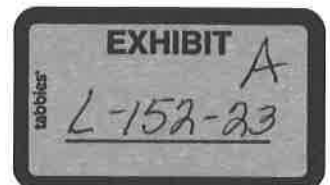


City of Parma, Ohio Golf Course Clubhouse/Event Center Project
Amendment No. 1 to the Architect Agreement for Remaining Basic Services

Pursuant to the AIA B133-2019 Modified Standard Form of Agreement Between Owner and Architect ("Agreement"), between American Structurepoint, Inc. (Architect) and the City of Parma, Ohio (Owner), specific to the above-referenced Project and effective November 10, 2022 (the Agreement), the Owner and Architect hereby amend the Agreement as set forth below.

1. The Owner authorizes the Architect's Remaining Basic Services. All of the terms in the Agreement, including but not limited to those relating to the Schematic Design Phase Services (Section 3.3), Design Development Phase Services (Section 3.4), Construction Documents Phase Services (Section 3.5), and Construction Phase Services (Section 3.6) as well as corresponding services identified in Architect's Proposal, dated September 27, 2023 as modified, attached hereto as **Exhibit A**, hereby apply and the Owner authorizes the Architect to perform such Remaining Basic Services.
2. It is anticipated that the Project will be funded in part, through tax deductions through the Inflation Reduction Act (IRA) and will be subject to compliance with the requirements for IRA funded projects. The Architect must comply with related requirements and assist Owner with such compliance. The Inflation Reduction Act Design Requirements and Guidance shall apply and are attached hereto as **Exhibit B**. The Owner reserves the right to revise the Contract Documents as it deems necessary to comply with the IRA funding requirements.
3. Additional Initial Information for the Project upon which the Architect's Remaining Basic Services shall be based, includes but is not limited to:
 - a. the Pre-Scope Study, prepared by the Architect and presented to the City Council and Citizen Group Meeting with associated documents dated 9/18/2023 attached hereto as **Exhibit C** and incorporated to the extent not inconsistent with the Agreement and this Amendment;
 - b. the Owner's current total Project budget of up to **\$12,300,000**; and
 - c. the following program and physical characteristics for the Project (based upon the Architect's Pre-Scope phase services):
 1. Determined the new facility will be one story instead of two.
 2. Determined there will be a historical gallery near the entrance hallway.
 3. Determined there will be separation between the Event Center users and the golfers, both inside and outside of the building.
 4. Determined the overall approximate size of the new facility to be 11,300 sq. ft.
 5. There will be a large covered Porte Cochere at the main entrance.
 6. Determined the Event Center seating capacity for the banquet hall to be approx. 180 people.
 7. Determined the Event Center room will be dividable for multiple use options/ 3 rooms.



8. Determined the Event Center to have a high ceiling with large glass panel walls overlooking the golf course views.
9. Determined that there will be a large, covered porch and patio area, attached to the event center, also overlooking the golf course.
10. Determined the Event center will have portable style bars.
11. Determined the event center will have a warming kitchen for catering needs.
12. There will be storage rooms for the Event Center functions.
13. The Event Center will have a pre function room for the bridal party.
14. Determined there will be a brides room equipped with a private bathroom.
15. Determined the golf cart storage will be outside instead of indoors.
16. Determined the pro shop will have a small merchandise area.
17. Determined there will be a lounge and bar associated with the golf course side of the building/ easily accessible from inside the lounge and outside of the building.
18. Determined there will be 6 golf simulators with space for 8 total (2 future).
19. There will be a manager's office and ample storage on the golfers side of the facility.
20. Determined there will be a large covered and open porch and patio area attached to the lounge location.
21. The golfer lounge area will seat approx. 50 people.
22. There will be a grille and kitchen area for the golfer and public lounge area.
23. There will be a serving window associated with the lounge area for walk up service.
24. The upper and lower parking lots will be connected to each other.
25. Determined the parking lot will have no less than 200 spaces.
26. There will be separate bathrooms for the Event center and the lounge areas.
27. There will be a gas fed fire feature somewhere on or near the exterior patio, just outside the outside lounge.

4. The design phase milestones per Section 1.1.4.1 of the Agreement, are identified below:

Task	Completed by Architect by
Schematic Design	December 8, 2023
Design Development	February 9, 2024
Construction Documents Site package	March 1, 2024
Construction Documents and foundation package	March 1, 2024
Construction Documents Structural package	March 1, 2024
Construction Documents Core and shell package	March 29, 2024
Construction Documents Interior package	April 26, 2024

5. The following contact is added to Section 1.1.9 of the Agreement:

Third-party Owner's Representative:
Quality Control Inspection, Inc.
9500 Midwest Avenue
Garfield Heights, OH 44125
Contact: Rick Capone, President
Email: rcapone@qcigroup.com

