



MUNICIPALITY OF ANCHORAGE
MAYOR DAVE BRONSON

OFFICE OF THE MAYOR

Dear Representative Schrage,

On behalf of the Municipality of Anchorage, I support HB227, an Act relating to municipal energy and resiliency improvement assessment programs. This bill expands upon the existing Alaska Property Assessed Clean Energy (PACE) statute passed in 2017. The bill's language is derived from an extensive review of trends and best practices in many other states.

Broadening C-PACE eligibility with opportunities such as new construction will allow Alaskan businesses to access new private financing sources at no cost to the taxpayers. My administration is focused on jump-starting development in Anchorage with tools like C-PACE. Over half of C-PACE projects over the last two years were from new construction, which is currently not allowed statutorily in Alaska.

One example of a C-PACE application that would be eligible under the amended statute per HB227 is the Anchorage airport cargo expansion project. This project will provide critical airport infrastructure to support growing cargo volumes and the facility will be the first in Anchorage to employ glycol recovery, reducing the environmental impact of deicing operations.

This pro-business legislation will bring needed financing and development to Alaska. Active C-PACE programs in 22 states and Washington D.C. have stimulated over two billion dollars in economic activity. C-PACE lowers the cost of doing business and reduces the risk for all parties. C-PACE projects have a positive impact on air quality, creating healthier, more livable neighborhoods.

I appreciate your sponsorship of HB227.

Sincerely,

Dave Bronson



anchorage
community
development
authority

March 14, 2022

Dear Alaska Legislature,

On behalf of the Anchorage Community Development Authority, I respectfully ask for your support of HB227, an Act relating to municipal energy and resiliency improvement assessment programs. This bill offers thoughtful amendments to expand economic development in Alaska through Commercial Property Assessed Clean Energy (C-PACE).

We deliver quality development and public parking services within the Municipality of Anchorage. ACDA brings together resources to create development using innovation, partnerships, and sound planning. ACDA is working to expand the tools available to encourage development in Anchorage. We view community development as more than just new construction of buildings; it also means adding value to our community with services and partnerships. The statute amendments in HB227 expand the types of projects and financing available for Anchorage property owners and developers, which is why we support HB227.

Active C-PACE programs in 22 states and Washington D.C. have stimulated over two billion dollars in economic activity. C-PACE lowers the cost of doing business and reduces the risk for all parties. C-PACE projects also have a positive impact on air quality, creating healthier, more livable neighborhoods. There have been no foreclosures as a result of C-PACE.

I appreciate your consideration of HB227. Please reach out with any questions about this bill.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mike Robbins', with a long horizontal flourish extending to the right.

Mike Robbins
Executive Director,
Anchorage Community Development Authority

March 14, 2022

Dear Representative Schrage,

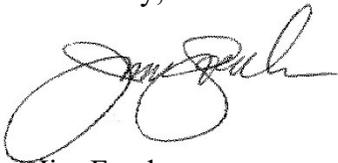
On behalf of JF Squared, LLC – dba Energy Audits of Alaska - I respectfully ask for your support on HB 227, an Act relating to municipal energy and resiliency improvement assessment program. This bill offers amendments to the existing C-PACE program that will help create jobs and economic development in Alaska at no cost to the taxpayers.

As a professional having performed a number of C-PACE energy audits for building owners in Anchorage, I am particularly aware of the limitations of the current SIR requirements (SIR must be equal to or greater than 1.0). Therefore I support the elimination of the SIR=>1.0 under certain circumstances, to broaden the potential efficiency upgrades available to building owners. These would include envelope improvements such as new windows, additional wall, floor and roof insulation, etc.

C-PACE and the amendments in HB 227 help businesses like mine grow by offering a greater range of services for our customers, especially large-scale projects that have long payback periods. This flexible funding tool helps customers access up to 100% of all project costs and increases their revenue stream through energy and maintenance savings. C-PACE lowers the cost of doing business and reduces the risk for all parties. I am excited to offer this financing tool to existing and potential clients.

I appreciate your consideration of HB227. Please feel free to reach out to me with any questions about this bill.

Sincerely,



Jim Fowler
Principal
Energy Audits of Alaska
Mobile: 206-954-3614
jim@jim-fowler.com

AFFINITY HOSPITALITY

HOSPITALITY DEVELOPMENT, CONSULTING & ASSET MANAGEMENT

February 1, 2022

House Community and Regional Affairs Committee
120 4th Street
Juneau, AK 99801

Dear Committee Members,

On behalf of Affinity Hospitality I respectfully ask for your support of HB227, an Act relating to municipal energy and resiliency improvement assessment programs. This bill offers thoughtful amendments to expand the scope and flexibility of existing law resulting from the passage of HB 80 in 2017 and supports broader economic development initiatives in Alaska through the Commercial Property Assessed Clean Energy (C-PACE) finance program. Among other things, this amendment authorizes financing for energy measures in new construction and for building resiliency measures.

