



Climate Legacy Initiative (CLI) Budget Overview

Presentation of the 2027 Mayor's Recommended Budget related to the Climate Legacy Initiative to the City of Minneapolis Budget Committee, September 24, 2026

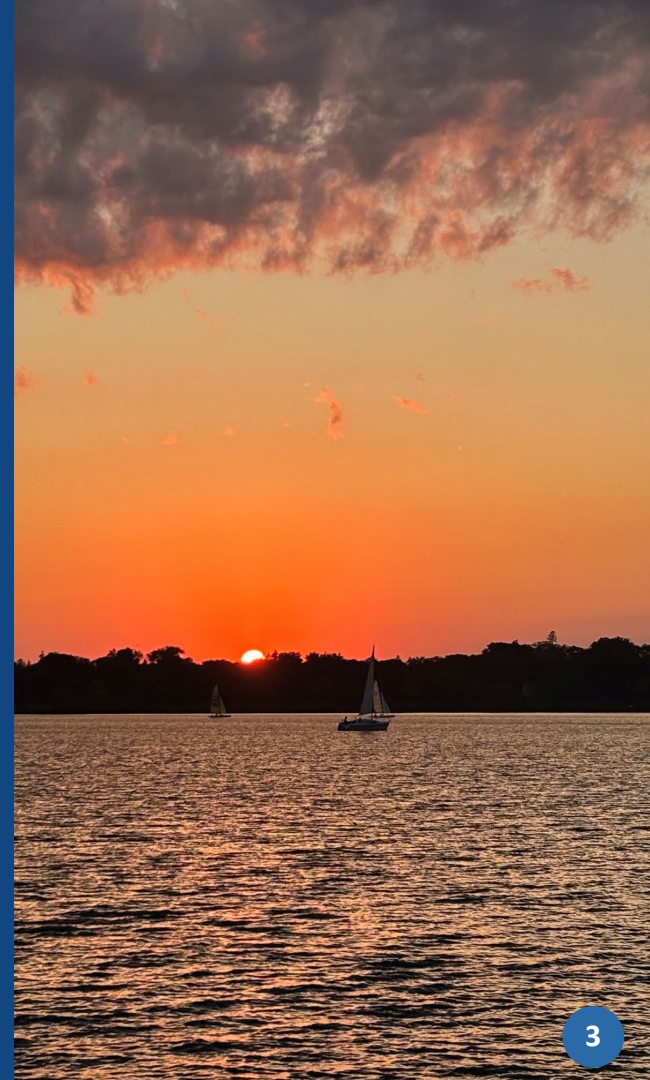




Agenda

1. Climate Legacy Initiative overview
2. Budget overview
3. Program updates

Climate Legacy Initiative overview





Overview

The Climate Legacy Initiative was a significant investment of \$10M a year in 2024 to scale climate action work in Minneapolis. The Climate Legacy Initiative (CLI) was proposed by the Mayor and passed unanimously by City Council. It created new programs and expanded existing programs in the fight on climate change with an equity-first approach to investments.

We are presenting on select 2027 CLI program budgets supported by franchise fees and as reflected in the 2027-28 Mayor's Recommended Budget Book. This presentation is not on the entirety of our Minneapolis climate programming and personnel supporting these investments.

The total 2027 budget for climate-focused work exceeds \$10M in the 2027-28 Mayor's Recommended Budget.

CLI 2027 Collaborators

Department	2027 Est. FTE	Program
Community Planning & Economic Development (CPED)	0	• Workforce Development
Health	6	• Green Cost Share - Residential Weatherization • Green Cost Share - Commercial/Industrial • Outreach and Implementation • Green Careers • Urban Forestry • Biochar
Office of Public Service Administration (OPS Admin)	1	• Administration
Public Works	2	• EV Charging Infrastructure • Zero-Waste Programming
Total	9	

Budget overview





2026 to 2027 Mayor's budget amendment divestments overview

Divestment Title	Fund	2027 Divestment		Impacted Department(s)	Anticipated Service Impacts
		Est. FTE	Amount		
Budgeted position adjustment (CLI)	General Fund	-3	-\$424,387	Health	Review of positions and impacts ongoing.
CLI contractual services	General Fund	0	-\$3,657,139	CPED, Health, Public Works	All areas of Climate Legacy Initiative are impacted by these cuts. Explained in upcoming slides.
Total Recommended Divestments		-3	-\$4,081,526		



