



# PORTLAND MAINE

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## DRAFT MEMORANDUM

To: Energy and Environmental Sustainability Committee

From: Green Building Incentive Task Force

Date: June 23, 2011

**Re: Recommendation on Incentivizing Green Building in the City of Portland**

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In fulfillment of the charge put before the Green Building Incentive Task Force (GBITF) by the City Council and the Energy and Environmental Sustainability Committee, the GBITF makes the following recommendations to the City Council to incentivize and encourage green building in the City of Portland.

The Task Force has targeted a worthy goal of full conversion to natural gas by residential customers as the top priority for the residential market. For the commercial market, the Task Force is recommending a requirement to benchmark as well as the creation of a revolving loan fund to pay for the incremental cost of energy performance in new construction and in existing buildings.

The Task Force has also attached the proposed changes to the existing Green Building Ordinance. The Task Force was directed to review and make recommendations on amending the Ordinance.

### **I. Design a green building incentive program that meets the following criteria:**

#### **1. Aid residences and businesses in switching fuel sources from fuel oil to natural gas.**

*Between 2011 and 2024, the gas public utility (Unitil) will be undertaking a gas main replacement project. As this project is phased-in over this time period, Unitil will be laying new gas main-line and streets will be opened to accommodate this upgrade. Coordinate between the City and Unitil in the connection of businesses and residences in an opportunity to switch to a more cost-effective and cleaner fuel source.*

- Engage in regular coordination meetings between the City and Unitil to plan for the connection of businesses and residences to switch to natural gas in areas where pipe replacement is to take place.
- Undertake a targeted marketing and outreaching campaign in areas of the City to be serviced with natural gas to get residents not currently connected to connect. Notify businesses and residences of when pipe-replacement will take place. Consider mailings and possible door to door solicitation by the City.

- Consider offering a revolving loan or other financial incentives if funds become available to businesses and residences not to exceed the cost for paying for burner conversions and flue relining after all other sources of funding from State and natural gas incentive sources has been exhausted.

**2. Require Mandatory Building Energy Benchmarking of commercial buildings with over 7,000 of natural gas or electrical metered square footage and voluntary reporting for other commercial and residential space.**

*There is a trend nationwide to require energy benchmarking in commercial buildings. Building research indicates that measuring energy performance results in future energy savings. The Task Force believes that requiring mandatory building energy benchmarking would not be particularly onerous for building operators since this information is typically required in property sale transactions and this information is typically tracked. Reporting in EPA Energy Star Portfolio Manager is commonplace and relatively easy.*

- Require benchmarking using EPA Energy Star Portfolio Manager
- Require submitting the EPA Portfolio Manager tool score to the City of Portland annually and require that the score be made publically available on the City website.
- Create a energy performance database for voluntary reporting.

**3. Create a revolving loan fund funded from TIF revenue for commercial energy improvements to pay for the incremental cost of energy improvement in existing and new construction.**

*It is possible for the City to create a Revolving Loan Fund funding stream from a Tax Increment Financing (TIF) Districts. This loan fund could be used to pay for energy improvements in commercial projects anywhere in the City.*

- Amend the City TIF policy to allow for the creation of a TIF district funded Revolving Loan Fund and fund an Energy Performance Revolving Loan Fund.
- Users of the fund must demonstrate through an engineering study that the building improvements exceed ASHRAE 90.1 by 30% for new construction and 20% for existing buildings and 10% for historic buildings.
- The funds may be used to pay for the incremental construction costs of reaching the higher standard.
- Users of the fund must exhaust all State and utility energy incentive sources before using the Revolving Loan Fund.

**4. Amend the Consolidated Plan to include energy efficiency in the scoring criteria.**

## II: Amendments to the Existing Green Building Ordinance

The Task Force has reviewed the existing green building ordinance and makes the following recommendations:

- Amend the funding threshold for publically funded projects to \$200,000 from \$25,000.
- Lower the threshold for City projects to 2,000 square feet from 5,000 and remove the requirement for compliance for projects over \$250,000.
- Allow any third-party certification system.
- Remove the requirement that buildings meet the Architecture 2030 Challenge.
- Require that buildings perform better than ASHRAE Standard 90.1 by 30% for new construction, 20% for existing buildings, and 10% for historic buildings.
- Require that waiver requests are sent to the Zoning Board of Appeals.

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## ARTICLE VII. GREEN BUILDING CODE

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**\*Editor's Note:** Article VII (Green Building Code) was adopted in its entirety by Council Order 187-08/09 and passed on 4-6-09)  
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### Sec. 6-165. Purpose.