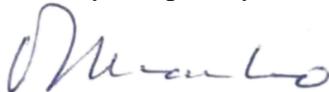
Affinity develops, acquires, and operates hotels including Home2 Suites Anchorage and Marriott Courtyard Midtown Anchorage hotel which burnt down in 2019. We are developing another Home2 Suite By Hilton in Wasilla. C-PACE financing could fill the capital stack, allowing the projects to proceed which will create many jobs and benefit Alaskans for years.

There are active C-PACE programs in 22 states and Washington D.C. which have stimulated over two billion dollars in economic activity in the form of improved commercial building energy performance and investment. C-PACE lowers the long-term cost of doing business and reduces risk for all stakeholders in the transaction, including building owners, contractors, lenders, and local government. C-PACE projects also have a positive impact on air quality and create healthier, more livable neighborhoods. There have been no foreclosures as a result of C-PACE nationally.

I appreciate your consideration of HB227. Please feel free to reach out to me with any questions or concerns about this bill.

Sincerely,

Affinity Hospitality LLC



Richard D. Marko
Member Manager

Representative Sara Hannan
Co-Chair
House Community and Regional Affairs Committee
State Capitol Room 204
Juneau AK, 99801

Representative Calvin Schrage
Co-Chair
House Community and Regional Affairs Committee
1500 W Benson Blvd
Anchorage AK, 99503

With Copy to: Representatives Josiah Patkotak, Harriet Drummond, Mike Prax, Ken McCarthy,
Kevin McCabe

February 28, 2022

Re: Support for HB 227 to expand access to C-PACE

Dear Co Chairs Sarah Hannan and Calvin Schrage and Members of the Committee:

I am writing to express my support for HB227, an Act relating to municipal energy and resiliency improvement assessment programs. This bill offers thoughtful amendments to expand economic development in Alaska through Commercial Property Assessed Clean Energy (C-PACE). My name is Richard Marko with Affinity Hospitality owner of Marriott Courtyard Anchorage Midtown Anchorage. I am the Executive Managing Member of Anchorage MC Holding LLC and the project sponsor for a new Marriot Courtyard hotel that burnt down while under construction. We are hoping to complete the claim process and close refinancing in March of 2023. We are planning to invest \$6 million PACE financing in Alaska by developing the commercial property located at 4860 A Street, Anchorage AK 99503, an upscale select service hotel project.

Commercial property assessed clean energy financing (C-PACE) enables commercial, industrial, agricultural, and multifamily real estate property owners to overcome the steep, upfront cost of clean energy and resiliency improvements. C-PACE accomplishes this by utilizing private sector financing for up to 100% of the capital improvements. C-PACE funding does not rely on any taxpayer funding or municipal dollars. Instead, C-PACE is facilitated through a voluntary contractual property assessment secured by a senior lien on the property.

C-PACE is also a strong catalyst for workforce development, as clean energy projects generate job opportunities for construction workers and building professionals, and promote business expansion and retention by local business owners. Expanding the purview of C-PACE in Alaska will allow local governments to offer a tool that reduces the cost of doing business, improves property values, and contributes to economic development. The policy behind the C-PACE program is one of those rare instances where everyone is a winner.

To date, over 30 states have enacted C-PACE legislation which has resulted in over \$2 billion of private investments in local community construction projects. The Municipality and Borough of Anchorage has an active C-PACE program, whereas Fairbanks North Star Borough, Matanuska-Susitna Borough, and City and Borough of Juneau are exploring establishing C-PACE programs. We have already been approved for funding by Term Street Capital and Nuveen Green Capital, a specialty finance firm that provides capital for C-PACE projects and has funded over 420 C-PACE projects across the country. The passage of HB227 will support the reconstruction of Marriott Courtyard locating at 4960 A Street, Anchorage AK 99503, a 4-story 141 room hotel that will generate approximated 340 temporary and 65 permanent jobs for Alaskans.

I respectfully request that this legislature pass HB227. I would be happy to talk about this with you further and can be reached at (661) 201-5148 or rmarko@affinityhospitality.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Richard Marko".

