NEIL KELLY DESIGNS COMPLETE ENERGY MAKEOVER WITH CPACE

Plans to upgrade its design center inspired Neil Kelly Company to pursue a comprehensive renovation that includes a slate of energy efficiency and seismic upgrades to improve the safety and performance of the building. The 70-year-old design/build home remodeling company is the first existing building retrofit to combine Energy Trust of Oregon’s technical services for energy efficiency and solar into a Commercial Property Assessed Clean Energy (CPACE)* financing package through the PropertyFit Oregon financing program.

Outdated building gets wide-ranging energy upgrade

Neil Kelly’s design center, showrooms and offices occupy a 22,000 square foot North Portland building acquired in 1978. The ultimate commercial property rambler, the building has expanded over time through additions and remodels, but the original structure, dating back to the 1920s, had been left nearly untouched.

The company’s initial need for a new presentation kitchen snowballed into a bigger project that solved other building issues. “Once we really looked at all the opportunities for efficiency improvements, it made sense to pursue a bigger vision,” said Tom Kelly, president, Neil Kelly Company. “We’ve been wanting to do solar here for years, and the building was in need of a seismic upgrade.”

Broad scope meets energy saving and social equity goals

To be implemented in two phases from October 2019 through mid-2020, the renovation plan includes seismic, lighting, HVAC, water efficiency and renewable energy improvements. Nearly half of the project scope is dedicated to the seismic upgrade, which includes updated shear walls and tie-downs, and the installation of structural reinforcement to improve safety and reduce impact in the event of an earthquake.

Outdated fluorescent lighting will be upgraded to energy efficient LED technology with energy-saving control systems. Neil Kelly expects the lighting component to reduce their energy consumption from lighting by more than 50% and deliver improved lighting levels for employees in the workspace.

Water efficiency improvements will reduce water use in the kitchen and lavatories, and HVAC upgrades will improve building comfort with an updated rooftop gas HVAC unit and a new ductless heat pump. Installation of a 30-kilowatt solar electric system is expected to offset approximately 20% of the building’s electrical use. New electric vehicle (EV) charging stations will increase the current count from one to six to accommodate future EV use by staff and clients.

*CPACE is a financing mechanism designed to remove barriers to investing in energy efficiency and renewable energy in commercial buildings. The PropertyFit Oregon program offers CPACE financing in Multnomah County, Oregon. For more information, visit www.propertyfitoregon.com/about.
Neil Kelly is using its own skilled team to do much of the construction work and has engaged Verde Builds, a licensed general contractor that offers job opportunities and training for minorities and low-income people, to manage the EV installation, lighting and seismic retrofit work. “Verde is doing really good work in the community,” observed Kelly. “Projects like this one help prepare young people for a career path in the trades and help Verde expand its expertise with EV installations.”

**Financing tailored to comprehensive clean energy investments**

Energy Trust’s Existing Buildings and Solar programs delivered technical services—including a solar feasibility analysis, and lighting and HVAC studies—to jumpstart the energy saving and generation analyses required for a CPACE financing package and identify cash incentives to further offset costs for multiple scopes. It is among the first existing commercial building retrofit projects to obtain CPACE financing through the PropertyFit Oregon financing program. The renewable energy portion is also eligible for federal solar tax credits. Plus, the electric vehicle chargers are funded through a Pacific Power Blue Sky grant.

In financing the $290,000 price tag, Kelly turned to the PropertyFit Oregon financing program as an alternative to a traditional bank loan. Its focus on long-term financing for energy efficiency, renewable energy, water conservation, and seismic projects in Multnomah County, and the flexibility it offers property owners, made it a good fit for Neil Kelly. The PropertyFit Program has several CPACE capital providers available to finance deals throughout Multnomah County. Prosper Portland was able to finance this project since the building is in the City of Portland’s Urban Renewal Area and meet’s Prosper Portland’s social equity goals for supporting minority contractors in agency-funded projects.

Kelly appreciated the opportunity to work with Energy Trust and PropertyFit Oregon on new ways to package and finance comprehensive energy and seismic projects and partner with Verde Builds to advance social equity goals in the clean energy industry.

> These improvements are going to be transformational in the way the building works for us and significantly improve the safety and efficiency of the structure for our employees and clients.

Tom Kelly, president
Neil Kelly Company

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