

Benchmarking

Last year, the city of Des Moines passed a benchmarking program that will be a significant cost driver for housing providers. It requires us to get usage data on each and every utility meter in our buildings (including tenant-controlled meters that we do not have easy access to). Then, we are asked to hand input meter data for every meter, every month of the year. For our company, this would be about 36,000 data entry points per year. An independent company estimates the cost of this at around \$144, per meter, per year. An average apartment building has 27 meters in it. This cost must be passed on to tenants in higher rents.

The stated purpose of the program is for property owners to learn how much energy they are using, then to force them to make improvements and therefore reduce carbon emissions. The last part of this, the apartment community is 100% behind. However, the benchmarking program (Des Moines's specifically) is not an effective way to achieve this. It has a fatal flaw. As multifamily building owners, we are a bit more sophisticated and we don't need the city telling us how to run business. We already monitor each and every utility bill we receive. We all do this through financial analysis. Adding another ordinance that we need to comply with, especially one that will have no incremental change on our capital improvement decision making, is silly and wasteful. It wastes our time, and it wastes the city's time and precious resources.

Although we were told this would only impact individual buildings over 25,000 SF (on the record in a city council meeting), city staff and legal made an administrative change after the ordinance was passed that has had a huge impact on how many apartments will be required to comply. This new change is called the "Campus Rule" and can be summarized as follows: If a parcel has buildings with a "gross combined" square footage above 25,000 SF, then all buildings must comply with the requirement. That means that a parcel 4 x 10,000 SF building will need to benchmark all 4 buildings. What a nightmare!

The council is voting to amend this ordinance tonight to make the penalty even more severe for those of us that don't have the extra staff to comply with it. If a housing provider does not complete the benchmarking for all buildings (or parcel of buildings) over 25,000 SF, then they must pay a fine of \$300 for the first offense and \$500 for the second offense (per building). The program is already failing. Only 29% of the multifamily buildings that are required to comply with this ordinance have. This is a much lower percentage than commercial building owners due to the difficulty in collecting and inputting the data for us. Now that it has become clear to the city that they will need to have more firepower to force building owners (especially multifamily owners) to comply. The city is attempting to amend the ordinance and change the fine from an administrative fine to a civil penalty. **This can impact your ability to get or keep a rental certificate in the future!** We do not want this to pass. At a later point, we are going to make a concerted effort to get multifamily housing providers exempted from this program. We will need the help of all GIAA members. It will be agenda item 47 II at tonight's city council meeting. The Zoom call-in instructions are attached to the agenda PDF.

This program was the brainchild of councilman Josh Mandelbaum. He and the mayor are strongly behind this program. Please reach out to them (and all council members) to voice your opinion on this program. Linda Westergaard, Joe Gatto, and Carl Voss have been much more understanding of how this

program has a disproportionate burden on housing providers, but it would be good for them to hear your voices as well.

Connie Boesen at connieboesen@dmgov.org

Carl Voss at carlvoss@dmgov.org

Frank Cownie at FCownie@DMGOV.ORG

Josh Mandelbaum at joshmandelbaum@dmgov.org

Bill Gray wsgray@dmgov.org

Joe Gatto at joegatto@dmgov.org

Linda Westergaard at Lindaw@dmgov.org

Thank You,

JB Conlin

Conlin Properties, Inc.

3721 SW. 61st St., Suite A

Des Moines, IA 50321

JBConlin@ConlinProperties.com

515-246-2936



If you are a GIAA member in Des Moines and are interested in working on this or have any questions in regard to this program reach out to JB Conlin directly at JBConlin@ConlinProperties.com 515-246-2936.