Richard Marko
Executive Managing Member
Affinity Hospitality LLC
(661) 201-5148



GLOBAL PACIFIC
CAPITAL

2/1/2022

House Community & Regional Affairs Committee

550 W 7th Ave, Ste 1650

Anchorage, AK 99501-3510

Dear Representative Sara Hannan,

Global Pacific Capital is a commercial real estate lending company specializing in sustainable commercial real estate including acquisition, construction, permanent and C-PACE financing with potential active projects in Anchorage. We kindly request that you place the Commercial Property Assessed Clean Energy (CPACE) legislation on the 2022 legislative session agenda. CPACE will be a critical driver to meeting net-zero carbon emissions in the emissions heavy sector of commercial & industrial buildings without requiring the use or risk of public funds. Bill sponsor Representative Calvin Schrage recently took public testimony and had conversations with the public audience through the House Energy Committee on this important piece of legislation. CPACE legislation was also presented to the House Energy Committee in January.

CPACE is a low-cost long-term financing mechanism enabling building owners to finance energy efficiency, renewable energy, water conservation, and climate resiliency projects and make repayments via a special assessment charge on their property. CPACE is funded by private investors – financial institutions like credit unions and banks – and is voluntary for property owners and for counties that choose to adopt enabling legislation and active programs. CPACE has driven over \$2 billion in investment nationally and created 24,000 jobs in local communities.

Your continuous efforts on climate, sustainability and workforce policies have illustrated the importance of how economic diversification and job creation transitioning to a clean energy economy. There are multiple benefits from CPACE that align with your priorities for Alaska. Strong CPACE programs contribute to economic development through greater purchases of supplies, equipment and services from local businesses and the hiring of labor by local construction companies. The program also provides businesses with the opportunity to save ongoing expenses, allowing dollars to be invested in other economic drivers such as hiring new employees and making capital investments.

The original CPACE statute, AS 29.55.100, was a good start in building a foundation for Alaska. As programs have started to flourish in other states, there are lessons learned that provide an opportunity to help Alaska build robust CPACE programs. Important revisions to the original CPACE legislation would include expanding the types of qualifying projects to include new construction, resilience projects and retroactively financed projects. Thirty-seven states including



GLOBAL PACIFIC
CAPITAL

Colorado, Utah, Oklahoma and Texas have passed enabling legislation, and 21 states plus Washington D.C. have active programs.

CPACE legislation presents a unique opportunity for Alaska to provide local businesses with a valuable financing tool to upgrade their properties, improve communities with economic development and address climate change at the same time. We appreciate your strong endorsement for placing this legislation on the 2022 legislative session agenda.

Sincerely,

Tom Neukranz

Managing Director

Global Pacific Capital, LLC

KI Energy, LLC
165 E. Parks Highway, Suite 105, Wasilla, Alaska 99654

February 1, 2022

House Community and Regional Affairs Committee
120 4th Street
Juneau, AK 99801

In Re: HB 227

Dear Committee Members,

On behalf of KI Energy LLC, I respectfully ask for your support of HB227, an Act relating to municipal energy and resiliency improvement assessment programs. This bill offers thoughtful amendments to expand the scope and flexibility of existing law resulting from the passage of HB 80 in 2017 and supports broader economic development initiatives in Alaska through the Commercial Property Assessed Clean Energy (C-PACE) finance program.

KI Energy is a premier building science based company based in Alaska, providing alternative energy solutions, such as Combined Heat & Power cogeneration and energy storage, that significantly lowers long-term energy costs, increase commercial building resiliency, and in some cases, can provide energy independence. A large number of our customers wish to take advantage of C-PACE financing for their projects, and several customers wish to finance energy systems for new construction. HB 227, among other improvements to current law, would allow for financing energy measures in new construction.

There are active C-PACE programs in 22 states and Washington D.C. which have stimulated over two billion dollars in economic activity in the form of improved commercial building energy performance and investment. C-PACE lowers the long-term cost of doing business and reduces risk for all stakeholders in the transaction, including building owners, contractors, lenders, and local government. C-PACE projects also have a positive impact on air quality and create healthier, more livable neighborhoods. There have been no foreclosures as a result of C-PACE nationally.

I appreciate your consideration of HB227. Please feel free to reach out to me with any questions or concerns about this bill.

Sincerely,

Tom Benkert
Business Development Manager
KI Energy LLC
907-787-9470
tom_benkert@kienergy-ak.com

Knikatnu, Inc.

