
CITY OF PORT LAVACA

MEETING: March 14, 2022

DATE: 3.9.2022

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: JESSICA CARPENTER, DEVELOPMENT SERVICES DIRECTOR

SUBJECT: Consider and discuss the PACE service agreement to establish the City of Port Lavaca Property Assessed Clean Energy Program (Port Lavaca PACE Program).

This is a public hearing for comments and questions from the public regarding the PACE program. The PACE program is being presented with the second resolution, Resolution R-031422-1 establish the Port Lavaca Pace Program. Pace has been adopted by the state as, The Texas PACE Act, Chapter 399 of the Local Government Code.

Resolution No. R-021422-2 of the City's Intent for PACE was approved by the City Council on February 14, 2022.

The city is proposing to enter into a service agreement with the Texas Property Assessed Clean Energy Authority as a part of establishing PACE for the development community funding option for energy and water efficiency improvements for the developments within the city of Port Lavaca.

The city has a developer proposing to implement the PACE program for his new residential housing development adjacent to the existing Sea Greens workforce housing development.

This seems like a new opportunity for developers, and staff views this as a positive funding program. The success of this funding for developments that meet the PACE criteria prove to be a progressive improvement to Port Lavaca for infrastructure and energy for our growing community. It is not often new funding streams emerge for developers and investors with a progressive element to incentivize the green energy and efficiency improvements. The green energy, standard energy, and water efficiency improvement criteria seems to be a positive step in development funding elements required under PACE.

A PACE summary and link to the PACE website:



<https://www.texaspaceauthority.org/local-governments/>

CITY OF PORT LAVACA

Texas Property Assessed Clean Energy (TX-PACE) is a voluntary program that creates jobs, improves the environment, and saves Texas companies money on their utility bills. Local governments across the state are taking advantage of the Texas PACE statute and establishing programs to further provide quality and valuable services to their constituencies, stakeholders, and taxpayers.

The Texas PACE Act, Chapter 399 of the Local Government Code, is a local adoption model. The Texas “PACE in a Box” model was created by over 130 PACE stakeholders to facilitate a consistent, user-friendly approach to TX-PACE design and implementation. The model has been unanimously adopted by every local government establishing a TX-PACE program in Texas.

The model plug and play program contains consumer protection underwriting and technical best practices and model documents. “PACE in a Box” has minimal impact on government staff, adds no additional cost to the general taxpayer or burden to the treasury, and is administered by a nonprofit that does not compete with the private sector. Texas PACE Authority administers the uniform “PACE in a Box” model as a public service on behalf of local governments and is funded through user fees and grants.

PACE is 100% financing for energy and water efficiency improvements to industrial, commercial, multi-family residential, and non-profit buildings. PACE is essentially a long-term (typically 10-20 year), low-cost loan for such improvements as:

- HVAC modification or replacement
- Light fixture modifications such as LED
- Solar panels
- High-efficiency windows or doors
- Automated energy control systems
- Insulation, caulking, weather-stripping or air sealing
- Water use efficiency improvements
- Energy- or water-efficient manufacturing processes and/or equipment
- Solar hot water
- Gray water reuse
- Rainwater collection system

Attachments:

- PACE Service Agreement