



May 24, 2017

Tom Kelly
Chair

Senator Lee Beyer, Chair
Senate Committee on Business and Transportation
900 Court Street, NE, Room 453
Salem, OR 97301

Gustavo J. Cruz, Jr.
Commissioner

Mark Edlen
Commissioner

Dr. Alisha Moreland-Capuia
Commissioner

Re: HB 2132

William Myers
Commissioner

Chair Beyer and Members of the Committee:

Ted Wheeler
Mayor

My name is Shelly Haack and I work with Prosper Portland, formerly the Portland Development Commission. Prosper Portland and Multnomah County have entered into an Intergovernmental Agreement to develop and administer the PropertyFit program, Oregon's first Commercial Property Assessed Clean Energy (CPACE) Program under ORS 223.680 and Property Assessed Seismic Rehabilitation Program under ORS 223.685 for which I am the project manager. Prosper Portland urges your support for HB 2132.

Kimberly Branam
Executive Director

Both of these programs were designed to leverage public and private resources to increase the resiliency of the state's commercial, industrial and multifamily building stock. This is accomplished by enabling property owners to finance building improvements that increase energy efficiency, produce renewable energy and improve the seismic safety of their buildings, providing the public benefits of reduces energy demand and consumption, reduced carbon emissions, and reduces hazards in a seismic event.

prosperportland.us

222 NW Fifth Avenue
Portland, OR
97209-3859

503-823-3200 Main
503-823-3368 Fax
503-823-3366 TTY

These CPACE programs, which we have branded *PropertyFit*, mirror a century-old financing system that cities and counties have used for decades, called local improvement districts. These districts have been used for sidewalk and street lighting upgrades, and for water infrastructure upgrades in irrigation districts. Specifically, they allow local jurisdictions to support the financing of these upgrades by using a property assessment security structure which is repaid on property tax bills.

The Oregon Legislature originally authorized CPACE programs in 2009, and amended the program in 2014 and 2015. And, as we've evaluated the scopes of work on several projects, a key element that is central to building resiliency is missing: water efficiency. Water efficiency measures critical part of the toolkit to support the conservation of critical natural resources and to reduce demand on local utilities. This addition to the program will advance whole building resiliency and adhere to the intent of the original law.

In addition to water efficiency measures, HB 2132 proposes to include energy storage and smart electric vehicle charging stations as eligible improvements. The costs of these technologies are going down making them more economical, especially in places with higher utility costs.

Lastly, HB 2132 will clarify a provision relating to the mechanism by which financing is secured. Under the Local Improvement District mechanism, local governments must pass a resolution or ordinance to finalize a property assessed lien. This is a relevant and necessary step when local improvements districts are created as they are authorized across multiple properties without the direct consent of a property owner.

However, this is a redundant and onerous step under the CPACE programs authorized under ORS 223.680 and ORS 223.685 because a property owner voluntarily imposes an assessment on their property for the eligible improvements sought. Adding this clarity to the legislation is critical to attracting capital market investments in the program.

Your support of HB 2132 will advance local efforts to ensure the health and resiliency of the state's building stock, while conserving natural resources and meeting the state's greenhouse gas emissions goals.

Thank you for consideration of these comments.

Sincerely,



Shelly Haack
Business Opportunity Officer