



COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

OREGON CHAPTER

March 20, 2017

The Hon. Ken Helm, Chair
House Environment & Energy Committee
900 Court St. NE
Salem, OR 97301

Re: HB 2510

Dear Chair Helm and Committee members:

NAIOP, the Commercial Real Estate Development Association, is one of the leading organizations for developers, investors, owners & operators, brokers, and related professionals in office, industrial and mixed-use real estate throughout the United States, Canada, and Mexico. The Oregon Chapter's members represent a broad and diverse range of companies involved with commercial real estate activities in the Portland metropolitan area, including developers, owners, brokers, and managers, along with other professionals providing legal, finance, title, engineering, architectural, construction, and other services.

We write to express our strong concerns with provisions of HB 2510 which would establish requirements for an application process under which commercial landlords would be mandated to allow the installation of an electric vehicle charging station for the use of the tenant, employees of the tenant or customers of the tenant.

These requirements would be problematic and costly for both tenants and landlords for the following reasons:

- After reviewing all of the testimony submitted to date on HB 2510, we note that no information has been provided on the experience of other states where such requirements have been imposed. Although we have also been unable to find any credible data, anecdotal reports from landlords in California and Colorado indicate that very few, if any, commercial tenants are choosing to assume the significant design, permitting, purchase, and installation costs for such stations.

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- The bill uses the term “rental unit” and seems to assume that there are a fixed number of such “rental units” in commercial buildings, as is the case in residential buildings. Quite to the contrary, the number of tenants and the space they occupy fluctuates frequently in the commercial world as leases expire and needs change; it is the norm to adjust floorplans on a regular basis. This situation causes a problem with the fixed standards in subsection (3)(a) and (b).
- The bill says that a tenant may apply to install a charging station “in, **or near**, any parking space assigned to the tenant or the rental unit of the tenant.” The “or near” wording could be extremely problematic and lead to landlord/tenant disputes.
- Parking stalls aren’t typically reserved in a commercial setting. A 15,000 square-foot tenant may have parking **rights** for eight vehicles, but a fraction, or none, are likely to be reserved. The language below is an example of a standard commercial lease provision:

PARKING. During the term of this Lease, Landlord shall make available to Tenant 8 parking space(s) located within the building’s parking garage. Landlord’s obligation pursuant to this Section 36 shall be limited to making such spaces available in whatever manner Landlord deems appropriate (attended, unattended, marked stalls, or other means), so long as the number of spaces referred to in this Section 36 are made available to Tenant.

Because of this, it seems that once a charging station is installed, it would be very difficult to keep it exclusive to the tenant who installed it.

- There is a requirement in the bill for the landlord to be listed as an additional insured in the tenant’s liability insurance, but there isn’t a similar requirement for the landlord to be an additional insured by the provider who is installing the equipment.
- Subsection (5)(c) authorizes a landlord to “impose reasonable charges to recover costs of the review and permitting of a charging station,” but we would urge the committee to go further and authorize the landlord to also require the tenant to be solely responsible for compliance with all local review and permitting requirements. The landlord should not be burdened with a very time consuming local permitting process.

Thank you for your consideration of these comments and please let us know if we can provide any additional information.

Sincerely,



Kelly Ross
Executive Director