

## **AGENDA ITEM**

**DATE:**

**TO:** COLLIN COUNTY COMMISSIONERS COURT

**SUBJECT:** Approval Of A Resolution To Amend the Collin County Property Assessed Clean Energy (“PACE”) Program; And Authorizing Related Actions

**RECOMMENDATION:**

1. It is recommended that the Commissioners Court adopt a resolution:
  - 1) Amending the Collin County Property Assessed Clean Energy Program ("Collin County PACE") to Update Language in the Lender Contract; and
  - 2) 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:**

On May 23, 2022, Commissioner’s Court adopted a Resolution of Intent to Establish a PACE Program in Collin County. On June 13, 2022, Commissioner’s Court held a public hearing and adopted a Resolution Establishing the Collin County PACE Program.

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 financing 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 amended Program Report includes a sentence to the Release section of the Lender Contract confirming the County will process delinquent PACE assessments even though the lender is releasing the County from all liability.

**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) Amended Collin County PACE Program Report
- 2) Resolution Amending the Collin County PACE Program

Respectfully submitted,  
[Name]