

# REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:

Res/Ord No.: 19217

Sponsor(s): Dennis Waits

Date: July 25, 2016

<p>SUBJECT</p>	<p>Action Requested  <input checked="" type="checkbox"/> Resolution  <input type="checkbox"/> Ordinance</p> <p>Project/Title: <u>Authorization of Cooperative Agreement for Collection of PACE Special Assessments</u></p>										
<p>BUDGET INFORMATION  <i>To be completed By Requesting Department and Finance</i></p>	<table border="1" data-bbox="293 569 1182 873"> <tr> <td>Amount authorized by this legislation this fiscal year:</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Amount previously authorized this fiscal year:</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Total amount authorized after this legislative action:</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Amount budgeted for this item * (including transfers):</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Source of funding (name of fund) and account code number; FROM / TO</td> <td>FROM ACCT  TO ACCT</td> </tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input checked="" type="checkbox"/> No budget impact (no fiscal note required)  <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract:  Department:                      Estimated Use: \$</p> <p>Prior Year Budget (if applicable):  Prior Year Actual Amount Spent (if applicable):</p>	Amount authorized by this legislation this fiscal year:	\$	Amount previously authorized this fiscal year:	\$	Total amount authorized after this legislative action:	\$	Amount budgeted for this item * (including transfers):	\$	Source of funding (name of fund) and account code number; FROM / TO	FROM ACCT  TO ACCT
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<p>PRIOR LEGISLATION</p>	<p>Prior ordinances and (date): 4629 6/9/14</p> <p>Prior resolutions and (date):</p>										
<p>CONTACT INFORMATION</p>	<p>RLA drafted by (name, title, &amp; phone): V. Edwin Stoll, DCAO 881-3187</p>										
<p>REQUEST SUMMARY</p>	<p>The Collection department requests a resolution authorizing the County Executive to execute a cooperative agreement with the Missouri Clean Energy District for Collection of PACE special assessments.</p>										
<p>CLEARANCE</p>	<p><input type="checkbox"/> Tax Clearance Completed (Purchasing &amp; Department)  <input type="checkbox"/> Business License Verified (Purchasing &amp; Department)  <input type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)</p>										
<p>ATTACHMENTS</p>	<p>Copy of agreement, ord 4629</p>										

REVIEW	Department Director: <i>[Signature]</i>	Date: 7/14/16
	Finance (Budget Approval): <i>If applicable</i>	Date:
	Division Manager: <i>[Signature]</i>	Date: 7/21/14
	County Counselor's Office	Date:

**Fiscal Information (to be verified by Budget Office in Finance Department)**

- This expenditure was included in the annual budget.
- Funds for this were encumbered from the \_\_\_\_\_ Fund in \_\_\_\_\_.
- There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- Funds sufficient for this expenditure will be/were appropriated by Ordinance # \_\_\_\_\_
- Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:

- This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- This legislative action does not impact the County financially and does not require Finance/Budget approval.

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

AN ORDINANCE enacting chapter 33., Jackson County Code, 1984, consisting of sections 3300., 3301., 3302., and 3303., relating to property assessed clean energy.

ORDINANCE NO. 4629, June 9, 2014

INTRODUCED BY James D. Tindall, County Legislator

WHEREAS, the 95<sup>th</sup> General Assembly of Missouri enacted §67.2800 to §67.2835, inclusive, RSMo, the "Property Assessment Clean Energy Act" (the "Act"); and

WHEREAS, the development, production, and efficient use of clean energy and renewable energy, as well as the installation of energy efficiency improvements to publicly and privately owned real property, will create jobs for residents of Jackson County, advance the economic well-being and public and environmental health of Jackson County, and contribute to the energy independence of our nation; and

WHEREAS, the primary intent of funding energy efficiency and renewable energy improvements pursuant to the Act is to promote the public purposes described above; and

WHEREAS, §67.2810.1 authorizes one or more Municipalities (as defined in §67.2800.7) to establish a Clean Energy Development Board to initiate and administer a Property Assessed Clean Energy ("PACE") Program so that owners of qualifying

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property can access funding for energy efficiency improvements to their properties located in such Municipalities; and

WHEREAS, on January 3, 2011, a clean energy development board now named the Missouri Clean Energy District was created with the intention that all Municipalities within the State of Missouri would be eligible to join and participate by approving an appropriate ordinance or resolution; and

WHEREAS, it is in the best interests of Jackson County and for the benefit of its residents to join and participate in the District; and

WHEREAS, the Legislature hereby approves and authorizes joining and participation in the Missouri Clean Energy District; and

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WHEREAS, the Legislature declares its intent that the provisions of this Ordinance shall be in conformity with federal and state laws, and enacts this Ordinance pursuant to sections 67.2800 to 67.2835 of the Missouri Revised Statutes (2000), as amended; now therefore

