

Attachment A
Local CPACE Interest

The following pages summarize CPACE interest from:

- Perry Brooks, Partner at Roost Development
- Tom Kelly, President at the Neil Kelly Company
- Todd Gray, CFO for Mereté Hotel Management and Sycan B Corp.
- Joe Mazarella, Sunlight Solar Energy, Inc.
- Tyler Neese, Central Oregon Association of Realtors (COAR)

RESPONSE FROM PERRY BROOKS, ROOST DEVELOPMENT

Email from Perry Brooks, Roost Development Partner, to Erik Kropp, March 7, 2022

“Hi Erik,

Thanks for reaching out. I am completely comfortable with you sharing this information in the staff report. The projects I will be referring to are headed towards development, but until we have a shovel in the ground, there's always the chance that they won't be built. But for the time being, we are definitely on track for development. CPACE financing would increase the probability of making the projects happen due to better financial terms for the measures that reduce energy burden and increase resiliency.

The first project we're working on that would work well for CPACE financing is a 36-unit, net zero, 54,000 sf apartment building on 4th and Olney. I've attached the land use entitlement package that we submitted to the City for their review and approval. The target for this building is to be net zero, meaning it produces more electricity than it requires. The goal is to start construction at the end of 2022 or early 2023. This project is ideal for CPACE financing being a net zero project and designing the project around sustainability.

The second project is a, 5600 sf multi-use building with commercial space on the lower floor and three apartments on the second floor. This project is located on Colorado just east of Bond St. Similar to the first project, it is also proposed to be a net zero building. This project is a little further along in development with building permits being submitted this month and we plan to start construction in late summer, early fall of 2022. I've attached the conceptual drawings for this building.

Our development company has several other multi-family and commercial projects in the future, all of which would benefit from CPACE financing.

Let me know if there is any other information I can provide.

Thanks,

Perry”

RESPONSE FROM TOM KELLY, PRESIDENT, NEIL KELLY COMPANY

Via email from Neil Kelly to Erik Kropp on March 7, 2022

1. If CPACE were available, do you anticipate using the program?

We would be a potential C-Pace user in 2023 or 24.

2. If yes, for what type of projects (for example, solar panels, LED light upgrades, more energy efficient HVAC system, etc.)?

We are planning a new roof and solar for our Bend building.

3. If yes, what is your desired timeline (right now there are projects ready to go, within the next 6 months, within the next year, within next 1.5 years, 2 years, 2 years plus)?

2 years.

4. Do you have other information you would like me to share with the Board?

The C-Pace program in Portland allowed us to pursue a project on our headquarters a few years earlier than we might have otherwise. We did pay it off early.

INPUT FROM TODD GRAY, MERETE HOTELS

Email from Todd Gray, CFO for Mereté Hotel Management and Sycan B Corp.

From: Todd Gray <TGray@meretehotels.com>

Sent: Friday, February 18, 2022 1:49 PM

To: citizeninput <citizeninput@deschutes.org>

Subject: Citizen Input Request to Speak 2/23

I am the Chief Financial Officer for Mereté Hotel Management and Sycan B Corp. As you may be aware, we are active in the Bend community, having recently opened the Element Hotel and Holiday Inn Express respectively, and are preparing to break ground on a small commercial development adjacent to the Element. **As a stakeholder, I would like to express my desire to speak in person at the meeting scheduled on February 23rd, 2022, as part of the Citizen Input Process.**

A few of the benefits of CPACE:

- CPACE provides funds that otherwise would have to be provided by traditional bank debt or investment capital. In practice, CPACE has the benefit of lowering the amount of investment capital required and increasing the potential overall return of a project. As a result, CPACE can literally move a project from one that does not pencil to a potentially profitable project. We have run various numbers on potential new projects, with and without CPACE, the estimates with CPACE demonstrated far superior returns than those without CPACE.
- As develop across the Pacific Northwest. All things considered equal, a community that offers CPACE compared to one that doesn't have a distinct competitive advantage. Development dollars are going to flow into markets with CPACE compared to those without.
- CPACE has successfully been implemented within several jurisdictions and communities. A good example of a successful CPACE program can be found within Clark County Washington. There is no need to reinvent the wheel with successful programs already operating.
- Time is of the essence, the economic impact of COVID is still a barrier to many new developments and with interest rates only increasing alternative financing sources are needed for new development activity. We are currently looking at another hotel project in Deschutes County, its marginal at best. With CPACE, the likelihood of moving forward only increase.

Mereté

Hotel  Management

Todd Gray | CFO

Mereté Hotel Management

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RESPONSE FROM CENTRAL OREGON ASSOCIATION OF REALTORS (COAR)

Email from Tyler Neese, COAR

1. If CPACE were available, do you anticipate using the program?

In order to get a sense of how and if a CPACE program might be utilized in Deschutes County, we solicited feedback from commercial brokers through both committees and an online survey. We asked them to think about projects and properties they're working on, as well as clients they represent. Overall, the brokers who weighed in were supportive and said they anticipate using the program either personally or on behalf of a client.

2. If yes, for what type of projects (for example, solar panels, LED light upgrades, more energy efficient HVAC system, etc.)?

Solar panels, LED lights, HVAC, electric car charging stations, and multi-family projects.

3. If yes, what is your desired timeline (right now there are projects ready to go, within the next 6 months, within the next year, within next 1.5 years, 2 years, 2 years plus)?

The answers varied from "within the next 6 months" to "2 years."

4. Do you have other information you would like me to share with the Board?

The Central Oregon Association of REALTORS® (COAR) supports the creation of a Commercial Property Assessed Clean Energy (CPACE) Program in Deschutes County. A CPACE program would be a valuable option for commercial building owners and developers and could prove to be both an economic boost for the County and a helpful tool in achieving greater sustainability in development by providing commercial building owners and developers supplemental financing options for performance improvements on new and existing buildings. We encourage the Board of County Commissioners to authorize a CPACE program, and we would welcome the opportunity to provide input and offer expertise in its development and implementation.

RESPONSE FROM SUNLIGHT SOLAR ENERGY, INC.

Email from Joe Mazzarella to Erik Kropp on March 7, 2022

“Hello Erik,

I just wanted to reach out in regards to the discussions on creating C-PACE financing for commercial energy projects in Deschutes County. I have been developing commercial and residential solar projects here in Central Oregon with Sunlight Solar Energy for 10 years.

In my experience, the biggest hurdle in developing commercial solar electric systems is not the simple payback or ROI, but being able to offer reliable and attractive financing options to fund these energy projects. Although I don't have any projects 'in hand' that I can say would surely move forward with C-PACE financing, as it is difficult to promote or discuss it before it is actually a reality, I do believe that this is something that if done right can be a very attractive option for businesses here in Central Oregon.

So, please consider this a letter of support and I look forward to learning more about how this is structured and being able to present it to potential customers in the region.

Thank you,

Joe Mazzarella”

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Joe Mazzarella, System Design and Project Development
Sunlight Solar Energy, Inc.