

Environment and Energy Conservation Commission
Draft

Summary of October 23, 2017 Meeting
2100 Clarendon Blvd, Azalea Conference Room

Members Present: Claire O’Dea, Irwin Kim, John Bloom, Mike Hanna, Mike Mesmer, Gabriel Thoumi, James O’Connell, Sarah Meservey, Kimberley Fedinatz, Christine Ng

Members Absent: John Seymour, Jessica Skerritt

Guests: Annette Shumway, John Shumway, Peter Hage, Scott Dicke (SRS)

Staff Present: Adam Segel-Moss (DES), Charles Njoku (DES), Rich Dooley (DES), Elizabeth Carriger (AED)

1. Public Comment

Peter Hague noted his connection to the CEP process. He asked if any updates to the CEP had occurred and noted interest in CEP goals/progress.

2. Public Art Master Plan Update – Elizabeth Carriger

Elizabeth Carriger provided information about her background. She has worked in the field of public art for more than 7 years. Elizabeth gave an update on the Public Art Master Plan (PAMP). The PAMP process and background were noted:

September 2000

Arlington County Board adopts a Public Art Policy

December 2004

Arlington County Board approves the County’s first Public Art Master Plan

March 2005

Arlington Commission for Arts recommends first set of County-initiated Guidelines to County Manager

November 2011

Arlington Public Art program moves from Department of Parks & Recreation to Economic Development

January 2017

Public Art Master Plan update process begins

The PAMP was adopted in 2004 as a sub-element of the Comprehensive Plan, supportive to Public Spaces Master Plan. It outlines strategy for how public art will improve the quality of public spaces and the built environment. The PAMP directs that public art should be sited in “prominent locations” and integrated at the earliest design stage. It also recommends developer contributions be pooled in different areas of the County and used to leverage County and grant funds.

The current PAMP is 13 years old. This update will reflect changes since 2004, including:

- Cultural Affairs/Public Art program move to AED
- Growth of Public Art Collection
- Establishment of three Business Improvement Districts
- BRAC & recruitment of new industries to Arlington
- Establishment of Arlington Initiative to Rethink Energy
- Creation of Center for Urban Design + Research
- Interest in temporary public art / creative place making / civic engagement

Ms. Carriger noted that significant planning processes have occurred since the last PAMP was completed. Some of these processes include, but are not limited to:

- Envision Courthouse
 - Realize Rosslyn
 - Crystal City Sector Plan
 - Historic Preservation Master Plan
 - Columbia Pike Form Based Code Updates
- Concurrent Planning Processes:
- Public Spaces Master Plan (POPS) update
 - Lee Highway
 - 4 Mile Run Valley
 - Arts & Culture Strategic Plan

Key Recommendations for the Public Art Program include:

- Consider public art opportunities at the earliest planning stages of County facility and infrastructure projects.
- Develop guidelines for PFRC consideration of public art.
- Consider public art for APS facilities on a case-by-case basis.
- Provide guidelines for CPHD and Neighborhood Conservation for determining public art-appropriate projects.
- Initiate a major periodic temporary public art exhibition.
- Add Lee Highway and Potomac Riverfront as focus areas and sustainability and innovation as new themes.
- Heighten focus on maintaining & activating the public art collection.
- Undertake of support creative place making projects.
- Participate in Zero Waste, Natural Resources Management, Urban Forestry master plans through artist-led community engagement or temporary exhibitions.
- Develop hands-on, interactive projects that allow people to explore sustainability issues.
- Develop data-based projects that illustrate environmental issues.

Gabriel asked how E2C2 can support this important update to the PAMP to include environmentally themed projects. Elizabeth noted that input from the Commission is welcome. A letter would also be welcome once the PAMP has been finalized.

Gabriel asked what the vision is for the water corridor along the Potomac. Elizabeth noted that nothing final was ready nor are any projects slated for the area. It simply notes an area of possible art.

