



Department Source: City Manager - Sustainability

To: City Council

From: City Manager & Staff

Council Meeting Date: April 17, 2017

Re: Joining Show-Me PACE clean energy district

## Executive Summary

Columbia City Council directed staff to draft legislation at its February 6 meeting enabling the City of Columbia to join the Show-Me PACE clean energy district and the Missouri Clean Energy District.

## Discussion

Property Assessed Clean Energy (PACE) is a financing mechanism that allows property owners to fund energy efficiency improvements or renewable energy systems with the annual energy savings achieved on the project through a yearly assessment. This voluntary tax assessment is secured by a lien on the property and does not require upfront payment. In most cases, the assessment and the lien are transferred upon sale. Missouri enacted PACE legislation in 2010 (HB 1692) that authorizes the formation of clean energy development boards by one or more municipalities for the purpose of establishing PACE programs (Sections 67.2800 – 67.2835, RSMo). Municipalities are defined as counties, cities or incorporated towns or villages in Missouri. Boards will establish application requirements and criteria for project approval, evaluate proposed projects and the credit-worthiness of property owners. PACE boards also oversee assessment contracts and administer the loans or use third party providers for financing origination.

Missouri counties, cities, and incorporated towns and villages have the opportunity to join one of Missouri's statewide clean energy districts and may do so by passing an ordinance formally adopting the PACE lending program. There are currently two statewide PACE districts operating in Missouri and one in the City of St. Louis.

Show Me Clean Energy District - In July 2015, the Show Me PACE Clean Energy District became the second entity offering funding statewide for clean energy project improvements. Show Me Pace has selected the Missouri Energy Initiative, a Missouri based 501(c)3 nonpartisan nonprofit, as the administrator. Show Me PACE is an open market program with multiple funding originators that allow on-demand financing from \$50,000 to \$50 million for energy efficiency, renewable energy, and water conservation projects. Commercial, industrial, agriculture, multi-family residential, nonprofit and public (governmental) properties are eligible for this program. Current PACE lenders approved by the Show Me PACE Board include PACE Equity, Greenworks Lending, TWAIN Financial Partners, and CleanFund.



## Fiscal Impact

Short-Term Impact: N/A

Long-Term Impact: N/A

## Vision & Strategic Plan Impact

### Vision Impacts:

Primary Impact: Environment, Secondary Impact: Community Character, Tertiary Impact: Economic Development

### Strategic Plan Impacts:

Primary Impact: Social Equity, Secondary Impact: Secondary, Tertiary Impact: Tertiary

### Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Secondary, Tertiary Impact: Tertiary

## Legislative History

Date	Action
02/06/2017	Columbia City Council received an informational report on PACE. As a result, authorized staff to propose legislation joining both clean energy districts operating in Missouri.

## Suggested Council Action

Should Columbia City Council want to join the Show-Me PACE clean energy district, an affirmative vote is in order.