BE IT ORDAINED by the County Legislature of Jackson County, Missouri, as follows:

Section A. Enacting Clause. Chapter 33., Jackson County Code, 1984, consisting of sections 3300., 3301., 3302., and 3303., is hereby enacted, to read as follows:

3302. Program Administration.

The Missouri Clean Energy District shall administer the functions of the PACE Program within the County by:

- a. providing property owners with an application in order to apply for PACE Funds;
- b. developing standards for the approval of Projects submitted by property owners;
- c. reviewing applications and select qualified projects;
- d. entering into Assessment Contracts with property owners;
- e. providing a copy of each executed Notice of Assessment to the Director of Assessment and causing a copy of each such Notice of Assessment to be recorded in the real estate records of the Jackson County Recorder of Deeds;
- f. authorizing and disbursing the PACE Funds to the property owners;
- g. receiving the PACE Assessment from the County Collector; and
- h. recording any lien, if needed, due to nonpayment of a PACE Assessment.

3303. Liability of County Officials; Liability of County.

Notwithstanding any other provision of law to the contrary, officers and other officials of the County, the District and the County, including, without limitation, tax assessors and tax collectors, shall not be personally liable to any person for

## Chapter 33

### Property Assessed Clean Energy

#### 3301. Title and Definitions.

3301.1 Title. This chapter shall be known and may be cited as the "Jackson County, Missouri Property Assessed Clean Energy (PACE) Ordinance."

3301.2 Definitions. Except as specifically defined below, word and phrases used in this chapter shall have their customary meanings. Words and phrases defined in section 67.2800.2 of the Missouri Revised Statutes (2000), as amended, shall have their defined meanings when used in this chapter. As used in this chapter, the following words and phrases shall have the meanings indicated.

"Missouri Clean Energy District" or "District" means the Missouri Clean Energy District.

"PACE Assessment" means a special assessment made against qualifying property in consideration of PACE Funding.

"PACE Funding" means funds provided to the owner(s) of qualified property by the District for an energy efficiency improvement.

"Qualifying Property" means real property located in Jackson County, Missouri.

claims, of whatever kind or nature, under or related to the County's PACE Program, including, without limitation, claims for or related to uncollected PACE Assessments. The County has no liability to a property owner for or related to energy savings improvements funded under a PACE Program. The District shall for all purposes be considered an independent entity and shall not be considered a subdivision of the County.

3304. Appointment of Elector

The District is governed by a five-member Board of Directors. Each member entity appoints an elector to participate in the appointment process for Board members. The County Executive shall appoint a Jackson County resident to serve as Jackson County's elector, to serve a term coterminous with that of the County Executive.

Effective Date: This Ordinance shall be effective immediately upon its passage by the County Executive.

APPROVED AS TO FORM:

  
Chief Deputy County Counselor

  
County Counselor

I hereby certify that the attached Ordinance, Ordinance No. 4629 introduced on June 9, 2014, was duly passed on June 23, 2014 by the Jackson County Legislature. The votes thereon were as follows:

Yeas 8

Nays 0

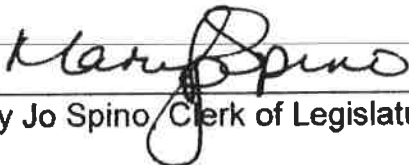
Abstaining 0

Absent 0

Excused 1

This Ordinance is hereby transmitted to the County Executive for his signature.

6.23.14  
Date

  
Mary Jo Spino, Clerk of Legislature

I hereby approve the attached Ordinance No. 4629.

