



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#17-0017

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: February 7, 2017

TITLE: Resolution to Join the Florida Green Finance Authority for Administration
of a Property Assessed Clean Energy (PACE) Program, RenewPACE

Recommendation

It is recommended that the City Commission adopt a resolution (Exhibit 1) to join the Florida Green Finance Authority (Authority) and participate in the RenewPACE program for the purpose of establishing a Property Assessed Clean Energy (PACE) program within the City and authorize the City Manager to enter into a Party Membership Agreement (Exhibit 2).

Background

In 2010, the Florida Legislature adopted HB 7179 (Fla. Stat. §163.08), which allows local governments to create Property Assessed Clean Energy (PACE) programs in order to provide the upfront financing for energy conservation and efficiency (ex: energy-efficient heating, cooling, or ventilation systems), renewable energy (ex: solar panels), wind resistance (ex: impact resistant windows) and other improvements that are consistent with state law. PACE programs assist neighbors and business owners in reducing their carbon footprint and energy costs and also assist in stimulating the local economy through creating construction jobs.

PACE programs work as follows: Local government establishes or participates in a program to fund the up-front cost of energy efficiency, renewable energy, and wind resistance improvements on private property. Improvements are secured by the property itself. The estimated utility costs savings of the improvements can be used by the participating property owners to support payment annually as a voluntary non-ad valorem assessment on their property tax bill. Debts incurred through this financing program are tied to the property and are transferred to the new owner should the property be sold. In order to qualify, property taxes must have not have been delinquent for the preceding three years and the improvements may not exceed 20% of the just value of the property as determined by the county property appraiser (unless certain conditions are met).

Currently, the City participates in two PACE programs. On March 1, 2016, the City Commission adopted Resolution No. 16-40 (CAM 16-0133) creating a property assessed clean energy (PACE) program by joining the Ygrene Energy Fund Florida in order to participate in the Clean Energy Green Corridor program. On June 21, 2016, the City Commission adopted Resolution No. 16-100 (CAM 16-0614) joining the Florida PACE Funding Agency in order to participate in the Florida PACE Funding Agency Program. To expand options for PACE funding available in the City, it is now recommended that the City join the RenewPACE Program administered by the Florida Green Finance Authority (Exhibit 2). By joining the RenewPACE Program, the City will provide its neighbors and business community three program options and increased market competition. The City's existing PACE agreements do not preclude participation in the other PACE programs.

The Authority (Exhibit 2) was created in June 2012 through an interlocal agreement between the Town of Lantana and the Town of Mangonia Park for the purpose of facilitating the financing of qualifying improvements for properties located within the Authority's jurisdiction via the PACE mechanism. RenewPACE initiated its beta launch in July 2016 and its official launch on September 8, 2016. As of November 27, 2016, RenewPACE has funded over \$1.5 million in PACE projects in Florida and, additionally, has over \$5 million in signed assessed contracts (most likely to be funded in 30-60 days from the date of execution). The program is currently active in Broward, Miami-Dade, Palm Beach, and Martin Counties as well as other cities and counties in Florida. In Broward County alone, they have already received 670 applications and funded over \$1 million in PACE projects, with another \$4.1 million pending (as of November 27, 2016). RenewPACE has also funded improvements in Alachua, Martin, Orange, Palm Beach, and Pasco Counties, evidencing a strong track record since the program launched. Further, the Authority supports maximum consumer protection and competition amongst PACE financing providers on terms, service and interest rates.

EcoCity Partners was the previous administrator of the program until October 2015 when the Company was acquired by Renew Financial. Through Amendment to the Administration Services Agreement between the Authority and its previous PACE provider, Renew Financial became the Administrator of the program for the Florida Green Finance Authority. Renew Financial was incorporated in 2009 and currently provides PACE financing to more than 400 local governments in California and Florida. Renew Financial currently has a \$200 million credit facility to finance PACE improvements; they have completed three securitizations of PACE bonds, which provide an ongoing supply of capital to finance PACE.

Resource Impact

The adoption of this resolution has no direct fiscal impact on the City of Fort Lauderdale.

Strategic Connection

This item is a Press Play Fort Lauderdale Strategic Plan 2018 initiative, included within the Infrastructure Cylinder of Excellence, specifically advancing:

- Goal 2: Be a sustainable and resilient community.
- Objective 5: Improve air and water quality and our natural environment.

And with the Business Development Cylinder of Excellence, specifically advancing:

- Goal 7: Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging airports, ports and rail connections
- Objective 2: Facilitate a responsive and proactive business climate.

This item advances the Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Ready and We are Prosperous.

Attachments

- Exhibit 1 - Resolution to Join the Florida Green Finance Authority
 - Exhibit 2 - Party Membership Agreement to the Florida Green Finance Authority
 - Exhibit 3 - Background Information on the Florida Green Finance Authority and RenewPACE
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