2027-28 Mayor's Recommended Budget: Select CLI expenses

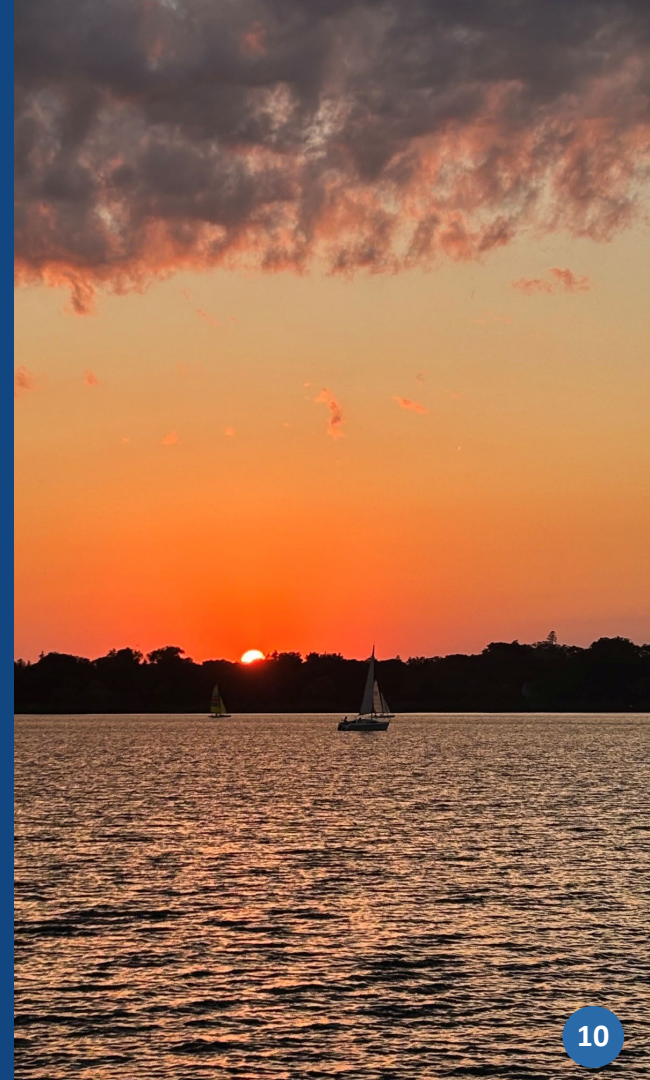
Department	FY2026 budgeted	FY2027 recommended	FY26 to FY27 Change	Major drivers of FY26 to FY27 change
CPED	\$413,000	\$413,000	-	No change
Health	\$9,943,391	\$5,981,365	-\$3,962,026	• Divestment of contractual services • Divestment of FTE • Removal of one-time funding
OPS Admin	\$187,459	\$201,835	+\$14,376	Standard inflationary growth in personnel
Public Works	\$979,743	\$999,131	+\$19,388	Standard inflationary growth in personnel
TOTAL	\$11,523,593	\$7,595,331	-\$3,928,262	



Planned 2027-28 Mayor's Budget Amendments: Select CLI expenses

Department	FY2026 budgeted	FY2027 recommended	FY2027 amended	FY26 to FY27 amended change	Programs impacted
CPED	\$413,000	\$413,000	\$169,000	-\$244,000	Green workforce
Health	\$9,943,391	\$5,981,365	\$6,564,189	-\$3,379,202	Green Cost Share, Outreach and Implementation, Urban Forestry, Green Careers, Biochar
OPS Admin	\$187,459	\$201,835	\$201,835	+\$14,376	Standard inflationary growth in personnel
Public Works	\$ 979,743	\$999,131	\$660,307	-\$319,436	EV Charging and waste reduction
TOTAL	\$11,523,593	\$7,595,331	\$7,595,331	-\$3,928,262	