6. The Architect acknowledges that Owner has retained the services of Third-party Owner Representative and agrees that it will work cooperatively with the Owner Representative as directed by Owner and as provided in this Agreement. References to Owner in this Agreement include the Third-party Owner Representative, as the Owner's agent responsible for overseeing and administering the Project on behalf of Owner except that the Third-party Owner's Representative does not have authority to bind the Owner or make decisions related to the Project. The Architect shall copy the Third-party Owner's Representative on communications, notices, or documents provided to the Owner.
7. The Architect will retain the consultants identified in Section 1.1.12.1 of the Agreement for the Remaining Basic Services as well as the following consultant(s):

.13 Kitchen Consultant:
Reitano Design Group
302 N. East Street
Indianapolis, IN

8. Compensation for the Architect's Remaining Basic Services authorized pursuant to this Amendment, shall not exceed **\$1,451,320.00** without prior written authorization from the Owner. This compensation includes a fixed fee of \$801,600.00 for the "Architectural and MEP Basic Services," an amount not to exceed \$589,720.00 for the "Section 4.1 Basic Services" identified in **Exhibit A** as modified, and an amount not to exceed \$60,000 for Reimbursable Expenses as defined in the Agreement in paragraph 11.8.
9. Subject to the fixed fee amounts identified in this Amendment, the proportion of compensation for each phase of services for the "Architectural and MEP Basic Services" shall be as set forth in Section 11.5 of the Agreement and the proportion of compensation for each phase of the "Section 4.1 Basic Services" shall be as set forth in the Basic Services Table in Appendix A of the Architect's Proposal, dated September 27, 2023 as modified, attached hereto as **Exhibit A**.
10. If the Architect has performed or performs any services on the Project (including services by Architect's subconsultants) authorized in writing by Owner including but not limited to, through a separate purchase order or similar instrument, such services are deemed to be provided pursuant to the Agreement and are governed by the terms of the Agreement. Separate terms and conditions are expressly rejected. The Architect shall track the fees for such services separately, if requested by the Owner or if fees for such services are also included in this Amendment, then such fees paid by the Owner shall be credited against the fees set forth herein.

Except as stated herein, this Amendment shall not alter any part of the Agreement between the Owner and Architect for the Project. This Amendment may be executed in any number of original counterparts, all of which evidence one agreement and only one of which needs to be produced for any purpose. This Amendment is effective as of the date of execution by the Owner.

City of Parma, Ohio

American Structurepoint, Inc.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

CERTIFICATE OF FUNDS

(ORC Section 5705.41)

The undersigned, fiscal officer of the Owner, certifies that the moneys required to pay that part of the Contract Sum coming due during the current fiscal year, under the Agreement to which this Certificate is attached have been lawfully appropriated for such purpose and are in the appropriate account of the Owner, or in the process of collection to the credit of the appropriate account or fund, free from any previous encumbrances. Moneys due in excess of the Contract Sum shall require an additional and separate Fiscal Officer's Certificate.

DATED: _____

By: _____

Fiscal Officer

City of Parma, Ohio

EXHIBIT A



AMERICAN
STRUCTUREPOINT
INC.

600 SUPERIOR AVENUE EAST, SUITE 2401
CLEVELAND, OHIO 44114
TEL 216.302.3694

September 27, 2023

Mr. Tony Vannello
Director of Public Service
6611 Ridge Road
Parma, Ohio 44129

**Re: Ridgewood Golf Course Event Center/Clubhouse Project – Parma, Ohio
Revised Price Proposal – Pre-Scope Phase Results**

Dear Mr. Vannello,

As a follow-up to our fee proposal dated September 2, 2022 and the execution of our agreement with the City of Parma dated November 10, 2022, our team has successfully completed the Pre-Scope Phase for the above referenced project. Our team sincerely appreciates the collective efforts of the City as we worked through the building program to develop the framework for the proposed facility. Through this collaboration, our team developed the final layout to begin detailed design in September, 2023 with the expectation to meet the July, 2025 completion date.

The proposal dated September 2, 2022 remains unchanged, with the exception of the sections provided below that clarify the final fee. The sections and references provided in this proposal align with the original document for clarity.

Part 3: Basic Services

As part of this submittal, we have included clarification for Basic Services in compliance with Section 4.1.2.1 of the modified B133 agreement, as detailed below and included in Appendix A:

4.1.1.29	Geotechnical Engineering
4.1.1.30	Storm Water Management (NEORS)
4.1.1.31	Land Surveying
4.1.1.32	Kitchen Consultant
4.1.1.33	A201 Modifications not available at the 9/2/2022 contract preparation.
4.1.1.34	A201 Modifications not available at the 9/2/2022 contract preparation.
4.1.1.35	Event Pavilion Design (Alternate)
4.1.1.36	Multiple Bid Packages
4.1.1.37	Fast-Track Design

2022.01167

4.1.1.29 Geotechnical Engineering

1. Field exploration of approximately 24 locations for drilling and sampling of the subsurface materials and observation of current groundwater levels at the exploration locations within the subject area planned for the clubhouse development.
2. Laboratory testing of the recovered subsurface material samples from the test borings.
3. Engineering analysis and geotechnical recommendations for use by ~~others~~^{Architect} in the design of the proposed buildings, paved access drives, paved parking lots, and retaining wall(s).