Christine asked if additional recommendations would require increased budget? Ms. Carriger noted that is more of an exercise in organizing and guiding projects. As Site Plan projects occur and funding becomes available, the PAMP would help guide future projects.

Mike Hanna noted that every inch of right-of-way is being fought over. How is public art balancing this in a way to enhance an open space or green space, not compete with it? Public art can be incorporated into these spaces rather than compete. Elizabeth provided an example where shading was created with public art on a ball field. It added to the site, created an amenity, added art, and did not take away usable space.

Irwin asked how themes are selected as projects take shape. It is project specific and depends on the developer. Through discussions, opportunities beget opportunities. Essentially each is on a project by project basis.

Gabriel asked about the bridge lights on Route 50. Elizabeth noted that VDOT worked with the County to design and install as well as the concrete walls. She noted that the County is always willing to work with partners to implement art.

The schedule and next steps for the PAMP are as follows:

- January – June 2017:
Establishment of internal & external working groups
Background research, stakeholder engagement
- February 1 – October 31, 2017: Public engagement activities
- September - October, 2017: Recommendations
Locations, themes, project types and implementation
Internal Working Group, CMO, Public Art Committee, Commissions
- November 2017: Draft plan update
- Internal Working Group, CMO, Public Art Committee, Commissions
- December 2017/January 2018: County Board Work Session, Long Range Planning
Commission Review
- Winter 2018: All Commissions Meeting, Request to advertise, County Board adoption

The Commission expressed an interest to write a letter once the PAMP is complete and prior to Board action.

3. PACE Update

Rich Dooley provided an update on the PACE process from the County's perspective. He noted that a process occurred in 2015-2016 to issue an RFP for a PACE program administrator. In 2016 applicants were reviewed and Sustainable Real Estate Solutions (SRS) was selected as the program administrator.

Scott Dicke is the SRS Director of VA C-PACE Programs. His role includes:

- Arlington C-PACE Program Administrator
- Collaborate with building owners, developers, contractors, mortgage holders and capital providers to facilitate C-PACE transactions
- Provide education, outreach, and materials to support the establishment of new C-PACE programs across the Commonwealth

- SRS partner with state and local governments nationwide to administer C-PACE programs in: CA, CO, CT, OH, OR, RI, UT, VA

Scott provided background and program info regarding the C-Pace program. He noted that it is a new way to finance energy & water efficiency & renewables in C&I building retrofits & new construction.

The Features of C-PACE common to existing buildings AND new construction

- Long term (up to 25 years)
- Lower energy costs
- Combine with utility, tax, and economic development incentives
- No personal guarantees
- Payment obligation can transfer upon sale (akin to sewer assessment)

C-PACE is a voluntary, special assessment-based private financing program

- Building owners choose to install eligible energy efficiency, renewable energy, and/or water efficiency improvements
- 100% financing (no out-of-pocket expense, soft or hard costs)
- Costs are spread over periods up to 25 years
- Repayment via a new “special assessment” billed and collected by capital provider
- Goal: Energy savings \$\$ > the PACE payments; creating cash flow positive projects
- The repayment obligation can transfer to the new owner upon sale

C-Pace for New Construction:

- **Developers can tap C-PACE financing to:**
 - Construct more efficient buildings, i.e. lower operating costs
 - Increase tenant comfort; accelerate occupancy
 - Include improvements often “value engineered” out of a project
- **Potential benefits to developer:**
 - Finance 15-20% of “Total Eligible Construction Cost”
 - Reduce owner equity contribution or high-cost mezzanine loan amounts
 - No personal guarantees required
 - No impact on working capital or developer’s credit

What’s eligible?

- **Eligible Property Types (C&I)**
 - Office
 - Retail
 - Hotel
 - Multifamily (5+ units)
 - Industrial
 - Healthcare
 - Non-profit
- **Non-Eligible Property Type**
 - Condominiums
- **Eligible Improvements (examples)**
 - Automated building controls
 - Boilers, chillers & furnaces

- Building envelope (insulation, windows)
- Combined heat & power (CHP)
- High efficiency lighting
- Hot water heating systems
- HVAC upgrades, VRF installs, controls
- Solar PV systems, incl. roof upgrades
- Pumps, motors, drives

The SRS Statement of work from Arlington County includes program designs, program administration, program marketing and outreach, program training and registration, and program reporting and quality assurance.