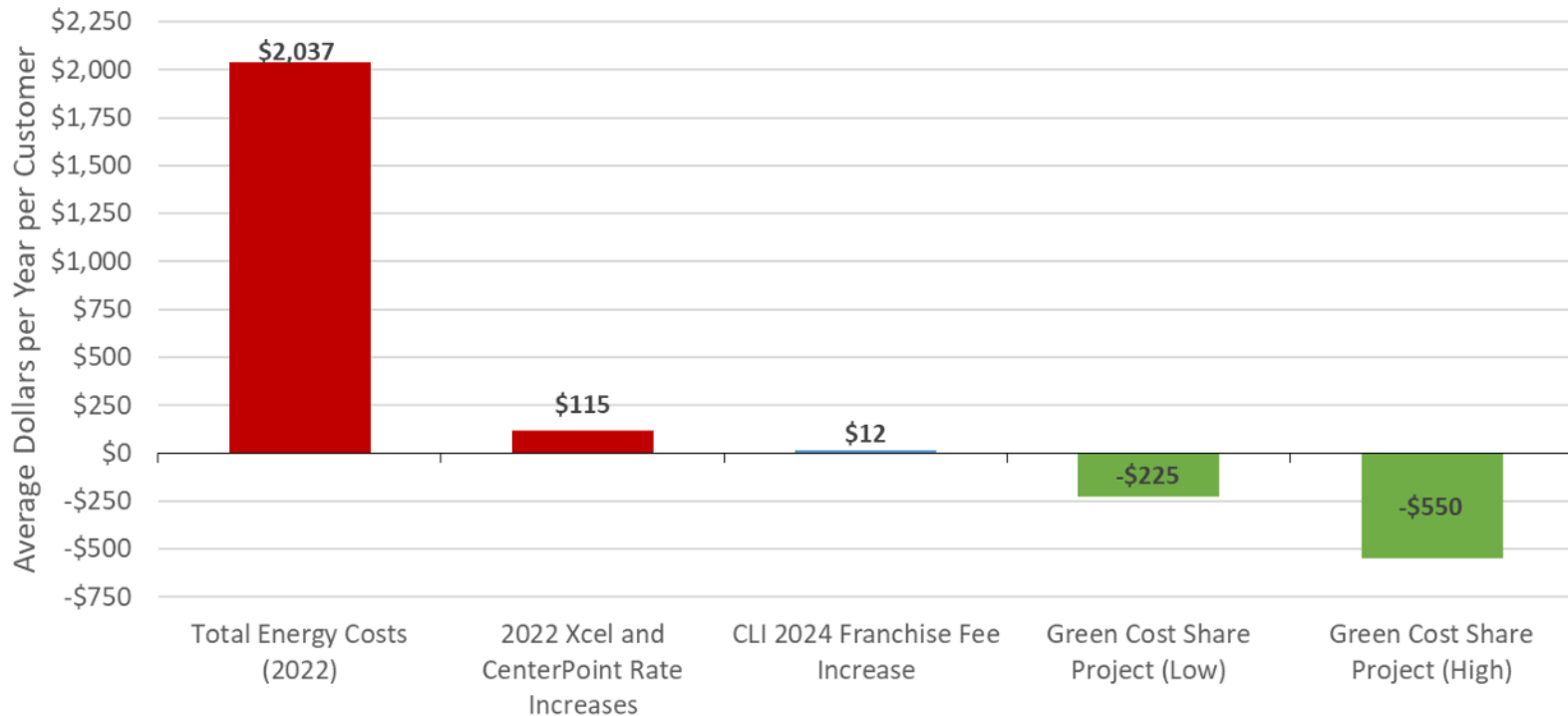
Program updates and staff recommendations within CLI divestments





Utility Rates and Franchise Fee impact | Current Fee Levels

AVERAGE RESIDENTIAL ENERGY BILL IMPACT





2027 Climate Legacy Initiative priorities

2027 prioritization guidance (*interim*):

- a. **Hardest to reduce emissions** – natural gas & transport fuels
- b. Programs that **enable us to achieve our *Justice40* commitment**
- c. Leverage our unique **influence & control to deliver shared community benefits**

Funding priorities:

- 1. Small & medium business efficiency & electrification support
- 2. Residential efficiency & electrification support
- 3. Accessible no-carbon transportation options
- 4. City facility projects that deliver community decarbonization resources – *leading by example*



