



# PORTLAND MAINE

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## MEMORANDUM

To: Energy and Environmental Sustainability Committee

From: Green Building Incentive Task Force

Date: July 7, 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 an option 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 residential property owners not to exceed the cost for paying for burner conversions, gas boosters, and flue relining after all other sources of funding from State and natural gas incentive sources has been exhausted.
- Provide information to property owners on energy incentives available through the City and other sources.

**2. Develop a voluntary reporting database for other commercial and residential spaces.**

*There is a trend nationwide to require energy benchmarking in commercial buildings. Building research indicates that measuring energy performance results in energy savings. As a first step to measuring energy performance, the Task Force believes that offering a database for voluntary reporting energy performance of building would influence building owners to change the way they operate buildings and encourage building owners to undertake energy improvement projects.*

- If technically possible, create an energy performance database for voluntary reporting offered through the City's website.

**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.**

*Community Development Block Grant (CDBG) selection criteria provides no points to energy efficiency in the selection criteria. The Task Force believes that some weight should be applied to projects that engage in energy efficiency in project selection.*

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

## **II: Amend 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 from \$25,000 to \$200,000.
- Remove the trigger requirement for change of use for renovation projects.
- 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 for publically funded projects.
- Remove the requirement that buildings meet the Architecture 2030 Challenge.
- For publically funded projects, require that buildings perform better than ASHRAE Standard 90.1 by 30% for new construction, 20% for existing buildings, and 10% for historic buildings.

The Task Force was unable to address the waiver process in their recommendations due to time and feasibility of options and refers the waiver process to the Committee for review.