

## **AGENDA ITEM**

**DATE:** June 13, 2022

**TO:** COLLIN COUNTY COMMISSIONERS COURT

**SUBJECT:** Approval Of A Resolution To Establish the Collin County Property Assessed Clean Energy ("PACE") Program; Approval of Professional Services Agreement; And Authorizing Related Actions

### **RECOMMENDATION:**

1. It is recommended that the Commissioners Court adopt a resolution:
  - 1) Establishing the Collin County Property Assessed Clean Energy Program ("Collin County PACE"):
  - 2) Authorizing the County Judge or County Administrator or designee thereof, to execute the Professional Services Agreement for Program Administration; and
  - 3) Authorizing the County Judge or County Administrator or designee thereof, to execute all documents and take any actions necessary and appropriate to carry out the intent of this resolution.

### **BACKGROUND:**

PACE is an innovative way to finance energy efficiency, water efficiency, and renewable energy upgrades for commercial, industrial, and large multifamily (five or more dwelling units) real property. Property owners who participate in the program repay the financings through a voluntary contractual assessment collected together with their property taxes. One of the most notable characteristics of PACE programs is that the financing is attached to the property rather than belonging to an individual. Therefore, when the owner sells the property, the financing may be paid off during the sale, or stay with the property and be transferred to the new owner, who also benefits from the upgrades that were completed.

PACE financing enables businesses to align the costs of energy and water efficiency improvements with the utility savings provided by the improvements. PACE financings are paid over a long period of time while energy costs are simultaneously lower, which typically provides the property owner with immediate net savings. PACE overcomes challenges that have hindered adoption of energy and water efficiency for many property owners.

### **ANALYSIS OF THE PACE PROGRAM:**

Participation in this program is voluntary and offers property owners a cost-effective means of making energy and water efficiency improvements to their property. Property owners repay the financing over a period of years reflecting the useful life of the improvements.

The benefits to the property owner include:

- Helps Lower Electric, Gas and Water Utility Bills
- 100% Financing on Hard and Soft Costs
- Typically Results in Savings From Day One
- Increases Property Value
- Results in More Comfortable Buildings and Improved Indoor Air Quality
- Lowers Carbon Footprint and Improves the Environment
- Provides Long-Term Funding and Results in Immediate Benefit to Cash Flow
- Offers a Range of Accounting Treatments

The benefits to the County include:

- Supports Commercial Businesses with No Cost, Liability, or Administration to the County
- Upgrades the Efficiency and Competitiveness of Existing Building Stock
- Helps Attain Energy and Water Efficiency Goals
- Increases Commercial Property Values and Improves Tax Base
- Creates Jobs for Local Contractors, Manufacturers and Engineering Firms

The proposed resolution authorizes the program administrator to accept applications from owners of property within the County's territory for financing of qualified improvements. It also authorizes the program administrator to execute contracts with property owners and lenders and conduct assessment proceedings to levy assessments against the property of participating owners within the territory of the County.

**ANALYSIS OF THE PROFESSIONAL SERVICES AGREEMENT:**

In order for the program administrator to have the authority to provide PACE financing in the County, it is necessary for the County to execute a Professional Services Agreement. The Professional Services Agreement provides that the program administrator is the authorized representative and program administrator, separate and apart from the County executing such agreement. There are no costs to the County associated with participation in the Collin County PACE Program.

**FISCAL IMPACT:**

There is no negative fiscal impact to the County's general fund incurred by consenting to the inclusion of properties within the County limits in the Collin County PACE Program.

**ATTACHMENTS:**

- 1) Resolution Establishing the Collin County PACE Program
- 2) Lone Star PACE Professional Services Agreement