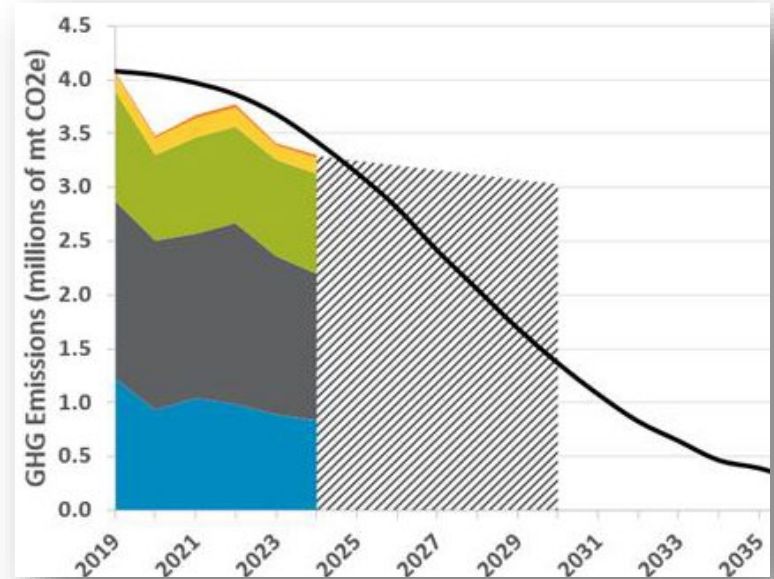
Recommended select CLI divestments

Areas receiving funding:

	<u>2027 % divest</u>	<u>Dollar amount divest</u>
1. GCS grants & marketing - Resid.	32.2%	\$1,236,480
2. GCS grants & marketing - Biz	32.2%	\$1,022,636
3. Outreach & Implementation	31%	\$40,000
4. EV Car Share & Charging	25%	\$150,000
5. Urban Forestry	35%	\$180,923
6. Green Careers	52%	\$322,137
7. Biochar	50%	\$90,000
8. Workforce	59%	\$244,000
9. Waste Reduction	52%	\$188,824
10.Homegrown	100%	\$157,139
11.Utility Assistance	50%	\$25,000

Outcomes and progress toward climate goals

- 2025-2030 require the most aggressive efforts to hit Climate Equity Plan greenhouse gas reduction goals.
- 2026 will be the highest level of ghg reductions in the history of Minneapolis in every category of climate work.
- 2027 will be a significant reduction in climate spending and will require a reprioritization of funds to be ready should outside federal or foundation funding becomes available.



Impact on Green Zones/low-income properties

- The priority in all categories of Climate related spending is to spend at least 40% of funding in areas of equity defined as Green Zones, Low-Income, and non-profits serving low-income.
- All programs combined have returned on average 60% of program services to one or more of these defined categories.





CLI Green Cost Share - Residential Weatherization

2027 proposed contracts budget: \$2,603,520
100% General Fund

Objective: This fund offers matching funds to residential units of all sizes single family to multi-family for weatherization and energy efficiency with at least 40% of the funds being dedicated to Green Zones, low-income tenants, or low-income serving non-profits.

Planned 2027 programs and activities: Funding will continue residential weatherization and efficiency programming.

- 32.2% cut from 2026
 - We anticipate a reduction of over 300 residential weatherization/efficiency projects in 2027.
 - Remaining funds will be on the most deeply affordable units and difficult project to complete through LIRE, 4d, and Lead and Healthy Homes with the highest cost per home.

Metrics of success:

- 2026 is on track to be the highest level of weatherization/efficiency projects completed in the history of Green Cost Share Program dating back to 2013, exceeding 1,000 projects.
- Project savings are \$107 million from all residential projects.
- Emerging metric: 335 estimated jobs have been created/supported by the combined city green cost share investments.



Green Cost Share - Residential Weatherization contract examples

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
Rental Efficiency Programs	Frontier Energy	General Fund	Estimate ~\$1.0M	Master Contract Work Order	Contract to streamline braiding of CenterPoint Low-Income Rental Efficiency Program and Multifamily Building Efficiency Program funding with City Green Cost Share funding. Funds almost exclusively energy saving work in income-qualified rental properties.
Healthy Homes Weatherization	Center for Energy and Environment	General Fund	Estimate: ~1.0M	Master Contract Work Order	Contract for program administration support and coordination for full service energy efficiency and pre-weatherization grants. Grants plus utility rebates cover 100% of the cost of eligible work in income qualified, owner occupied properties.
City Rebate, 0% Interest Buydown, No Cost Energy Audits	Center for Energy and Environment	General Fund	Estimate: ~\$0.25M	Master Contract Work Order	Contract for program administration for City's rebate and interest rate buydown programs. Rebate is generally available across the City for specific energy saving projects. Interest rate buydown reduces the interest rate to 0% for income qualified applicants on broad range of energy-saving projects.
Sustainable Homes	Cooperative Energy Futures	General Fund	Estimate: ~\$0.25M	Master Contract Work Order	Contract for continuing pilot for novel program model for electrification and energy efficiency work in income qualified owner-occupied properties.
Total Contracts			\$2,603,520		