Benefits to Arlington include:

- Economic development
- Local job creation
- CO2 emissions reduction

Kimberly asked why mortgage holders would agree to have a superior loan to theirs. Scott noted that it increases asset value, operating costs, and creates more cash flow. This is something that has happened elsewhere without issue.

Gabriel asked if they had prequalified capital providers. Scott noted that capital providers have been prequalified.

John Bloom asked where the fees came from and what they amounted to. Scott noted that the projects include 2.5% per project and cap at \$75,000. No upfront funds must be provided. This commission may be financed.

John Bloom asked about the scale in Arlington to support such a program. He asked if SRS and the County expect that Arlington will be able to support the amount of funding needed for SRS to succeed here? Scott noted that CPACE will be available across Virginia once it is open.

There are significant amounts of transactions in class B and C properties across the state.

Mike asked if the assessment would occur with the County. The original CPACE program was to be repaid on tax bills. There are more options now. Many expressed an interest in finding a better way of doing that than through the local government. Now it is just a separate payment. It is less cumbersome this way for the County and works better for projects.

What is stopping private equity firms from doing this? The priority lien change recording requires the County to participate in order to function. The capital provider records the lien and assigns the collateral. PACE is one of the only successful tools available for class B and C projects to create net positive projects.

What kinds of interest rates are projects seeing? On the order of 6-7%.

Irwin asked who conducts energy calculations as part of this process for each project. Scott noted that SRS reviews all projects and that contractors do the initial analysis. SRS functions in a review capacity.

Rich noted the Commercial PACE (C-PACE) milestones:

- July 2015: VA enabling legislation passed
- January 2017: SRS selected via RFP as Program Administrator
- Nov. 2017 (est): Arlington County Board ordinance passage
- Dec. 2017 (est): Public launch of C-PACE program

The PACE item is likely going to the Board in November. A letter would be welcomed by the Commission to express sentiments to the Board.

4. Parking Working Group Letter

Approved unanimously

5. South Park Letter

Approved unanimously

6. Meeting Summary Review – September

Approved unanimously

7. Old/New Business

Claire provided an update for the POPS process. She noted that staff and stakeholders are working through these comments to finalize the plan in 2018. Some of the items discussed included casual use space, level of service, synthetic spaces, and land acquisition.

Irwin noted that regular Four Mile Run Working Group meetings continued. During the summer Board work session, the Board expressed support of the dog park as is. Some folks were discussing moving the park, but the overall sentiment was that the best thing to do was to look for incremental gains.

Irwin noted that a land swap was discussed between Buck and Arcland. The County declined the land swap and threatened eminent domain. If the County were to acquire the site it would be used for buses and other DES activity.

The Energy Committee has been meeting monthly. They EC is looking forward to an update to the CEP in 2018. They will go to commissions once a draft is available for folks to review.

Mike Hanna noted that the Bike Element to the MTP is delayed. Mike noted concern about the bike and pedestrian planner position as the budget process moves forward. He suggested that it should be raised in the budget process.

The Commission discussed the importance of APS funds being directed to energy-related upgrades if the residential utility tax is increased and split. The Commission agreed to draft a letter for review in November.

Mike M. provided an update on the Solid Waste Subcommittee. He noted that staff are looking to amend code 10 relating to solid waste. Erik G. will attend and present at the November E2C2 meeting on Code 10, Zero Waste, and other items.

Gabriel noted and volunteered to write a letter of congratulations to the Board about the MWCOG award.

Christine attended the Green Committee meeting at Falls Church and provided an update. The Commission discussed starting future E2C2 meetings at 7pm instead of the usual 730pm time. The goal would be to have the meetings end at a more reasonable hour and not take up more time. November will be the first test of the new earlier start time.