

REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:

~~Res~~/Ord No.: 4629

Sponsor(s): James D. Tindall

Date: June 9, 2014

<p>SUBJECT</p>	<p>Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance</p> <p>Project/Title: Jackson County, Missouri Property Assessed Clean Energy ("PACE") Ordinance</p>										
<p>BUDGET INFORMATION <i>To be completed By Requesting Department and Finance</i></p>	<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>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:	\$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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<p>PRIOR LEGISLATION</p>	<p>Prior ordinances and (date):</p> <p>Prior resolutions and (date):</p>										
<p>CONTACT INFORMATION</p>	<p>RLA drafted by (name, title, & phone):</p>										
<p>REQUEST SUMMARY</p>	<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.