Green Cost Share - Commercial/Industrial

2027 proposed contracts budget: \$2,013,886

100% General Fund

Objective: These funds are focused on commercial and industrial properties to drive green house gas reductions, properties in Green Zones and low-income serving non-profits qualify for additional incentives.

Planned 2027 programs and activities:

- 32.2% cut from 2026
- We expect a reduction of 72 small businesses and industrial customers served and an increase of 1,900 tons of greenhouse gas emissions from having less greenhouse gas reduction projects.

Metrics of success:

- Success is measured by number of businesses served, number located in green zones or serving low-income members, and greenhouse gas reduction.
- In 2026 we are on track to serve 112 small businesses.
- Project energy savings from Green Cost Share investments are \$141 million citywide.



Green Cost Share – Commercial/Industrial contract examples

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
Small business energy efficiency grants	Minnesota Chamber Environmental Sustainability Foundation	General Fund	~10% of budget	Master Contract Work Order	Contract to streamline Minnesota Chamber of Commerce's Energy Smart program with City Green Cost Share funding. Funds are available for a wide range of energy-saving improvements for small to medium sized businesses.
Small business and non-profit energy efficiency grants	Center for Energy and Environment	General Fund	~15% of budget	Master Contract Work Order	Contract to streamline braiding of Xcel Energy One Stop Efficiency Shop (lighting, HVAC) and City Green Cost Share funding.
Commercial Solar grants	Multiple awardees	General Fund	~25% of budget	Non-Procurement	Award grants to multiple applicants to support rooftop solar arrays. Priority given to applicants in a Green Zone or affordable housing property.
Commercial Energy Efficiency grants	Multiple awardees	General Fund	~25% of budget	Non-Procurement	Award grants to multiple applicants to support energy efficiency and electrification projects. Priority given to applicants in a Green Zone or affordable housing properties.
Innovative Air Pollution Reduction grants	Multiple awardees	General Fund	~25% of budget	Non-Procurement	Award grants to multiple applicants to support local air pollution reduction projects. Priority given to applicants in a Green Zone or affordable housing properties.
Total Contracts			\$2,013,886		



Outreach and Implementation

2027 proposed contracts budget: \$224,293
100% General Fund

Objective: Outreach and implementation funding is used to do intentional outreach with community groups, stakeholders, and outreach specialists in our Green Zones and for low-income customers to hit target markets around equity.

Planned 2027 programs and activities:

- 31% cut from 2026
- The Department expects at least a 20% reduction in overall outreach numbers. This was one of the smallest funds and smallest recommended cuts because base funding is needed to keep multiple contracts in place.

Metrics of success:

- In 2026 the Health Department has reached over 30,000 people citywide.
- 17 In person events
- 585 Individual project proposals in priority Green Zones areas and low-income individuals



Outreach and Implementation contract examples

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
Community Outreach	SRF Facilitation Services	General Fund	\$20,000	Professional Services	SRF facilitates community conversations with existing advisory groups to provide feedback on climate spending
Truth in Sale of Housing	CEE	General Fund	\$75,000	Professional Services	This is a contract to conduct Truth In Sale of Housing verification related to energy efficiency requirements in housing purchases
Energy Navigator	Community Power	General Fund	\$25,000	Professional Services	This grant is working with Community Power to help community organizations and individuals navigate the complex energy rebate and financing programs
Total Contracts			\$120,000		



Electric Vehicle Charging Infrastructure and Adoption

2027 proposed contracts budget: \$338,000

100% General Fund

Objective: The EV Charging infrastructure funds build out a network of charging stations throughout Minneapolis, especially in Green Zones and areas of equity concern, as the market continues to electrify transportation. This funding also supports access to EVs through support for the EVIE carshare service.

