

CPACE (Commercial Property Assessed Clean Energy)

Board Meeting: March 16,
2022



Update

- Benton County and City of Corvallis efforts
- Model Oregon CPACE Local Program document
- Input from County Assessor
- Potential local interest in CPACE
- CPACE Financing vs Traditional Bank Loan
- Options
- BOCC direction to staff



Benton County and City of Corvallis Efforts

December 10, 2021 memo from County Counsel:

- Benton County and City of Corvallis: not currently adopting CPACE Program
- Advocate single statewide program



Model Oregon CPACE Local Program Documents

January 13, 2022 memo from County Counsel:

- Michael Yaki, SVP and Sr. Counsel for Petros Pace Finance, sent model program documents
- “Check box” model: all burden, risk, and liability is with the property owner and capital provider



Input from County Assessor

February 3, 2022 memo from Scot Langton:

- Assessor's Office role depends on how program is adopted
- If Assessor's Office simply post a collectable lien on defaults, minimal impact on workload
- If property tax statement used as primary collection of annual loan payment, more significant impact on workload



Local CPACE Interest

- **Input received from the following (Attachment A)**
- Perry Brooks, Partner at Roost Development
- Tom Kelly, President at the Neil Kelly Company
- Todd Gray, CFO for Mereté Hotel Management and Sycan B Corp.
- Joe Mazzarella, Sunlight Solar Energy, Inc.
- Tyler Neese, Central Oregon Association of Realtors (COAR)



Traditional Bank Loan vs CPACE Financing

- **Attachment B**
 - Traditional Bank Loan
 - Down payment
 - Shorter loan term
 - Less net cash flow
 - Security is trust deed
 - CPACE Financing
 - No down payment
 - Longer term loan
 - Higher net cash flow
 - Loan secured by County lien



Options

- 1. Not approve CPACE
- 2. Establish CPACE tax assessment process for interested cities
- 3. Establish CPACE for unincorporated County and interested cities
- 4. Wait and see if statewide CPACE program develops



Next Steps

- If Board directs staff to move forward with CPACE (options 2 or 3):
 - Direct staff to draft and bring back draft ordinance
 - Emergency clause?
 - Discussion of need for additional staff resources

