309,000 which may be matched with the maximum grant in our program of \$100,000. This project will be funded by the TIF increment in the City-University Project 1 urban renewal area.

Background / Analysis:

Neumann Monson will replace the mechanical and electrical systems and reduce energy consumption and their carbon footprint. These reductions will be verified and measured by two third-party organizations after construction. Mechanical changes entail replacing inefficient gas-fired equipment with efficient electrically powered equipment. Currently, a gas-fired boiler and a cooling tower deliver hot and cold water to heat pumps, which heat and cool their space. This system is energy inefficient and emits greenhouse gases into the atmosphere, causing climate change. A new electrically powered Variable Refrigerant Flow (VRF) system will deliver hot and cold refrigerant to terminal units, which will heat and cool their space. This system will reduce their energy consumption and prepare their studio and Iowa City for net-zero energy use. Lighting system changes will further reduce their energy consumption. Existing lighting fixtures with halogen and fluorescent lamps will be replaced with LED light fixtures. With the combined mechanical and electrical replacements their studio will use 51% less energy per square foot than the average office in the United States. Two third-party organizations will verify the installation of the equipment and measure their reduction of energy. MidAmerican Energy will perform a post-construction inspection to verify that new equipment and systems were installed. Additionally, the International Living Future Institute will verify the energy. The Project will be completed by December 31, 2023.

On August 6, 2019, the City Council declared a climate crisis for the City and accelerated the

City's goals for carbon emission reduction to reach net-zero emissions by the year 2050. As a result of this declaration, the City Council accepted an action plan in their effort to accomplish this goal.

On October 6, 2020, City Council passed Amendment #16 to the City-University Project 1 (Downtown) Urban Renewal Area creating energy efficiency incentives for business located within the urban renewal area (resolution 20-239). The goal of the program is to provide incentives to commercial users to improve energy efficiency, reduce carbon emissions required to power buildings and to help the City achieve a 45% reduction in carbon emissions by 2030.