Planned 2027 programs and activities:

- Funding for vehicles and operational support of the EVIE Carshare
- Installation of one new EV Spot Network charging hub
- 25% cut from 2026, funding reduction impacts include:
 - Reduced funding to support EVIE Carshare operations
 - Postponing installation of a new charging hub site

Metrics of success:

- This funding covers both charging infrastructure and EVIE Carshare programs. Success is measured through miles traveled through estimated charging hours and EVIE Carshare usage.
- This program, along with the Green Cost Share Program, are the most cost effective programs for greenhouse gas reduction.
- Public Works anticipates a reduction in over 25,000 charging hours and loss of service by not installing new charging stations due to cuts.



EV Charging Infrastructure and Adoption contract examples

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
EV Charging Hardware, Operation and Maintenance	TBD (Ongoing RFP)	General Fund	\$160,000	Professional Services and Technology	Operating contract that provides EV charging hardware, management software, mobile EV charging application and service to EV Spot Network locations.
Carshare Support	Saint Paul	General Fund	\$120,000	Cooperative Agreement	Funding in support of the EVIE carshare program's fleet and service area through our partner city, Saint Paul.
Study on Permitting Residential Neighborhood Chargers in the Right of Way	Kimley-Horn	General Fund	\$48,000	Consulting Pool Master Contract Work Order	This contract is facilitating a study on approaches in allowing public requests to install privately owned/operated chargers in the right of way.
Make Ready Work for EV Charger Installation	Xcel Energy	General Fund	\$10,000	Service Agreement	Estimated cost for the necessary make ready work connecting Xcel Energy utilities to a new EV Spot Network location in 2027.
Total Contracts			\$338,000		



Urban Forestry

2027 proposed contracts budget: \$342,770

100% General Fund

Objective: This funding is used to subsidize the cost of planting trees for residents and covering the cost of planting in Green Zones.

Planned 2027 programs and activities:

- 35% funding cut from 2026
- One City Trees sale (fall only): 1,600 trees distributed
- Focus on full-service plantings targeted in Green Zones: 750 trees
- Replacement trees planted: 300 trees
- Tree Ambassador program
- Communications and outreach events
- Total trees planned for distribution or planting: 2,550

Metrics of success in 2026:

- 3,237 trees distributed to or planted in 2026; exceeding the stated goal of 2,915.
 - 1,915 trees distributed to residents through the spring and fall City Trees sales
 - 722 full-service plantings, focused in the Green Zones
 - 200 trees planted to replace trees removed due to hazard or disease for income-qualified residents
 - 400 trees planted for a new 'mini forest' project
 - Launched the Tree Ambassador program and onboarded 15 Tree Ambassadors to help find locations for planting trees in low-canopy areas



Urban Forestry contract examples

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
City Trees sale	TreeTrust	General Fund	\$80,000	Professional Services	TreeTrust provides tree sale and distribution services, including online sale platform, procurement of trees, and logistics for distribution
Full-service tree plantings	TreeTrust	General Fund	\$243,750	Professional Services	TreeTrust provides full-service tree plantings for residents, identifying location, selecting tree species, calling Gopher One, and planting tree for residents
Planting replacement trees	Metro Blooms	General Fund	\$32,200	Professional Services	Metro Blooms works with residents that have lost trees due to disease or hazard to replace them with up to three new trees; service includes location identification, species selection and planting.
Total Contracts			\$ 342,770		



Green Careers

2027 proposed contracts budget: \$297,137

100% General Fund

Objective: This funding is used to provide exposure to green career fields focused on youth and young adults in Green Zone communities. There is not an adequate number of workers and contractors to perform the work necessary to hit greenhouse gas and equity goals long term. This program is a generational approach to creating opportunities in green career fields. It is one funnel to CPED led Workforce programming for job placement.

Planned 2027 programs and activities:

- 52% cut from 2026
- Anticipate a 50% or greater reduction in programming due to a loss of Director and contract implications with training partners.

Metrics of success:

The Green Career program has trained this year along 367 individuals in accredited training programs such as sustainable land care, tree inspection, renewable energy, and exposure program in green careers to Minneapolis students in public and charter schools.

