

Legislation Text

File #: BILL NO. 18-12, **Version:** 1

AN ORDINANCE AUTHORIZING THE CITY OF LEE'S SUMMIT TO PARTICIPATE IN THE GREATER KANSAS CITY CLEAN ENERGY DEVELOPMENT BOARD AND AUTHORIZING FURTHER ACTIONS AS MAY BE NECESSARY OR DESIRABLE TO CARRY OUT AND COMPLY WITH THE INTENT HEREOF. (F&BC 1-8-18)

Issue/Request:

AN ORDINANCE AUTHORIZING THE CITY OF LEE'S SUMMIT TO PARTICIPATE IN THE GREATER KANSAS CITY CLEAN ENERGY DEVELOPMENT BOARD AND AUTHORIZING FURTHER ACTIONS AS MAY BE NECESSARY OR DESIRABLE TO CARRY OUT AND COMPLY WITH THE INTENT HEREOF.

Key Issues:

The proposed ordinance would authorize the City of Lee's Summit to participate in a regional program designed to encourage development of clean energy alternatives.

Property Assessed Clean Energy or PACE programs, allow local government entities to raise money through the issuance of bonds or other sources of capital to fund energy efficiency and renewable energy projects to eligible property owners. Through the creation of financing districts, property owners can finance renewable onsite generation installations and energy efficiency improvements through a special assessment on their property tax bills that is repaid over a period up to 20 years.

This voluntary assessment is secured by a senior lien on the property and does not require upfront payment. The lien provides debt collateral in the event a property owner defaults on the assessment. 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, enter into assessment contracts and administer the loans or use third party providers for financing origination.

The Missouri PACE legislation allows PACE to be used for energy efficiency improvements and renewable energy improvements.

Energy efficiency improvements include any acquisition, installation or modification on or of publicly- or privately-owned property which is designed to reduce the energy consumption of such property, including, but not limited to:

- Insulation in walls, roofs, attics, floors, foundations, and heating and cooling distribution systems
- Storm windows and doors, multi-glazed windows and doors, heat-absorbing or heat-reflective windows and

doors, and other window and door improvements designed to reduce energy consumption

- Automatic energy control systems
- Heating, ventilating, or air conditioning distribution system modifications and replacements;
- Caulking and weatherstripping
- Replacement or modification of lighting fixtures to increase energy efficiency of the lighting system without increasing the overall illumination of the building unless the increase in illumination is necessary to conform to applicable state or local building codes
- Energy recovery systems
- Daylighting systems

Renewable energy improvements include any acquisition and installation of a fixture, product, system, device, or combination thereof on publicly- or privately-owned property which produces energy from renewable resources, including, but not limited to:

- Photovoltaic systems
- Solar thermal systems
- Wind systems
- Biomass systems
- Geothermal systems

Proposed City Council Committee Motion:

I move to recommend to City Council approval of AN ORDINANCE AUTHORIZING THE CITY OF LEE'S SUMMIT TO PARTICIPATE IN THE GREATER KANSAS CITY CLEAN ENERGY DEVELOPMENT BOARD AND AUTHORIZING FURTHER ACTIONS AS MAY BE NECESSARY OR DESIRABLE TO CARRY OUT AND COMPLY WITH THE INTENT HEREOF.

Background:

Missouri Clean Energy District

The Missouri Clean Energy District (MCED) offers funding statewide to participating communities. It has contracted with the Missouri Clean Energy Fund, LLC as its PACE Administrator. Eligible properties and projects include residential, commercial, industrial, agricultural, multi-family, not-for-profit, and public facilities. Additional information about program eligibility, cost to participate, participating communities can be found at 'MCEDs website <<http://www.mced.mo.gov/>>.

The Kansas City Regional Clean Energy Development Board will adopt bylaws addressing the operations of the Kansas City Regional Clean Energy Development Board which are consistent with the PACE Act and this Ordinance, and which shall include: (1) provisions confirming that there will be no financial obligation to the participating jurisdictions; (2) provisions for selecting an administrator to assist in managing a PACE program pursuant to a competitive request for proposals ; (3) provisions confirming the right for a jurisdiction to withdraw from the Board and district at any time; and

(4) provisions for consumer protection policies.

The Kansas City Regional Clean Energy Development Board will provide for an annual audit that shall be presented annually to the governing body of each participating jurisdiction. Furthermore, the Board will collect and provide for inspection all data regarding projects to allow for analysis of outcomes and the efficacy of the program.

Presenter: Stephen Arbo | City Manager

Recommendation: Staff Recommends Approval