



Department Source: City Manager - Sustainability

To: City Council

From: City Manager & Staff

Council Meeting Date: April 17, 2017

Re: Joining Missouri 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.

Missouri Clean Energy District - In January 2011, Jefferson City formed the first local PACE clean energy development board in Missouri --- the Mid-Missouri Clean Energy Development Board, now known as the Missouri Clean Energy District (MCED) because it offers funding statewide to participating communities. It has contracted with the Missouri Clean Energy Fund, LLC as it's PACE Administrator. There is additional information on MCED's website that details program eligibility, costs to participate, and local governments participating. Eligible properties and projects include commercial, industrial, agricultural, multi-family, not-for-profit and public facilities; most recently residential properties in Jackson County have been included for eligibility.



## 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 Missouri Clean Energy District, an affirmative vote is in order.