- Solar Training (including bilingual class) 13.67%
- Green Careers education and exposure 52.52%
- Clean Economic Education 9.5%
- Sustainable Land Care 16.6%
- Internship 8.31%
- Data does not include Minneapolis CTE and Stem program students



Green Careers contract examples

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
Stem and Hight School Green Career programing	Minneapolis Public School	General Fund	\$135,000	Professional Service	This funding provides Green career education for Students of Minneapolis Public School of the Career and Technical Education (CTE) and Stem program such as Girls in Math and Science (GEMS) and Guys In Mathe Science and Environment (GISE)
Minneapolis youth from LEAP and other Community programs	Project for Pride in Living	General Fund	\$85,000	Professional Service	This funding provides Green career education and exposure for Minneapolis youth including out risk youth and young adults
Community Solar Education	Go Solar Academy	General fund	\$35,000	Professional Services	This funding provides Solar education and NABCEP solar installer certification for Minneapolis youth and young adults
Bilingual Solar training	COPAL	General Fund	\$50,000	Professional Service	Solar education and Certification English/Spanish targeting young adults specially those recently graduating from high school
Total Contracts			\$297,137		



Workforce Development

2027 proposed contracts budget: \$169,000

100% General Fund

Objective: This funding is used to support workforce programming, especially in North Minneapolis. The program is focused on getting people training and job placement in livable wage jobs through career pathway programming and apprenticeships. The Green Careers program is designed to steer people towards CPED led workforce programs.

Planned 2027 programs and activities:

- 59% Cut from 2026
- CPED anticipates a 50% reduction in program results in 2027. Half as many people will be trained and placed into jobs (50 people fewer).

Metrics of success:

- The program has placed 81 people in jobs in 2026, so far. We expect 100 people to be placed into jobs by the end of the year.



Workforce Development example contracts

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
Apprenticeships	Building Strong Communities	General Fund	\$125,000	Contractor / Community based organization	The Minneapolis Apprenticeship Outreach Office provides pathways to registered apprenticeship through navigation and education, supports to prepare for apprenticeships, and resources to sustain apprenticeship participation.
Career Pathways	Unidos	General Fund	\$44,000	Contractor / Community based organization	The Green Worker Fellowship Program (GWFP) through Unidos is a pre-apprenticeship, power building, and capacity building program for New Americans and BIPOC workers within the green energy and infrastructure transition.
Total Contracts			\$169,000		



Biochar

2027 proposed contracts budget: \$90,000
100% General Fund

Objective: This funding is for the operations of the biochar program for producing biochar in SE Minneapolis in partnership with the Mdewakanton Sioux Community, Xcel, Public Works and community partners.

Planned 2027 programs and activities:

- 50% Cut
- Operational funding for the second half of 2027.
- The biochar program was stalled out due to lack of funding in 2026. The Health Department had set aside \$1.4 million in funding to finish the project throughout the 2025 year for rollover into 2026. Unfortunately, due to budgetary overages in other areas of the project, it was halted. It currently sits waiting for funding. We are working with foundations and grantors to try and finish the construction in spring 2027.

Metrics of success (goals for 2027, assuming production starts July 2027):

- Production of tons of biochar: 205
- Creation of carbon credits: 410
- Community agriculture projects supported with free biochar: 5
- Revenue generated by the facility: \$115,250
 - Biochar sales: \$75,250
 - Carbon credit sales: \$41,000



Biochar contract summary remaining

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
Biochar facility construction	Versacon Inc + other contractors	Grant revenue	\$1,826,656	Construction (Bid)	Construction of biochar facility (plumbing, electrical, interior finishing, fencing, landscaping, rigging & installation of biochar equipment)
Total Contracts			\$1,826,656		



Zero-Waste

2027 proposed contracts budget: \$0

100% General Fund

Objective: Advancing Zero Waste

Planned 2027 programs and activities:

- Zero Waste Program Manager FTE
- Zero Waste Work Group

*Ongoing funding required to hire and maintain Zero Waste Program Manager position required to accomplish multi-year zero waste initiatives

What's not happening in 2027:

- Consultant support for studies / data gathering to implement organized collection and/or make progress on other zero waste initiatives
- Recycling awareness campaign
- Innovative waste reduction (community led) grants

Metrics of success:

- Initiate organized commercial collection (franchise) program process
 - Establish solid waste collections options committee (required by State Statute 115a.94)
- Identify information needed to implement zoned collection program
- Identify pathway to improved State Hauler reporting compliance
- Number of stakeholders engaged to improve waste reduction and diversion in commercial, multi-unit, industrial sectors