4.1.1.30 Storm Water Management (NEORS)

1. This planning task is active under previous authorization by the City with no additional fee associated with this proposal.
2. The following clarification is provided: American Structurepoint is working in tandem with the NEORS and the City of Parma to complete the lower lot storm water study. The Study is active with an anticipated completion date of November, 2023. Upon completion of the study, and subsequent approvals by the City of Parma and the NEORS, a separate fee proposal will be provided to accommodate the recommendations.
3. The fee provided with this letter proposal does not include field survey, design, or permitting for storm water detention/modifications associated with the active study for the lower level parking lot.

4.1.1.31 Land Surveying

1. This task will be executed in compliance with Article 5 (Section 5.5) of the contract. Details on the final field survey are provided below:
 - a. Property research for deeds, plats, and surveys to facilitate approvals for the building setbacks and necessary permit features. Full boundary for the golf course is not included in this proposal or deemed necessary for the scope of improvements.
 - b. Search for and tie-in property corners and other evidence of boundary lines
 - i. Limited to the property lines at the western end of the property near the project site
 - c. Property line determination based on recorded documents and evidence located in the field.
 - d. Site topo survey (8.8 acres +/-, including property overlap)
 - i. Does not include an individual tree survey of wooded areas
 - e. Locate above ground evidence of utilities.
 - i. American Structurepoint will make a request for record utility plans and to have public utilities marked within public rights-of-way by notifying the Ohio Utilities Protection Service (Ohio811) prior to beginning our survey. We will not be responsible for damages resulting from a utility company who does not respond, for utilities that are not marked or that are mismarked, or for inaccurate/incomplete utility plans provided to us. Determining the depth of utilities (potholing) is not a part of this scope. Private utilities will need to be marked by the owner in order to be included in the survey.
 - f. Locate and invert storm and sanitary sewer structures within and adjacent to the site for design tie-in.
 - g. If subsurface utility location is required, as separate fee proposal will be issued for this specialized field locating service.

4.1.1.32 Kitchen Consultant

1. Perform design operations for a warming kitchen to serve approximately 160.
2. Perform design operations for a small kitchen/grill to serve the lounge.

4.1.1.33 A201 Modifications not available at the 9/2/2022 contract preparation

1. 1.10 - Initial Acceptance of Schedule requires an in-person conference.
2. 3.10.1.3 - Contractor's Construction and Submittal Schedule requires a weekly written report for Architect's review.

4.1.1.34 A201 Modifications not available at the 9/2/2022 contract preparation

1. 4.2 - Administration of the Contract. The Architect will provide administration of the contract as described in the Contract Documents and (3) will be an Owner's representative with the Owner's concurrence, from time to time during the one-year period for correction of Work described in Section 12.2 and for such additional periods as the Owner and Architect may agree.

4.1.1.35 Event Pavilion Design (Alternate)

1. Design of a new pavilion to replace the existing pavilion that is being removed. The new pavilion is anticipated to be an open-air structure, similar to the existing pavilion. (open sides with roof)

4.1.1.36 Multiple Bid Packages

1. The timing of the design start will require more than one bid package to achieve substantial construction completion by the June of 2025 soft opening. The following packages are anticipated:
 - a. Site package
 - b. MEP underground and foundation package
 - c. Structural package
 - d. Core and shell package
 - e. Interior package

4.1.1.37 Fast-Track Design

1. To accommodate the June of 2025 soft opening, the accelerated design schedule will add complexity and risk to the project.
2. This task is additional effort to develop and execute a fast track design to meet the project schedule.

Clarifications and Assumptions:

- H. American Structurepoint is working in tandem with the NEORS and the City of Parma to complete the lower lot storm water study. The Study is active with an anticipated completion date of November, 2023. Upon completion of the study, and subsequent approvals by the City of Parma and the NEORS, a separate fee proposal will be provided to accommodate the recommendations. The fee provided with this letter proposal does not include field survey, design, or permitting for storm water detention/modifications associated with the active study.

Part 4: Compensation:

As part of this submittal, we have included the final Basic Services and the requested Services per Article 4.1 of the modified B133 Standard Form of Agreement Between Owner and Architect, Construction Manager as Constructor Edition included in the RFQ. The dollar amount listed in the summary table below for the Architecture and MEP Base Services Fee at \$801,600 is the maximum value that would be required to comply with Article 4.1 Basic Services in the contract.

