

Chairwomen Woosley and Members of the Subcommittee, thank you for the opportunity to speak with you today about what we believe is a huge economic development opportunity. Although conditions are nothing short of brutal in today's real estate industry, at Gerding Edlen, we see, along with the significant challenges, enormous opportunity. Gerding Edlen Development has been working in the Green Building Development business for over 15 years. We are an Oregon-based company with offices in Seattle and Los Angeles. For over a decade, our company has led the nation in developing highly sustainable, transit oriented, mixed use urban high rise projects. We have more US Green Building Council LEED certified buildings than any other firm, with 39 either certified or in the process of certification, including seven platinum and 24 gold rated buildings.

Along the way, with the help of our talented partners, we have pioneered numerous energy, water and sewage innovations. For example, we recently completed a high rise office building where not only are we using 63% less energy than a building designed to code, but we also took the entire building off the municipal sewer system. So, we are not connected to the sewer because we process 100% of our storm, grey and black water and actually recover more water than we can use in the building. Today the buildings we develop consume 50 percent less energy than a code compliant building and between 30% and 50% less water. We estimate that throughout our portfolio we have reduced carbon emissions by over 7,500 metric tons annually and reduced energy consumption by 61 mega watts per year. Our current objective is to develop buildings that actually produce more energy than they use and produces no waste, what we call net zero buildings.

In the aggregate, our projects to date represent almost \$5 billion worth of economic activity and literally tens of thousands of family wage jobs with skill sets ranging from finance, to engineering to design to highly skilled union craftspeople in the field, to Americans working in our factories producing doors, windows, conduit, steel and the like. However, new construction is only the tip of

the iceberg. There are millions of commercial, educational, medical and other very large buildings across our country that are energy and water hogs. Buildings that are needlessly wasting energy and desperate need retrofitting; and this is where we believe the current opportunity lies. Rather than putting a new roof on a building, why not add solar panels and cogeneration facilities to generate energy? Why not install day lighting sensors, occupancy sensors, and new lighting systems to reduce lighting loads and therefore electrical demand? Instead of replacing a broken sink or toilet, why not replace all of the plumbing fixtures and reduce water demand by 30 to 50%, while also reducing the sewage outflow? Instead of fixing a broken window, why not replace all of the outdated windows with new energy efficient glazing that is manufactured here in the US?

We can do all of this very quickly, in fact years faster than we can develop new buildings. Within a matter of weeks we can have architects and engineers hired who can then survey buildings, prepare drawings and pull the required building permits within 60 to 90 days. Then we can have tens of thousands of highly skilled craft workers in the field executing the work and for the most part completing that work by the end of the summer of this year. This would create family wage jobs at multiple levels ranging from engineers and designers, to factory workers to skilled craft workers on jobsites. The resulting job skills will have lasting demand as we move towards a new economy wherein we value resource efficiency and move away from unstable imported energy sources.

In closing, I just want to commend your leadership on this issue and emphasize that now is the time to take advantage of this opportunity and take a leap forward toward a more sustainable tomorrow creating tens of thousands of high skill jobs that will not only lift this economy, but will create a new foundation for our nation, a foundation that is good for the economy, good for the environment and good for people. I look forward to answering any questions.