

SAINT PAUL PORT AUTHORITY

MEMORANDUM

TO: BOARD OF COMMISSIONERS
(Regular Meeting July 23, 2013) **DATE:** July 18, 2013

FROM: Peter M. Klein 

SUBJECT: **Property Assessed Clean Energy (PACE)
Authorization to Enter into a Joint Powers Agreements for the
Administration of the PACE Program
Resolution No. 4468**

Action Requested:

Provide approval for the Port Authority to enter into Joint Powers Agreements with local units of government for the administration of the Property Assessed Clean Energy (PACE) Program.

Public Purpose:

Under Minn. Stat. §§ 471.59-9997, the Port Authority and local units of government may enter into Joint Powers Agreements. The PACE program is the type of program that Joint Powers Agreements were designed to facilitate. The PACE program will allow the Port Authority to assist local units of government with implementing energy efficiency and renewable energy projects in commercial and industrial facilities within the local unit of government's jurisdiction.

Business Subsidy:

The PACE Program is for energy efficiency and renewable energy projects and is exempt from treatment as a business subsidy.

Background:

PACE is a program that authorizes a local government to facilitate up-front funding to eligible property owners to finance the installation of energy efficiency improvements and renewable energy systems on their property.

The Port Authority will issue taxable conduit PACE bonds to create a facility for a qualified financial institution to fund projects located within a local government.

Current Status:

To illustrate, the City of Eagan has a potential \$111,000 PACE project with Lessors, Inc. involving lighting upgrades and a solar installation. If this project occurs the Port Authority and the City of Eagan would enter into a Joint Powers Agreement under Minnesota law substantially in the form of the draft Joint Powers Agreement attached hereto as Exhibit A. This resolution, if approved, delegates the authority to enter into similar Joint Powers Agreements, as needed, to the President of the Port Authority, so that future Joint Powers Agreements will not need to be presented to the Board for approval.

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Workforce Implications:

N/A

Policy Exceptions:

None.

Recommendation:

We recommend authorization to enter into Joint Powers Agreements with the local units of government whenever necessary for the administration of the PACE Program.

PMK:ca

Attach.