The following stipulated sum per Article 11 of the contract is provided below, including reimbursable expenses not to exceed (***Note: Itemized summary of this table is provided in Appendix A**):

Basic Services	Fee
Architectural and MEP Base Services Fee	\$801,600.00
Section 4.1 - Basic Services Table (Page 18; AIA Modified B133 Document)	\$602,840.00 \$589,720
Reimbursables (Not To Exceed)	\$60,000.00
Total	\$1,464,440.00 \$1,451,320.00

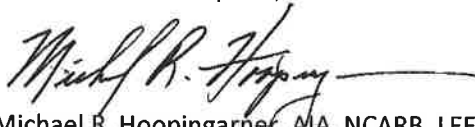
Part 5: Schedule

As shared in the contract documents, the design team will work in partnership with the City of Parma to execute a design schedule, including input from CMAR A.M. Higley that will be included ^{in the Amendment} as an addendum to our executed design contract. The schedule will include multiple bid packages to achieve the June of 2025 soft opening, and the official July 4, 2025 Grand Opening. Our design team is ready to begin work following notice to proceed.

Thank you again for your confidence in our abilities of our team. We have the talent and staff to assist you through each stage of project development, and we look forward to bringing this project to fruition.

If you have any questions regarding this proposal, please do not hesitate to contact me at (216) 302-3694; I will gladly answer them.

Very truly yours,
American Structurepoint, Inc.


Michael R. Hoopingarner, AIA, NCARB, LEED AP
Municipal/Industrial Practice Leader


Cash E. Canfield, PE
Chief Operating Officer

EDK/edk:mmma

Enclosures: Appendix A – Fee Table

Cc: File

Appendix A – Fee Table

Exhibit B

Inflation Reduction Act Design Requirements and Guidance

INFLATION REDUCTION ACT DESIGN REQUIREMENTS AND GUIDANCE

All design requirements and guidance provided below are hereby incorporated into the AIA B133-2019 *Modified Standard Form of Agreement Between Owner and Architect, Construction Manager as Constructor Edition* ("Agreement") and by entering into the Agreement, Taxpayer certifies the following (references to "Taxpayer" is deemed to refer to the Architect identified in the Agreement):

26 U.S. Code §179D

There shall be allowed as a deduction, **an amount equal to the cost of energy efficient commercial building property (EECBP) placed in service during the taxable year.**

Maximum amount of deduction:

The deduction with respect to any building for any taxable year shall not exceed the excess (if any) of (a) the product of the applicable dollar value multiplied by the square footage of the building, over the aggregate amount of the deductions under subsections (a) [new builds] and (f) [retrofits] with respect to the building for the 3 taxable years immediately preceding such taxable year (or, in the case of any such deduction allowable to a person other than the Taxpayer, for any taxable year ending during the 4-taxable-year period ending with such taxable year).

Base Rate - \$0.50/square foot - \$1.00/square foot

25% minimum reduction in energy consumption compared to the current ASHRAE standards; for every % in further reduction, there is a \$0.02 increase in the deduction rate until the maximum 50% reduction level is reached.

If Prevailing Wage and Apprenticeship Requirements are met:

Rate - \$2.50/square foot - \$5.00/square foot

25% minimum reduction; for every % in further reduction, there is a \$0.10 increase in the deduction rate, until the maximum 50% reduction level is reached.

Prevailing Wage Requirements

The Taxpayer shall ensure that any laborers and mechanics employed by the Taxpayer or any contractor or subcontractor involved in the installation of such EECBP shall be paid wages at rates **not less than the Davis Bacon Act prevailing rates** for construction, alteration, or repair of a similar character **in the locality** in which such property is located as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

Correction Steps and Subsequent Penalty for failure to satisfy wage requirements - IRS §45(b)(7)(B):

If a Taxpayer fails to satisfy the requirements with respect to the construction, alteration or repair of any qualified facility, such Taxpayer **shall be deemed to have satisfied** such requirement with respect to such facility for any year if, **with respect to any laborer or mechanic who was paid wages at a rate below** the rate required for any period during such year, such Taxpayer

- (i) **makes payment to such laborer or mechanic in an amount equal to the sum of the difference between the amount of wages actually paid to**

Exhibit B

Inflation Reduction Act Design Requirements and Guidance

- such laborer or mechanic during such period, and the amount of wages **required to be paid** to such laborer or mechanic;
- (ii) pays **interest** on that amount at the underpayment rate established under §6621 (determined by substituting “6 percentage points” for “3 percentage points” in subsection (a)(2) of such section) for the period described in such item; and
 - (iii) makes payment to the Secretary of a penalty in an amount equal to the product of \$5,000, multiplied by the total number of laborers and mechanics who were paid wages at a rate below the required rate.

Intentional Disregard - If the Secretary determines that any failure to pay prevailing wages was due to intentional disregard of the requirements, the penalty terms are substituted to include substituting “three times the sum” for “the sum”, and substituting “\$10,000” for “\$5,000”.