6/24/2014  
Date

  
Michael D. Sanders, County Executive



# REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:

~~Res~~/Ord No.: 4629

Sponsor(s): James D. Tindall

Date: June 9, 2014

<b>SUBJECT</b>	<p>Action Requested  <input checked="" type="checkbox"/> Resolution  <input checked="" type="checkbox"/> Ordinance</p> <p>Project/Title: Jackson County, Missouri Property Assessed Clean Energy ("PACE") Ordinance</p>										
<b>BUDGET INFORMATION</b> <i>To be completed By Requesting Department and Finance</i>	<table border="1"> <tr> <td>Amount authorized by this legislation this fiscal year:</td> <td>\$0.00</td> </tr> <tr> <td>Amount previously authorized this fiscal year:</td> <td>\$0.00</td> </tr> <tr> <td>Total amount authorized after this legislative action:</td> <td>\$0.00</td> </tr> <tr> <td>Amount budgeted for this item * (including transfers):</td> <td>\$0.00</td> </tr> <tr> <td>Source of funding (name of fund) and account code number; FROM / TO</td> <td>FROM ACCT  TO ACCT</td> </tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p><b>OTHER FINANCIAL INFORMATION:</b></p> <p><input checked="" type="checkbox"/> No budget impact (no fiscal note required)  <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract:          Department: Estimated Use: \$</p> <p>Prior Year Budget (if applicable):          Prior Year Actual Amount Spent (if applicable):</p>	Amount authorized by this legislation this fiscal year:	\$0.00	Amount previously authorized this fiscal year:	\$0.00	Total amount authorized after this legislative action:	\$0.00	Amount budgeted for this item * (including transfers):	\$0.00	Source of funding (name of fund) and account code number; FROM / TO	FROM ACCT  TO ACCT
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<b>CONTACT INFORMATION</b>	<p>RLA drafted by (name, title, &amp; phone):</p>										
<b>REQUEST SUMMARY</b>	<p>Section 67.2810.1 of the Revised Statutes of Missouri (R.S.M.O.), authorizes one or more Municipalities to establish a Clean Energy Development Board to initiate and administer a Property Assessed Clean Energy ("PACE") program so that owners of qualifying property can access funding for energy efficiency improvements to their properties. On January 3, 2011, a clean energy development board named the Missouri Clean Energy District was created with the intention that all municipalities within the state of Missouri would be eligible to join and participate by approving an appropriate ordinance or resolution. The Missouri Clean Energy District was established in Jefferson City and is administered by the Missouri Clean Energy Funding, LLC.</p> <p>This Resolution is requesting approval to join the Missouri Clean Energy District pursuant to sections §67.2800 to §67.2835, inclusive, RSMO., the "Property Assessed Clean Energy Act," and stating the terms under which the County will conduct activities within the County as a member of such district.</p>										

**Exhibit A****Background**

Section 67.2810.1 authorizes one or more Municipalities to establish a Clean Energy Development Board to initiate and administer a Property Assessed Clean Energy (“PACE”) program so that owners of qualifying property can access funding for energy efficiency improvements to their properties. On January 3, 2011, a clean energy development board named the Missouri Clean Energy District was created with the intention that all municipalities within the state of Missouri would be eligible to join and participate by approving an appropriate ordinance or resolution. The Missouri Clean Energy District was established in Jefferson City and is administered by the Missouri Clean Energy Funding, LLC.

**Board Members and Elections**

Clean Energy Development Boards are composed of at least 3 individuals with all members being appointed by the chief elected officer of the municipality that created the board. When multiple municipalities participate in forming a development board, the board members will be appointed in a manner agreed to by all participants.

Currently, the Missouri Clean Energy District board has been seated, its officers elected and its bylaws established. The board determines operating procedures and oversees the administration of the PACE program. The bylaws of the Mid Missouri Clean Energy Development Board provide that its members, while initially appointed by the creating body, are selected by electors. Each municipality which joins the board through ordinance is entitled to a seat on the advisory committee and votes as an elector in the selection of board members. Members of the board serve three year terms which are staggered for continuity.

**Procedure of Missouri Clean Energy District**

PACE is a financing tool that allows property owners to borrow money for renewable energy and energy efficiency property improvements with little or no upfront cost. The cost of the energy saving improvement is then repaid through an assessment on the owner’s annual property tax bill, which cannot exceed 20 years. Assessments are tied by a lien to the specific property. If the property is later sold, the assessment and lien stay with the property and become the obligation of the new owner, but the cost-saving benefits of the energy improvements also transfer to the new owner. Properly designed energy saving projects will allow property owners to save more on yearly energy costs than their property tax increase (as required by the PACE bill).

Financing for the program will be provided through a warehouse model – local and regional banks will offer a line of credit and a separate loan loss reserve fund amounting to 10% of assessments. Bonds will be issued once projects reach roughly \$5 million. The interest rate is expected to fall between 6.5 and 6.75 percent. The program will acquire

lender consent for each project. Minimum size of the project is \$5,000, while there is no maximum amount.

### **Eligible Property**

Currently funds are only available for commercial property, developers, contractors, and local governments. It is anticipated that funds will become available to individuals for their private residences in the near future.

### **Participating Counties**

Currently there are 31 participants in the Missouri Clean Energy District, which includes: Kansas City and North Kansas City. Alternatively, the City of St. Louis has decided to establish their own PACE program which is "Set the PACE St. Louis".

### **Conclusion**

The PACE program provides an incentive for developers to pursue green options by addressing the two major concerns of investing in energy efficiency measures and renewable energy systems, which are lack of capital and the hesitancy to engage in long-term investments. By addressing these concerns, the PACE program will help to support sustainable growth within Jackson County. Additionally, establishing a PACE program within the County would help to stimulate local job creation. A recent study conducted by the Missouri Clean Energy District, estimates that for every one million dollars in project expenditures, between 13 to 15 jobs can be created.