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AN ORDINANCE OF THE [GOVERNING BODY] OF THE [\_\_\_\_\_] APPROVING A REPORT SETTING FORTH TERMS AND CONDITIONS OF THE [\_\_\_\_\_]’S] MUNICIPAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM; AND RELATED MATTERS (PACE PROGRAM)

WHEREAS, the State Legislature enacted the Municipal Property Assessed Clean Energy Act, Alaska Statutes 29.55, as amended, restated, supplemented or otherwise modified from time to time (“PACE Act”), authorizing local governments to establish an energy improvement assessment program to finance the installation or modification of permanent improvements, fixed to existing privately owned commercial or industrial property, intended to achieve reduced energy consumption or demand in areas designated by local governments; and

WHEREAS, the installation or modification by property owners of qualified energy saving improvements to privately owned commercial or industrial property is intended to reduce energy consumption or demand, energy costs, or emissions affecting local air quality in [\_\_\_\_\_] which will further the goals of energy conservation with little cost to the public, thereby serving a valid public purpose; and

WHEREAS, to enable [\_\_\_\_\_] to establish a Municipal Property Assessed Clean Energy Program (“PACE Program”), the PACE Act requires, among other things, that the [Governing Body] of the [\_\_\_\_\_] prepare a report (“PACE Report”) which includes PACE Program details; and

WHEREAS, the form of PACE Report, in substantially the form presented to and made a part of the records of this meeting, has been made available for public inspection by positing the PACE Report on the [\_\_\_\_\_]’s] website and making the PACE Report available at the Office of the [\_\_\_\_\_]’s]; and

WHEREAS, notice of the form of PACE Report has been published in a reasonable manner and included the location where the form of PACE Report is available for public inspection, the time and place for a public hearing on the proposed PACE Program, the name of the official who will administer the PACE Program and the name of the official who will collect PACE Program assessments; and

WHEREAS, the [\_\_\_\_\_] proposes to finalize the form of PACE Report, subject to the establishment of the PACE Program by the [GOVERNING BODY] of the [\_\_\_\_\_] pursuant to an ordinance; and

WHEREAS, it appears the form of PACE Report above referred to, which is now before this [GOVERNING BODY] of the [\_\_\_\_\_] is in appropriate form and is an appropriate instrument for the purpose intended;

NOW, THEREFORE, BE IT ORDAINED BY THE [GOVERNING BODY] OF THE [\_\_\_\_\_] as follows:

Section 1. Recital. The recitals to this ordinance are true and correct and are incorporated into this ordinance for all purposes, including defining terms used in this ordinance.

Section 2. PACE Report. A condition precedent to establishing of a municipal property assessed clean energy program (“PACE Program”) is preparation of report which includes, consistent with the PACE Act, the following details:

- (a) a map showing the boundaries of the area within which the PACE Program is available; and
- (b) a form of contract between the [\_\_\_\_\_] and property owner specifying the terms of the assessment under the PACE Program and related financing terms; and
- (c) a form of financing contract between the [\_\_\_\_\_] and third-party capital provider regarding the servicing of debt through PACE Program assessments; and
- (d) a descriptions of qualifying energy improvement projects; and
- (e) a financing plan by the [\_\_\_\_\_] for third party financing and or financing by the [\_\_\_\_\_] to ensure sufficient capital is available under the PACE Program; and
- (f) if bonds are to be issued by the [\_\_\_\_\_] to finance energy improvement projects (i) the maximum aggregate annual dollar amount available under the PACE Program, (ii) a priority ranking for applications, (iii) a formula for calculating the interest rate, (iv) and the maximum amount of an assessment; and **[to be determined by local government]**
- (g) a method to calculate the period of assessment; and
- (h) a description of the application process and eligibility requirements for financing; and
- (i) a description of the underwriting criteria to determine financial eligibility of property owners; and
- (j) a description of the manner in which property will be assessed processes and assessments collected; and
- (k) a requirement for notice to existing mortgage holders by property owner; and
- (l) a requirement for review by a qualified energy auditor for each proposed energy improvement project of the energy or emissions baseline, as appropriate, and the projected reduction in energy cost, energy consumption, or demand, or emissions affecting local air quality, as appropriate, and for each completed energy efficient project, verification that such project was properly completed and is operating as intended; and
- (m) a description of marketing and participant education services provided by [\_\_\_\_\_] in connection with the PACE Program; and
- (n) a description of quality assurance and antifraud measures of the [\_\_\_\_\_] related to the PACE Program, including consequences for failure to complete the proposed project; and

(o) an insurance requirement, for the term of the assessment, relating to energy improvement project;

(collectively referred to herein as the “PACE Report”).

That the form of the PACE Report in substantially the form and content now before this meeting, subject to appropriate insertions and revisions, be and the same hereby is in all respects authorized, approved and confirmed, and that the [\_\_\_\_\_, \_\_\_\_\_] or [\_\_\_\_\_] of the [\_\_\_\_\_] (each, an “Authorized Official”) be, and each of them hereby is, authorized, empowered, and directed to finalize the Pace Report.

Section 3. Incorporation by Reference. That this ordinance does hereby incorporate by reference, as though fully set out herein, the PACE Report.

Section 4. Effective Date. That Section 1 of this ordinance shall only become effective upon passage of an ordinance by the [GOVERNING BODY] of [\_\_\_\_\_] establishing the PACE Program.

PASSED AND APPROVED by the [GOVERNING BODY] of [\_\_\_\_\_] , at a regular meeting of the [GOVERNING BODY] on \_\_\_\_\_, 20\_\_.

[INSERT APPROPRIATE SIGNATURE BLOCKS]