Limitation on period for Payment - Pursuant to rules issued by the Secretary, in the case of a final determination by the Secretary with respect to any failure by the Taxpayer to satisfy the requirement, the correction and penalty steps shall not apply unless the payments are made by the Taxpayer on or before the date which is 180 days after the date of such determination.

Apprenticeship Requirements

Labor Hours - Percentage of total labor hours –Not less than the applicable percentage of the total labor hours of the construction, alteration, or repair work (including such work performed by any contractor or subcontractor) with respect to such facility shall be performed by qualified apprentices.

If construction begins after December 31, 2022, and before January 1, 2024 - **12.5%**

If construction begins after December 31, 2023 – **15%**

Apprentice to Journeyworker Ratio - The percentage of total labor hours requirement is subject to ANY applicable requirements for apprentice-to-journey worker ratios of the Department of Labor or the applicable State apprenticeship agency.

Participation - Each Taxpayer, contractor, or subcontractor who employs 4 or more individuals to perform construction, alteration, or repair work shall employ 1 or more qualified apprentices to perform such work.

Exceptions –

General - A Taxpayer shall not be treated as failing to satisfy the apprenticeship requirements if such Taxpayer:

- 1) satisfies the requirements of the Good Faith Effort; or
- 2) if the Taxpayer fails to satisfy the Labor Hours % or Participation requirement during the construction, alteration, or repair work to which the Good Faith Effort exception does not apply, and makes payment to the Secretary of a penalty in an amount equal to the product of \$50 x the total number of labor hours for which the requirement was not satisfied with respect to the construction, alteration, or repair work on such qualified facility.

Good Faith Effort – must request qualified apprentices from a registered apprenticeship program, as defined in section 3131(e)(3)(B), and:

Exhibit B

Inflation Reduction Act Design Requirements and Guidance

(I) such request has been denied, provided that such denial is not the result of a refusal by the Taxpayer or any contractors or subcontractors engaged in the performance of construction, alteration, or repair work with respect to such qualified facility to comply with the established standards and requirements of the registered apprenticeship program, or

(II) the registered apprenticeship program fails to respond to such request within 5 business days after the date on which such registered apprenticeship program received such request.

Intentional Disregard - If the Secretary determines that any failure described in the Good Faith Effort clause is due to intentional disregard of the requirements to satisfy the Labor Hours % or Participation, substitute "\$500" for "\$50" when determining the penalty described above.

Labor Hours – means:

- (i) the total number of hours devoted to the performance of construction, alteration, or repair work by any individual employed by the Taxpayer or by any contractor or subcontractor; EXCLUDING
- (ii) any hours worked by foremen, superintendents, owners, or persons employed in a bona fide executive, administrative, or professional capacity (within the meaning of those terms in part 541 of title 29, Code of Federal Regulations).

Qualified Apprentice - an individual who is employed by the Taxpayer or by any contractor or subcontractor and who is participating in a registered apprenticeship program, as defined in section 3131(e)(3)(B) [i.e. The term "registered apprenticeship program" means an apprenticeship registered under the Act of August 16, 1937 (commonly known as the "National Apprenticeship Act"; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.) that meets the standards of subpart A of part 29 and part 30 of title 29, Code of Federal Regulations.]

Alternative Deduction for Energy Efficient Building Retrofit Property (EEBRP)

If a Taxpayer elects the application of this alternative deduction with respect to any qualified building, there shall be allowed as a deduction for the taxable year which includes the date of the qualifying final certification with respect to the qualified retrofit plan of such building, an amount equal to the lesser of:

- (i) the excess described in Section 179D(b) (determined by substituting "energy use intensity" for "total annual energy and power costs" in paragraph (2) thereof), or
- (ii) the aggregate adjusted basis (determined after taking into account all adjustments with respect to such taxable year other than the reduction under subsection (e)) of EEBRP placed in service by the Taxpayer pursuant to such qualified retrofit plan.

Qualified Retrofit Plan - A written plan prepared by a qualified professional which specifies modifications to a building which, in the aggregate, are expected to reduce such building's energy use intensity by 25% or more in comparison to the baseline energy use intensity of such building. Such plan shall provide for a qualified professional to:

- (i) As of any date during the 1-year period ending on the date on which the property installed pursuant to such plan is placed in service, certify the energy use intensity of such building as of such date;
- (ii) Certify the status of property installed pursuant to such plan as meeting the requirements of being EEBRP, and

Exhibit B

Inflation Reduction Act Design Requirements and Guidance

- (iii) As of any date that is more than 1 year after the date on which the property installed pursuant to such plan is placed in service, certify the energy use intensity of such building as of such date.
 - a. Is considered a Qualifying Final Certification if the energy use intensity certified in such certification is not more than 75 percent of the “baseline energy use intensity” of the building.
 - b. “Baseline energy use intensity” means the energy use intensity certified under this subsection (i) above, as adjusted to take into account weather.

