



Legislation Text

File #: 13-0222, **Version:** 1

Resolution to Support Community Energy Efficiency Investments and Property Assessed Clean Energy (PACE) Program

This resolution recognizes the role of the city in supporting community energy efficiency including the City of Ann Arbor's Property Assessed Clean Energy (PACE) program.

The City has consistently provided support for advancing energy efficiency and the use of renewable sources of energy in government operations, businesses and residences.

This PACE program continues City support and encouragement for the community to become more energy efficient by offering special assessments on commercial and industrial properties for certain energy projects.

Previously, the City has acted to support state enabling PACE legislation (Resolution R-10-321), authorized grant funds to be used for program development (Resolution R-09-501), and established a loan loss reserve fund to leverage private funding for PACE projects at a lower interest rate (R-11-085). The projects may be financed over a longer term, up to 10 years, than typical bank financing.

The resolution of intent approved by City Council on September 19, 2011 found that financing of energy projects is a valid public purpose because it furthers essential public and governmental purposes, including, but not limited to, reduced energy costs, reduced greenhouse gas emissions, economic stimulation and development, improved property valuation, and increased employment.

This resolution authorizes use of the City Energy Fund established in 1998 to support community energy efficiency projects in addition to the historic use for municipal energy efficiency projects, energy audits and demonstration projects.

Prepared by: Matt Naud, Environmental Coordinator

Sponsored by: Mayor Hieftje

Whereas, The City is committed to preserving and improving the City's natural and built environment, protecting the health of its residents and visitors, and fostering its economy;

Whereas, Local investments in energy efficiency, solar, thermal, and photovoltaic technologies provide citizens and businesses with reliable and clean energy, drive economic development, and reduce greenhouse gas emissions and local reliance on imported and non-renewable energy;

Whereas, City Council originally set greenhouse gas emission goals in May 2006, and in Resolution R-11-142 on April 17, 2011 set a new goal of an 8% reduction from 2000 levels by 2015;

Whereas, From 1999 until 2003, City Council appropriated funds to establish an Energy Fund;

Whereas, The City Council established the Energy Fund to provide loans to city departments for energy efficiency improvements, fund energy audits, and support demonstration projects;

Whereas, Since 1999, project investments have been made in city projects and the estimated savings from Energy Fund investments to date are over \$1.5 million dollars;

Whereas, The fund has been repaid by city project savings and will continue to be reinvested in new municipal efficiency projects; and

Whereas, Community Energy Efficiency projects such as the PACE program are integral to meeting city economic and other sustainability goals;

RESOLVED, That the City Council authorizes the use of and expands the designated purpose for the Energy Fund to include the support of community energy efficiency programs in addition to municipal energy efficiency programs;

RESOLVED, That use of the Energy Fund for community energy efficiency should be primarily for projects that repay the Energy Fund;

RESOLVED, That the proportion of the Energy Fund used for community energy efficiency be limited to 20% of the available fund balance in the budgeted year;

RESOLVED, That community energy efficiency project investments include but are not limited to establishing future loan loss reserve funds, providing low interest loans, and buying down interest rates;

RESOLVED, That expenditures from the Energy Fund expended in advance of receipt of authorized grant funds for program development and the established a loan loss reserve fund, which can be reimbursed under the terms of the grant, shall be repaid to the Energy Fund; and

RESOLVED, That the City Administrator be authorized and directed to take any and all necessary actions to implement this Resolution, including developing an annual budget for the Energy Fund and approving municipal and community energy efficiency investments and demonstration projects.