165 E. Parks Hwy, Suite 201, Wasilla, Alaska 99654

February 3, 2022

House Community and Regional Affairs Committee
120 4th Street
Juneau, AK 99801

Dear Committee Members,

On behalf of Knikatnu, Inc. I respectfully ask for your support of HB227, an Act relating to municipal energy and resiliency improvement assessment programs. This bill offers thoughtful amendments to expand the scope and flexibility of existing law resulting from the passage of HB 80 in 2017 and supports broader economic development initiatives in Alaska through the Commercial Property Assessed Clean Energy (C-PACE) finance program. Among other things, this amendment authorizes financing for energy measures in new construction and for building resiliency measures.

Knikatnu, Inc. is the ANCSA Village Corporation, headquartered in Wasilla. Working together with Knik Tribe, we have provided lands and energy solutions this past year to begin the first phase of a 300 unit plus, Senior Housing Micro-Grid Community, complete with its own heating district and wastewater treatment, on KGB Road. It is our hope that this will be a model energy secure community that others will want to examine and consider. We look forward to seeing the C-PACE program open the door for many such projects.

There are active C-PACE programs in 22 states and Washington D.C. which have stimulated over two billion dollars in economic activity in the form of improved commercial building energy performance and investment. C-PACE lowers the long-term cost of doing business and reduces risk for all stakeholders in the transaction, including building owners, contractors, lenders, and local government. C-PACE projects also have a positive impact on air quality and create healthier, more livable neighborhoods. There have been no foreclosures as a result of C-PACE nationally.

I appreciate your consideration of HB227. Please feel free to reach out to me with any questions or concerns about this bill.

Sincerely,



Thomas Harris, CEO
Knikatnu, Inc.



445 E 5th Avenue, Suite 201
Anchorage, AK 99501

TEL (907) 206-4808
FAX (907) 206-5152

NorthernCompassGroup.com

February 1, 2022

House Community and Regional Affairs Committee
State Capitol
120 4th Street
Juneau, AK 99801

Dear Committee Members:

I respectfully ask for your support of HB227, an Act relating to municipal energy and resiliency improvement assessment programs. This bill offers thoughtful amendments to expand economic development in Alaska through Commercial Property Assessed Clean Energy (C-PACE).

Twenty-two states and Washington, D.C. have active C-PACE programs, which stimulated over a billion dollars in economic activity in 2021. In addition to stimulating economic development, C-PACE lowers the cost of doing business and reduces risk for all parties. C-PACE projects also have a positive impact on air quality, creating healthier, more livable neighborhoods. There have been no foreclosures as a result of C-PACE.

I am already directly participating in the C-PACE program in my business efforts to revitalize downtown Anchorage and I know other Alaskans could benefit from this program as well.

I appreciate your consideration of HB227. Please feel free to reach out to me with any questions or concerns about this bill.

Sincerely,

Mark Begich
President & CEO
Northern Compass Group LLC
Mark@NorthernCompassGroup.com



AEDC
Anchorage Economic
Development Corporation

March 14, 2022

Representative Calvin Schrage
Alaska State House of Representatives
Juneau, AK 99801

Re: Support for HB227 (C-PACE)

Dear Representative Schrage,

On behalf of the Anchorage Economic Development Corporation (AEDC) I write you today to ask for your support of HB227, an Act relating to municipal energy and resiliency improvement assessment programs. This bill offers considered and needed amendments to expand economic development in Alaska through Commercial Property Assessed Clean Energy (C-PACE).

AEDC exists to grow and diversify the economy of Anchorage and our organization annually works with multiple businesses and investors, both local and from out of state, that have expressed interest in making investments in our city in any number of lines of commercial investment. It is our observation in working with these potential investors that interest in the C-PACE program is already prevalent and growing. The program is of special interest to businesses seeking to be more energy efficient and benefiting from renewable energy as part of their business and investment strategies. C-PACE lowers the cost of doing business and reduces risk for all parties. C-PACE projects also have a positive impact of air quality and creating healthier, more livable neighborhoods, a priority for AEDC within our "Live.Work.Play" initiative.

Active C-PACE programs in 22 states and Washington D.C. have stimulated over two billion dollars in economic activity. The Municipality of Anchorage is home to the first C-PACE program in Alaska and has shown great initial success in attracting interest and proposed projects. The benefits this program offers include new construction, new jobs, and greater opportunities for diversification in the economy. C-PACE, through the passage of HB227, will incentivize new investments in Alaska with all the broader benefits to the economy those investments will bring.

I appreciate your consideration and support of HB227.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Bill Popp'.

Bill Popp
President & CEO