This staff report provides the background to support staff’s update regarding the possibility of enabling the C-PACE program in Summit County.

ACTION REQUESTED
Engage in discussion regarding possible implementation of the C-PACE program and provide direction.

BACKGROUND
Summit County Resolution No. 2017-16, amended by Resolution No. 2019-29, establishes a goal to actively seek implementation of strategies and policies to encourage the reduction of greenhouse gas (GHG) emissions countywide by 80% below their 2014 level by 2050. The resolutions express Summit County's (the “County's”) preference for increasing energy efficiency as the first strategy toward GHG emissions reduction.

In November 2018, County staff supported the Office of Energy Development’s (OED’s) request to consider implementation of a Commercial Property Assessed Clean Energy (C-PACE) District (see Energy Assessment Area – Informational Chart (Track “A”)). The C-PACE program is a competitive financing option for those seeking higher building performance – energy upgrades and modernization improvements that are capital intensive.

The C-PACE District is a private financing program, originally administered by OED. The financing provided by capital providers is secured through a voluntary energy assessment and assignable lien that is levied against the owner’s property and repaid to the capital provider. To participate, the County Council was asked to adopt a resolution that would allow the OED to create energy assessment areas within Summit County as part of the statewide C-PACE District.

PROBLEM
Since then, OED has changed the terms of engagement several times. OED is no longer willing to administer the C-PACE District. Instead, OED desires more of a consultation role in a local jurisdiction’s implementation of the C-PACE program (see Energy Assessment Area – Informational Chart (Track “B”)). As a result, the County can participate in the C-PACE program by (a) establishing, on a case-by-case basis, individual energy assessment areas, and (b) administering those
assessment areas. Attached is an informational chart prepared by Dave Thomas who will explain in more detail how the County may more fully participate in this program.

**CONCLUSION**

Council must decide whether to participate in Track “B” of the C-PACE program by authorizing the County Manager to create energy assessment areas upon the requests of property owners. The property owner, and not the County, would be responsible for entering into a financing agreement with a willing third-party lender as part of this program. Staff requests Council’s direction.
Energy Assessment Area
(UCA 11-42a -101)

C-PACE District (Track “A”)
(UCA 11-42a-106)

- Designates Energy Assessment Area
- Levies Assessment
- Assigns Energy Assessment Lien to 3rd Party Lender
- Requires resolution of governing body of local entity requesting OED to create Energy Assessment Area

Governing Body of a Political Subdivision (Track “B”)
(UCA 11-42a-201)

- Resolution designating Energy Assessment Area
  - Voluntary Assessment
  - No outstanding liens on property or requires consent of lienholders (UCA 11-42a-202)
  - Designation – legal description
  - Levy Assessment per limits in UCA 11-42a-204. Can be in installments up to 30 years with appropriate interest rate (negotiate with 3rd Party Lender these amounts)
  - Publish resolution once in Park Record (UCA 11-42a-201)

- Notice of Assessment Interest filed with County Recorder within 5 days of Resolution effective date (UCA 11-42a-205)

- Notice establishes the Energy Assessment Lien on par with property taxes (UCA 11-42a-301)
  - Collection of Assessment is either through tax notice or direct billing
  - Foreclosure of Energy Assessment Lien:
    - Tax Sale
    - Judicial
    - Civil Foreclosure

OED
(Administrator)

- OED can delegate its powers to a 3rd party administrator

County Manager
(UCA 11-42a-302)

Assignment of Lien Agreement
(UCA 11-42a-302)

- 3rd Party Lender
- Resolution info
- Lender subject to state audit
- Monthly reports
- Indemnification of County
- Provides for direct billing
- Lender certifies any unpaid amount to County Treasurer by September 15th for inclusion in the tax notice
- Lender has same collection remedies as County

Third Party Lender

- Financing Agreement with Owner
- Assignment of Lien Agreement with County

Notice of Assessment Interest

Financing Agreement

Assignment of Lien Agreement