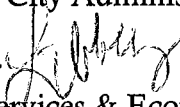





I.V.E.

Community Services & Economic Development
636-537-6721
ltucker@chesterfield.mo.us

M E M O

DATE: July 16, 2015
TO: Mike Herring, City Administrator
FROM: Libbey Tucker 
Community Services & Economic Development Director
COPY: Mike Geisel, Director of Public Services
RE: Ordinance to Join the Show Me PACE Clean Energy District

In January, City Council passed Ordinance 2829 authorizing the City to join the Missouri Clean Energy District, allowing for businesses to finance energy efficiency upgrades or such new projects through the district's private capital sources with financing over a 20-year period through a property assessment. This was made possible by the State of Missouri enacting the Property Assessed Clean Energy Act or PACE in 2011.

Since that time, a second clean energy district, The Show Me PACE clean energy district, administered by Missouri Energy Initiative has since been formed. By passing an ordinance to also join the Show Me PACE District, Chesterfield will provide its business owners with two options to fund their PACE projects. I have been contacted by Jack Kramer of Cynergy Services, a Chesterfield business owner, who finds it more cost and time-efficient to utilize the services of the Show Me PACE Clean Energy District. His business will be managing the project upgrades to the Cambridge Engineering facility and he also has several other energy efficiency projects lined up that need installation before the winter heating season. I have attached an e-mail from Mr. Kramer that outlines his request to expedite the approval process for the City joining the district. The request could be met by holding two readings of the Bill at the August 3 City Council meeting. 

The Show Me PACE Clean Energy District was formed with the following guiding principles:

- Nonprofit driven, low-cost administration structure.
- Market is open to all building owners, developers and finance providers.
- The Clean Energy Board promotes community economic development and sustainability.
- There is alignment with the interests of mortgage lenders such that every PACE assessment requires mortgage lender consent and institutional grade underwriting.

The board of the Show Me PACE Clean Energy District will manage approval of projects and ongoing collection of assessment payments as administered by the Missouri Energy Initiative and Development Dynamics. The Missouri Energy Initiative (MEI) is a nonprofit association of public and private-sector entities, united together with the sole purpose of enhancing and

Show Me Energy District

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improving energy-related activities in Missouri. Development Dynamics, located in O'Fallon, is a specialist in the economic development tax analysis and advisory services for clients interested in the implementation of often difficult and time consuming economic development programs. The board will provide annual reports to the city of Chesterfield and any other participating cities. Maryland Heights is also in the process of joining the Show Me PACE District.

The City of Chesterfield may elect to appoint a member to the *advisory* board of the Show Me PACE district, which I recommend would be Mike Geisel, Director of Public Services. As with the other district, the City has **no obligations** of staff time spent on reviewing projects or financial obligations in this process. We simply have to agree to join the district to enable businesses to utilize this second funding option.

*OK'd
MGH*
I have discussed this program with Mr. Geisel, who is supportive. Together, we request that the Planning & Public Works Committee consider this ordinance at their July 23 meeting for recommendation for approval to City Council at the August 3 meeting. Following passage of the ordinance, no further oversight is required of the City.

Attachment: Jack Kramer e-mail

✓ MGH
7/15/15

From: Jack Kramer <jkramer@cenergyservices.com>
To: Libbey Tucker
Cc: Michael Herring
Subject: Pace financing Ordinance for Cambridge Engineering Project

Sent: Mon 7/13/2015 12:57 PM

Libbey,

In following up on our recent conversation regarding the above energy savings project, I would like to appeal to you and the administration for an approval by the August 3rd City Council meeting by either:

1. Avoid going to committee
2. Doing a double reading at one council meeting.

The timing is important to us for several reasons. First, our subcontracts are at a point where we are facing price increases later this summer. And, our support staff will be on demand for other projects later this summer.

Secondly, and perhaps more important, is that we (Cenergy Services) are working on several other projects where this Pace Equity financing may be the driver in securing energy savings opportunities. With the winter heating season just months away, it is critical that we initiate the proposals as soon as possible. We don't feel comfortable submitting the Pace financing option until we have your approval.

I thank you for your cooperation thus far, and hope this request is not asking too much.

Hopefully, this Pace financing concept will make Chesterfield a better place for businesses to thrive.

Respectfully submitted,

Jack Kramer
Managing Principal
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636.898.3302
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