Qualified Retrofit Building – Any building which is located in the U.S. and was originally placed in service not less than 5 years before the establishment of the qualified retrofit plan with respect to such building.

Energy Use Intensity - The annualized, measured site energy use intensity determined in accordance with such regulations or other guidance as the Secretary may provide and measured in British thermal units.

In the case of any building with respect to which an Alternative Election is made, the term EECBP shall not include any EEBRP with respect to which a deduction is allowable under this subsection.

The **Special Rules under Section 179D(d)** do not apply to this alternative calculation except for rules regarding the allocation of the deduction by certain tax-exempt entities.

Inflation Adjustment

The amounts used to calculate the maximum allowable deduction are increased for inflation each year after taxable year 2022, rounded to the nearest cent, by an amount equal to the eligible dollar/square foot amount, multiplied by “the cost-of-living adjustment determined under Section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting “calendar year 2021” for “calendar year 2016” in subparagraph (A)(ii) thereof.”

Exhibit B

Inflation Reduction Act Design Requirements and Guidance

Notice 2006-52

BASELINE

Energy Efficient Commercial Building Property - Property with respect to which **depreciation (or amortization in lieu of depreciation) is allowable** is EECB property if it is:

- Installed in a building located in the U.S.
- Within the scope of Standard 90.1-2001(now 2007)
- Certified to be installed on or in the building as part of one or more of three of the building's systems:
 - o interior lighting systems,
 - o heating, cooling, ventilation, and hot water systems, OR
 - o the building's envelope.
- **Certified** that the EECBP is being installed as part of a plan designed to reduce the total annual energy and power costs with respect to combined usage of the building's heating, cooling, ventilation, hot water, and interior lighting systems by 25% or more as compared to a Reference Building that meets the minimum requirements of Standard 90.1-2007 or the requirements of the current Reference Standard 90.1 that is in effect.
 - The reduction **must be accomplished solely** through energy and power cost reductions for the heating, cooling, ventilation, hot water, and interior lighting systems.
 - **Reductions in any other energy uses, such as receptacles, process loads, refrigeration, cooking, and elevators, are not taken into account in determining whether the minimum 25% reduction is achieved.**
 - Each certification required under Section 179D **shall include an explanation to the building owner** regarding the energy efficiency features of the building and its projected annual energy costs as provided in the notice required to be provided by the Qualified Computer Software (see below).
 - **Basis Reduction:** If a deduction is allowed under Section 179D with respect to any EECBP, the basis of such property shall be reduced by the amount of the deduction so allowed.

Date Placed In Service Applicable Reference Standard 90.1:

- Before 1/1/2015 Reference Standard 90.1-2001
- After 12/31/2014 and before 1/1/2027* Reference Standard 90.1-2007
- After 12/31/2026* Reference Standard 90.1-2019

**** Taxpayers who began construction before 1/1/2023 may apply Reference Standard 90.1-2007 regardless of when the building is placed in service.***

The maximum deduction cannot exceed:

- (i) The product of the eligible credit (\$0.50-\$5.00/square foot) MULTIPLIED BY the square footage of the building; OR

Exhibit B

Inflation Reduction Act Design Requirements and Guidance

- (ii) the aggregate amount of the §179D deductions allowed with respect to the building for all the previous 3-4 taxable years (3 for a private building, 4 for a government building – aka now the credit can be claimed multiple times, not just ONCE for the life cycle of a building)
- (iii) The cost of the EECBP

METHOD OF COMPUTATION

Performance Rating Method (PRM) must be used to compute the % reduction in the total annual energy and power costs with respect to combined usage of a building's heating, cooling, ventilation, hot water, and interior lighting systems as compared to the Reference Building.

PRM includes the following computations:

Reference Building Energy and Power Costs equal the sum of the energy and power costs for the following components of a Reference Building located in the same climate zone and otherwise comparable to the Proposed Building:

- (a) Interior Lighting,
- (b) Heating,
- (c) Cooling,
- (d) Ventilation, and
- (e) Hot Water.

Proposed Building Energy and Power Costs equal the sum of the energy and power costs for the same components of the Proposed Building.

Percentage Reduction in Energy and Power Costs is determined by:

- (a) Subtracting Proposed Building Energy and Power Costs from Reference Building Energy and Power Costs; and
- (b) Expressing the difference as a percentage of Reference Building Energy and Power Costs.

The energy performance of the Reference Building must be determined by following the methods for baseline building performance in the PRM in **Appendix G of Standard 90.1-2004**.

