

Sponsored by: Assemblymember Nowers
Adopted: 10/9/21

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 21-076**

A RESOLUTION OF INTENT BY THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY ESTABLISHING THAT FINANCING OF ENERGY IMPROVEMENT PROJECTS THROUGH ASSESSMENTS SERVES A VALID PUBLIC PURPOSE AND RELATED MATTERS (PACE PROGRAM) .

WHEREAS, the State Legislature enacted the Municipal Property Assessed Clean Energy Act, Alaska Statute 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; and

WHEREAS, the PACE Act allows 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, to achieve reduced energy consumption or demand in areas designated by local governments; and

WHEREAS, installation or modification by property owners of energy improvement upgrades to commercial or industrial property in the Matanuska-Susitna Borough will serve a public purpose by reducing energy costs, stimulating the economy, improving property valuation, reducing greenhouse gas emissions and creating jobs; and

WHEREAS, The Matanuska-Susitna Borough finds that it is convenient and advantageous to establish a program under the PACE Act and designate the geographic area on an areawide basis with the Matanuska-Susitna Borough's jurisdiction as an area within which the Matanuska-Susitna Borough and the record owners of qualified real property may participate under a program established by the PACE Act and enter into financing arrangements in connection therewith.

NOW, THEREFORE, BE IT RESOLVED, by the Matanuska-Susitna Borough Assembly that:

1. The Recitals to this Resolution are true and correct and are incorporated into this Resolution for all purposes.

2. For purposes of the Resolution, "PACE assessment" shall mean those assessments authorized by the PACE Act, AS 29.55.100-165.

3. The Matanuska-Susitna Borough hereby determines that establishing a commercial Property Assessed Clean Energy (PACE) program and financing energy improvements through PACE assessment serves a valid public purpose by reducing energy costs, stimulating the economy, improving property valuation, reducing greenhouse gas emissions and creating jobs.

4. The Matanuska-Susitna Borough intends to allow privately owned commercial or industrial property owners to make contractual PACE assessments to repay financing for qualified energy

improvement projects under, and pursuant to, the terms of a municipal property assessed clean energy program subject to, and pursuant to, the PACE Act (PACE Program).

5. Qualified energy improvement projects under the PACE Program will include those projects which (a) are fixed to existing privately owned commercial or industrial property; and (b) are intended to reduce energy consumption or demand, energy costs, or emissions affecting local air quality, including a product, device, or interacting group of products or devices that use energy technology to generate electricity, provide thermal energy, or regulate temperature.

PACE assessments may not be imposed to repay financing or facilities for undeveloped lots or lots undergoing development at the time of an assessment, the purchase or installation of products or devices not permanently fixed to the privately owned commercial or industrial property; or a utility's purchase or installation of a product, device, or improvement, if the product, device, or improvement will generate electricity or provide thermal energy distributed or used outside of the assessed property; in this paragraph, "utility" has the meaning given in AS 42.05.990.

6. To the extent permitted by law, the entire geographic area within the Matanuska-Susitna Borough's jurisdiction may be available for energy improvements under the PACE Program.

7. Financing for qualified energy improvement projects under the PACE Program will be provided by third-party capital providers under a written contract with property owners. The contracts will provide for capital providers to advance funds to property owners on such terms as are agreed between the capital providers and property owners for installation or modification of energy improvement projects, and service the debt secured by PACE assessment through the Matanuska-Susitna Borough. The proposed arrangements for financing energy improvement projects may authorize property owners to (a) purchase directly the related equipment and materials for energy improvement projects; and (b) contract directly, including through lease, a power purchase agreement, or other service contract, for energy improvement projects. The Matanuska-Susitna Borough does not intend to finance or fund any loan under the PACE program, rather, the Borough intends to serve only as a Program Sponsor to facilitate loan repayment by including PACE assessment on real property tax bills for the improved property, and shall incur no liability for the loan.

Benefited property owners will execute written contracts with the Matanuska-Susitna Borough, or its designee, to impose a PACE assessment to repay financing of an energy improvement project located on such property. The contract between a property owner and the Matanuska-Susitna Borough, or its designee, will authorize

the Matanuska-Susitna Borough to service the debt by PACE assessment for the benefit of the capital provider and enforce the PACE assessment lien as provided in AS 29.45.320 - 29.45.470 for enforcement of property tax liens. In the case of third-party capital financing of energy improvement project(s), an agreement will be entered into by the Matanuska-Susitna Borough and the third-party capital provider.

A person or entity that acquires property subject to an assessment under the PACE program will assume the obligation to pay such PACE assessment.

8. Subject to law, the Matanuska-Susitna Borough shall collect and enforce PACE assessment in the same manner as other property tax liens.

9. The Matanuska-Susitna Borough intends to enter into an agreement with a third party administrator and the local official administering the PACE Program. The agreement with the third party administrator will be made by the Director of the Department of Planning and Land Use, or successor or designee. The person who will collect PACE assessments will be the Director of Finance, or successor or designee.

10. Following the adoption of this Resolution on Intent, the Matanuska-Susitna Borough shall prepare a report of the proposed PACE Program as required under AS 29.55.110 and make it available for public inspection online at the Matanuska-Susitna Borough

website at <https://www.matsugov.us> and at the Planning and Land Use office.

11. Thereafter the Borough Assembly will hold a public hearing on the report as required by AS 29.55.100(b)(3), prior to adoption of the PACE program, as required by AS 29.55.100(b)(2).

12. Following completion of the report, and its public hearing, the Matanuska-Susitna Borough shall prepare an Ordinance establishing the PACE Program and incorporating the Report. The Matanuska-Susitna Borough Assembly shall hold a public hearing on the Ordinance before establishing the Program.

13. This resolution shall be effective immediately upon passage and approval by the Assembly.

ADOPTED by the Matanuska-Susitna Borough Assembly this 19 day of October, 2021.


VERN HALTER, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

PASSED UNANIMOUSLY: Hale, Nowers, McKee, Yundt, Tew, Sumner, and Boeve