The purpose of this article is to establish the energy performance requirements of constructing and renovating municipal building and publically funded projects with the goal of planning, designing, constructing, and managing to maximize energy performance, minimize adverse environmental impacts, provide healthy work places, conserve natural resources, and promote sustainable development in Portland. ~~promote standards for construction that result in buildings that are environmentally responsible, energy efficient, provide healthy places to work consume less energy and create fewer emissions.~~

### Sec. 6-166. Definitions.

The following ~~words phrases~~ shall be defined as set forth below, for use in this article.

*Funded in whole or in part:* Receipt of tax increment financing or the sum of a grants by the City, HOME loans, Community Development Block Grant loans or Neighborhood Stabilization Program loans is greater than ~~twenty fivetwo hundred~~ thousand dollars (\$25200,000.00).

*Renovation:*

- (a) At the time of the application, the total construction cost is greater than or equal to the market value of the property as determined by the city's tax assessor; or
- (b) A conversion from non-conditioned to conditioned space; or
- (c) An addition of building gross square footage greater than or equal to the gross square footage of the existing building; or
- ~~(d) A change of use.~~

### Sec. 6-167. Standards for new buildings and renovation projects.

All new construction and renovation projects to be: (a) owned, or occupied by the city of Portland that are of 52,000 square feet in floor area or greater; or (b) funded in whole or in part by the city of Portland that are of 10,000 square feet in floor area or greater; ~~and have a total construction cost of greater than \$250,000.00 and all new construction and renovation projects to be funded in whole or in part by the city of Portland that are of 10,000 square feet in floor area or greater and have a total construction cost of greater than \$250,000 shall be certified to the U.S. Green Building Council's ("USGBC") Leadership in Energy and Environmental Design ("LEED") Silver Standard, and shall achieve the minimum LEED optimize energy performance points~~

~~necessary to meet the targets of the 2030 challenge as published by Architecture 2030. shall demonstrate under any third-party certification system (e.g. LEED and Green Globes) or energy model certified by a licensed engineer a percentage improvement in the proposed energy performance of the building compared to the baseline performance rating per ASHRAE Standard 90.1. Such percentage improvement shall be 30% for new construction, 20% for existing buildings, and 10% for historic buildings.~~

**Sec. 6-168. Submissions ~~of LEED checklist.~~**

~~The applicant shall provide upon~~ Upon submission of an application for a building permit for new construction or renovation projects that are required to meet the standards set forth in section 6-167, ~~the applicant shall also submit a preliminary energy model~~ LEED checklist, along with a statement of certification from a licensed engineer that the project meets the standards ~~a narrative description detailing how the LEED points will be achieved, including the points necessary to meet the 2030 challenge.~~

**Sec. 6-169. Certificate of Occupancy.**

~~A copy of the final submission of LEED documentation to the USCBC~~ The applicant shall submit ~~be submitted~~ to the city's department of planning and urban development prior to the issuance of a certificate of occupancy for new construction or renovation projects that are required to meet the standards set forth in section 6-167 ~~a statement of final certification from a licensed engineer indicating that the project meets the standard along with any amendment to the energy model supplied at time of application.~~ . ~~A temporary certificate of occupancy may be issued by the city if necessary prior to the submission of final LEED documentation to the USCBC.~~

**Sec. 6-170. Waivers.**

The ~~standards set forth in section 6-167 requirement of LEED certification~~ may be waived in an emergency situation or under documented circumstances showing that compliance with this requirement would ~~be cost prohibitive and/or~~ create an unreasonable burden on the construction project ~~or city~~; have a negative impact on an historic structure; ~~or, if due to specific circumstances, would defeat the intent of LEED certification.~~ Any request for waiver ~~of LEED certification~~ must be accompanied by specific reasons for the waiver and approved by the Zoning Board of Appeals ~~director of planning and urban development~~. If a waiver is granted, a reasonable effort must still be made to maximize ~~the number of LEED points attained by the project~~ building performance according to the standards set forth in section 6-167, 6-168 and 6-169.

**Sec. 6-171. Appeals.**

Any applicant aggrieved by the decision of the ~~director of planning and urban development zoning board of appeals~~ may appeal that decision to the city council by filing an administrative appeal within twenty one (21) days of the issuance of the decision. The city council shall place the appeal on its next regularly scheduled meeting. The appeal shall be de novo and public comment shall be accepted. The decision of the city council shall be in writing, final and non-appealable.

**Sec. 6-172. Applicability.**

This ordinance shall apply to new construction and renovation projects to be owned, occupied, or funded in whole or in part by the city of Portland for which site plan applications, building permit applications (not associated with an approved site plan), or funding assistance requests are submitted on or after the effective date of this ordinance.

(Ord. No. 187-08/09, 4-6-09)

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