In calculating baseline building performance, the Reference Building shall use the following additional requirements from the 2005 California Title 24 Nonresidential Alternative Calculation Method (ACM) Approval Manual:

- (1) Number of occupants, occupant sensible and latent heat loads, receptacle loads, and hot water loads from ACM Tables N2-2 for whole building values and Table N2-3 for building area values appropriate for mixed use buildings;
- (2) Occupancy, HVAC, fans, infiltration, hot water, lighting, and equipment schedules from ACM Tables N2-4 through N2-9;
- (3) Infiltration modeled following ACM Section 2.4.1.6;
- (4) Luminaire power for interior lighting systems from the 2005 California Title 24 Nonresidential ACM Appendix NB or from manufacturers data.

CERTIFICATION

BEFORE a Taxpayer can claim the §179D deduction with respect to property installed on or in a commercial building, the Taxpayer must obtain a certification with respect to that property.

Exhibit B

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- Certification must be provided by a qualified individual and satisfy the requirements of §179D(c)(1).
 - o **Taxpayer is not required to attach the certification to the return on which the deduction is taken.**
 - o §1.6001-1(a) of the Income Tax Regulations (as amended or supplemented) requires that Taxpayers maintain such books and records as are sufficient to establish the entitlement to, and amount of, any deduction claimed by the Taxpayer.
- Certification will be treated as satisfying the requirements of §179D(c)(1) if the certification contains all of the following:
 - i. Name, address, and telephone number of the qualified individual.
 - ii. Address of the building to which the certification applies.
 - iii. A statement for EECBP by the qualified individual stating that the interior lighting systems, heating, cooling, ventilation and hot water systems, and building envelope that have been, or are planned to be, incorporated into the building will reduce the total annual energy and power costs with respect to combined usage of the building's heating, cooling, ventilation, hot water, and interior lighting systems by at least 25% or more as compared to a Reference Building that meets the minimum requirements of Standard 90.1-2007.
 - iv. A statement by the qualified individual that the amount of such reduction has been determined under the rules of Notice 2006-52.
 - v. A statement by the qualified individual that **field inspections** of the building **performed by a qualified individual AFTER the property has been placed in service** have confirmed that the building has met, or will meet, the energy-saving targets contained in the design plans and specifications, and that the field inspections were performed in accordance with any inspection and testing procedures that:
 - 1. Have been prescribed by the National Renewable Energy Laboratory (NREL) as Energy Savings Modeling and Inspection Guidelines for Commercial Building Federal Tax Deductions; AND
 - 2. Are in effect at the time the certification is given.
 - vi. A statement that the building owner has received an explanation of the energy efficiency features of the building and its projected annual energy costs.
 - vii. A statement that qualified computer software was used to calculate energy and power consumption and costs and identification of the qualified computer software used.¹
 - viii. A list identifying the components of the interior lighting systems, heating, cooling, ventilation, and hot water systems, and building envelope installed on or in the building, the energy efficiency features of the building, and its projected annual energy costs.
 - ix. A declaration, applicable to the certification and any accompanying documents, signed by the qualified individual, in the following form: **“Under penalties of perjury, I declare that I have examined this certification,**

¹ The energy efficiency and cost savings have to be calculated using qualified (DOE approved) computer software, the Department of Energy has a webpage that lists each type of eligible computer modeling software - <https://www.energy.gov/eere/buildings/qualified-software-calculating-commercial-building-tax-deductions>.

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including accompanying documents, and to the best of my knowledge and belief, the facts presented in support of this certification are true, correct, and complete.”

DEFINITIONS

Building Square Footage - The sum of the floor areas of the *conditioned spaces* within the building, including basements, mezzanine, and intermediate-floored tiers, and **penthouses with headroom height of 7.5 feet or greater.**

- Building square footage is measured from the exterior faces of exterior walls or from the centerline of walls separating buildings, **BUT EXCLUDES** covered walkways, open roofed-over areas, porches and similar spaces, pipe trenches, exterior terraces or steps, chimneys, roof overhangs, and similar features.

Building within the Scope of Standard 90.1-2001/2007 - A structure that is:

1. Wholly or partially enclosed within exterior walls, or within exterior and party walls, and a roof, affording shelter to persons, animals, or property; AND
2. Is not a single-family house, a multi-family structure of three stories or fewer above grade, a manufactured house (mobile home), or a manufactured house (modular).

Conditioned Spaces - Any enclosed space within a building qualifying as cooled space, heated space, or indirectly conditioned space defined as follows:

(1) **Cooled Space.** An enclosed space that is cooled by a cooling system whose sensible output capacity exceeds 5 Btu per hour per square foot of floor area.

(2) **Heated Space.** An enclosed space that is heated by a heating system whose output capacity relative to the floor area exceeds 5 Btu per hour per square foot of floor area.

