


CITY COMMISSION POLICY

 GRAND RAPIDS MICHIGAN	NUMBER: 900-55	HISTORY	
	DATE: August 22, 2017	FILE #	DATE
	FILE NUMBER: 87024		
	DEPARTMENT: Energy and Sustainability		

SUBJECT: PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM

PURPOSE: To establish the conditions and outline the procedure by which the City will utilize its Property Assessed Clean Energy (PACE) Program

POLICY:

I. BACKGROUND

Public Act No. 270 of 2010 authorizes local units of government to adopt Property Assessed Clean Energy (“PACE”) programs to promote the installation of energy efficiency improvements and renewable energy systems by owners of commercial or industrial property within a district designated by the local unit of government through voluntary Special Assessment Agreements. On August 22, 2017 the Grand Rapids City Commission approved the creation of PACE districts in the City of Grand Rapids. The terms and conditions of the Special Assessment Agreement will be specified in each project’s Pace Program Report.

II. PACE GOALS

The City’s goals in designating a project eligible for the PACE program is to:

- a. Support the goals of District 2030
- b. Achieve outcomes detailed in the City’s Sustainability and Transformation plans
- c. Create jobs
- d. Increase the value of real property

III. EVALUATION FACTORS

Proposals for PACE districts will be evaluated on the extent to which a project addresses the following factors:

CITY COMMISSION POLICY

NUMBER: 900-54

Page 2 of 3

- a. The amount of energy reduced through qualified construction and improvements, including, but not limited to, solar, high efficiency heating and air systems, insulation upgrades, high efficiency windows, etc.
- b. The project is eligible for LEED or Net-Zero certification
- c. The amount of income tax to be generated by new jobs and/or new property taxes to be generated by the project
- d. The amount of investment in buildings and equipment
- e. The project allows a business to expand in the city, retains a significant number of jobs in the city, and/or will add jobs
- f. The project includes other investment in neighborhood revitalization or public infrastructure improvements or utilizes other public and private financing tools to maximize development benefits
- g. The project will enhance an area of the city and/or cause additional investment
- h. The project is consistent with the City's Master, Sustainability, and Transformation plans

IV. OVERVIEW OF PROGRAM PROCESS

- a. Property owner submits application to the Sustainability Manager for endorsement by PACE Administrator
- b. Application is endorsed by PACE Administrator
- c. Financing is secured with the assistance of PACE Administrator or other third party. The City will not provide any financing or bonding for PACE projects.
- d. PACE Administrator provides the City of Grand Rapids Sustainability Manager:
 1. Each application must be accompanied by an application fee in an amount established from time to time by resolution of the City Commission.
 2. A statement that the proposed project as described in the application qualifies under the requirements of Public Act No. 270 of 2010 and the City of Grand Rapids' PACE Report
 3. A copy of the application containing the legal name of the applicant, its legal status, its legal address, a description of the proposed project, the cost of the improvements, the total amount of energy saved, the total amount to be assessed against the property and the address, legal description and tax identification code for the property upon which the improvements are to be constructed or installed
- e. A resolution approving the creation of the PACE district will be prepared by the Sustainability Manager to be presented to the City Commission for approval.
- f. A fully executed copy of the applicant's Special Assessment Agreement, approved in form by the City Attorney's Office or special counsel, suitable for evidencing and recording will be given to the Sustainability Manager from the Pace Administrator.
- g. A resolution approving the Special Assessment Agreement will be prepared by the Sustainability Manager to be presented to the City Commission for approval.
- h. The Special Assessment Agreement will follow the standard contract routing process.

CITY COMMISSION POLICY

NUMBER: 900-54

Page 3 of 3

- i. A copy of the approved Special Assessment Agreement will be sent to the City Treasurer and City Assessor by the Sustainability Manager.
- j. The Sustainability Manager records the Special Assessment Agreement with the Kent County Register of Deeds.
- k. All payments by the PACE Project property owner will be sent directly to the lender, the assignment of which will be described in the Agreement.
- l. The Sustainability Manager will be notified by the lender when each scheduled payment is received.
- m. The City Assessor will promptly be notified by the lender if the applicant is delinquent; at that time the City Assessor will include all past due installments of the special assessment, interest, charges, and penalties on the next special assessment roll. Notification by the lender before May 30 in any given year will result in the inclusion of the delinquent special assessment on the July tax statement. Notification by the lender before October 31 in any given year will result in the inclusion of the delinquent special assessment on the December tax statement.

V. ANNUAL UPDATE

The Sustainability Manager will provide an annual update to the City Commission on the PACE Program outcomes through the Sustainability Plan.

VI. POLICY WAIVER

The City Commission may waive this policy or any portion of it when the Commission deems it in the best interest of the City.