



Community Services & Economic Development  
636-537-6721

MEMO

DATE: March 12, 2015

TO: ✓ Mike Herring, City Administrator

COPY: Mike Geisel, Director of Public Services

FROM: Libbey Tucker *Libbey*  
Community Services & Economic Development Director

RE: Ordinance to Establish Green Community Program

After the passage of the PACE (Property Assessed Clean Energy Ordinance) last month, we were contacted by the administrator of the Missouri Clean Energy District (MCED), asking if we would also considering passing an ordinance to establish a Green Community Program. Adoption of the Green Communities Ordinance makes possible the use of qualified energy conservation bonds (QECBs) for funding energy conservation and/or renewable energy projects in the City of Chesterfield. QECBs were created under the American Recovery and Reinvestment Act. They provide for a direct pay tax credit of a portion of the interest cost of bonds issued for eligible purposes. The amount of the tax credit varies on a daily basis and is tied to the U.S. Treasury tax credit rate. Generally, the result is a 1 1/2% to 2% rebate of the interest cost to the property owner. There may be other benefits to the City when and if we apply for federal grants for energy conservation or other "green" projects.

Essentially, this allows for another funding option for businesses who want to provide energy efficiency upgrades to their facilities. There is no funding commitment on the part of the City, and the MCED administers the program, as with the PACE program.

I've attached the proposed ordinance, as prepared and reviewed by Armstrong Teasdale, and am requesting that this item be placed on the next Planning & Public Works Committee Agenda. Please let me know if there is information that needs any clarification.

Attachment: Green Community Ordinance

TO: GEISEL  
CC: TUCKER

*ohid*  
*MMJ*  
*3/12/15*  
ADD TO 3/19/15 P/PW  
AGENDA

ORDINANCE NO. - \_\_\_\_

AN ORDINANCE OF THE CITY OF CHESTERFIELD MISSOURI, ESTABLISHING A GREEN COMMUNITY PROGRAM; DESCRIBING THE PROJECTS AND PROGRAMS AUTHORIZED TO BE FUNDED BY THE PROGRAM; AND PROVIDING OTHER MATTERS RELATING THERETO.

WHEREAS, Chesterfield, Missouri (the "City") is a city duly organized and operating under the Constitution and laws of the State of Missouri (the "State"); and

WHEREAS, Section 301(a) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 added Section 54D (as amended by Section 1112 of the American Recovery and Reinvestment Act of 2009, "Section 54D") to the Internal Revenue Code of 1986, as amended (the "Code"), to authorize states and political subdivisions to issue qualified energy conservation bonds ("QECBs") for one or more Qualified Conservation Purposes (as defined in Section 54D); and

WHEREAS, among such Qualified Conservation Purposes are "capital expenditures incurred for purposes of ... implementing green community programs (including the use of loans, grants, or other repayment mechanisms to implement such programs)" (as used herein, "Green Community Programs"); and

WHEREAS, the City desires to establish a Green Community Program to be financed in part with the proceeds of QECBs to be issued by the Missouri Clean Energy District (the "District"); and

WHEREAS, the aim of the Green Community Program is the reduction of fossil fuel consumption in the City so as to: (a) reduce the climate effects of greenhouse gas production; (b) reduce energy costs of the City and City residents; (c) increase the City's energy independence; and (d) provide an example for others to follow; and

WHEREAS, this Ordinance is being adopted to provide an initial description of the Green Community Program and to set forth certain projects to be included therein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF CHESTERFIELD, MISSOURI, AS FOLLOWS:

**Section 1. Establishment of the Chesterfield, Missouri, Green Community Program.** The City hereby establishes the Chesterfield, Missouri, Green Community Program (the "Program") as a Green Community Program within the meaning of Section 54D. The Program shall include, but not be limited to, the projects and programs listed below:

(a) Area of Operation. The Program shall operate exclusively within Chesterfield, Missouri, the entirety of which is hereby designated the "Chesterfield, Missouri, Green Community."

(b) Energy Efficiency Improvements. Any acquisition, installation, or modification on or of publicly or privately owned property designed to reduce the energy consumption of such property, including but not limited to:

- (i) Insulation in walls, roofs, attics, floors, foundations, and heating and cooling distribution systems;
- (ii) Storm windows and doors, multiglazed windows and doors, heat-absorbing or heat-reflective windows and doors, and other window and door improvements designed to reduce energy consumption;
- (iii) Automatic energy control systems;
- (iv) Heating, ventilating, or air conditioning distribution system modifications and replacements;
- (v) Caulking and weatherstripping;
- (vi) 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;
- (vii) Energy recovery systems; and
- (viii) Daylighting systems;

(c) Renewable Energy Improvements. Any acquisition and installation of a fixture, product, system, device, or combination thereof on publicly or privately owned property that produces energy from renewable resources, including, but not limited to photovoltaic systems, solar thermal systems, wind systems, biomass systems, or geothermal systems.

(d) Funding for Energy Efficiency Improvements and Renewable Energy Improvements to Privately Owned Properties. Financing of loans and grants to owners of residential, commercial and other properties located in the City for energy efficiency and renewable energy improvements to such properties.

(e) Additional Projects and Programs. Any other project or program not included in the foregoing which is now or hereafter permitted to be financed with proceeds of QECBs.

(f) Approvals Required. All projects and programs proposed to be financed with proceeds of QECBs pursuant to this Ordinance must be approved by the District prior to the use or disbursement of bond proceeds on such project or program.

**Section 2. Future Additions to Program.** The projects and programs listed in Section 1 hereof are not intended to represent an exhaustive description of the potential projects and programs to be included in the Program. The City Council intends and expects that

additional projects and programs will be added to the Program by future Ordinances as such projects and programs are developed.

**Section 3. Confirmation of Prior Acts.** All actions not inconsistent with the provisions of this Ordinance heretofore taken by the City Council and the officers and employees of the City are hereby ratified, approved and confirmed.

**Section 4. Repealer.** All prior acts, orders or resolutions, or parts thereof, by the City in conflict with this Ordinance are hereby repealed, except that this repealer shall not be construed to revive any act, order or resolution, or part thereof, heretofore repealed.

**Section 5. Severability.** If any section, paragraph, clause or provision of this Ordinance shall be adjudged to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions of this Ordinance, it being the intention that the various sections hereof are severable.

**Section 6. Further Authority.** The City shall, and the officers, agents and employees of the City are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this ordinance.

**Section 7. Effective Date.** This Ordinance shall be in full force and effect from and after its passage of the City Council and approval by the Mayor.

This Ordinance has been adopted this \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
MAYOR

(SEAL)

ATTEST:

\_\_\_\_\_  
CITY CLERK