(3) **Indirectly Conditioned Space.** An enclosed space (other than a heated space or a cooled space) that is heated or cooled indirectly by being connected to adjacent space(s) and that satisfies either of the following conditions:

(a) The space's surface area that is adjacent to heated or cooled space multiplied by the weighted average U-factor of such adjacent surface area exceeds the space's surface area adjoining the outdoors, unconditioned spaces, and semi-heated spaces (e.g., corridors) multiplied by the weighted average U-factor of such adjoining surface area; OR

(b) The air from heated or cooled spaces is intentionally transferred (naturally or mechanically) into the space at a rate exceeding 3 air changes per hour (ACH).

Qualified Computer Software - Software that meets the following requirements:

(1) The software is included (**at the time the certification is given**) on the Department of Energy's published list of qualified software.

(2) The software provides any information that regulations or other guidance require the Taxpayer to file in connection with energy efficiency of property and the deduction allowed under §179D.

(3) The software provides information that allows the user to document the energy efficiency features of the building and its projected annual energy costs.

(4) The software designer has certified that the software meets all procedures and detailed methods for calculating energy and power consumption and costs as required by the Secretary.

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(5) The software provides such forms as required to be filed by the Secretary in connection with energy efficiency of property and the deduction allowed under Section 179D.

(6) The software provides a notice form which documents the energy efficiency features of the building and its projected annual energy costs.

Qualified Individual - An individual that:

(1) Is not related (within the meaning of §45(e)(4)) to the Taxpayer claiming the deduction under §179D;

a. §45(e)(4) - Persons shall be treated as related to each other if such persons would be treated as a single employer under the regulations prescribed under §52(b). In the case of a corporation which is a member of an affiliated group of corporations filing a consolidated return, such corporation shall be treated as selling electricity to an unrelated person if such electricity is sold to such a person by another member of such group.

(2) Is an engineer or contractor that is properly licensed as a professional engineer or contractor in the jurisdiction in which the building is located; and

(3) Has represented in writing to the Taxpayer that he/she has the requisite qualifications to provide the required certification required in Section 4 of Notice 2006-52 (in the case of an individual providing the certification) or to perform the inspection and testing described in Section 4.05 of Notice 2006-52 (in the case of an individual performing the inspection).

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Allocation Rules

EECBP that is installed on or in property owned by a Federal, State, or local government or a political subdivision thereof, or for any other tax-exempt entity the owner of the property may allocate the §179D deduction to the person primarily responsible for designing the property.

The deduction will be allowed to the designer for the taxable year that includes the date on which the property is placed in service.

The designer does not include any amount in income on account of the §179D deduction allocated to the designer.

The designer is not required to reduce future deductions by an amount equal to the §179D deduction allocated to the designer.

§179D does not provide for any reductions.

The **MAXIMUM AMOUNT** of the §179D deduction to be allocated to the designer is the **amount of the costs incurred by the owner of the government-owned building to place the energy efficient commercial building property in service.**

Designer - A person that creates the technical specifications for installation of energy efficient commercial building property. A designer can be an architect, engineer, contractor, environmental consultant or energy services provider who creates the technical specifications for a new building or an addition to an existing building that incorporates energy efficient commercial building property. **A person that merely installs, repairs, or maintains the property is not a designer.**

Allocation of Deduction - If more than one designer is responsible for creating the technical specifications for installation of energy efficient commercial building property on or in a government- or tax-exempt entity-owned building, the owner of the building shall:

- (1) Determine which designer is primarily responsible and allocate the full deduction to that designer, OR
- (2) At the owner's discretion, allocate the deduction among several designers.

Form of Allocation - **must be in writing** and contain **all** of the following:

- (1) The name, address, and telephone number of an **authorized representative** of the owner of the government-owned or tax-exempt entity-owned building;
- (2) The name, address, and telephone number of an authorized representative of the designer receiving the allocation of the §179D deduction;
- (3) The address of the building on or in which the property is installed;
- (4) The cost of the property;
- (5) The date the property is placed in service;
- (6) The amount of the § 179D deduction allocated to the designer;
- (7) The signatures of the authorized representatives of both the owner of the government-owned or tax-exempt entity-owned and the designer or the designer's authorized representative; and
- (8) A declaration, applicable to the allocation and any accompanying documents, signed by the authorized representative of the owner of the building, in the following form: **"Under penalties of perjury, I declare that I have examined this allocation, including accompanying documents, and to the best of my knowledge and belief, the facts presented in support of this allocation are true, correct, 4 and complete."**

Exhibit C



- 1 NEW PRACTICE GREEN AND BUFFER
- 2 OUTDOOR PATIO AND RETAINING WALL
- 3 ENCLOSED CART STORAGE AND PATIO
- 4 RAISE LOWER PARKING AREA TO LEVEL OF RIDGE ROAD
- 5 EXISTING TREE TO REMAIN
- 6 BUILDING - 11,400 SF INTERIOR SPACE
- 7 PORTE COCHERE / DROP-OFF
- 8 TRASH ENCLOSURE AND SCREEN WALL
- 9 COVERED PAVILLION

