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An Economic Development Tool

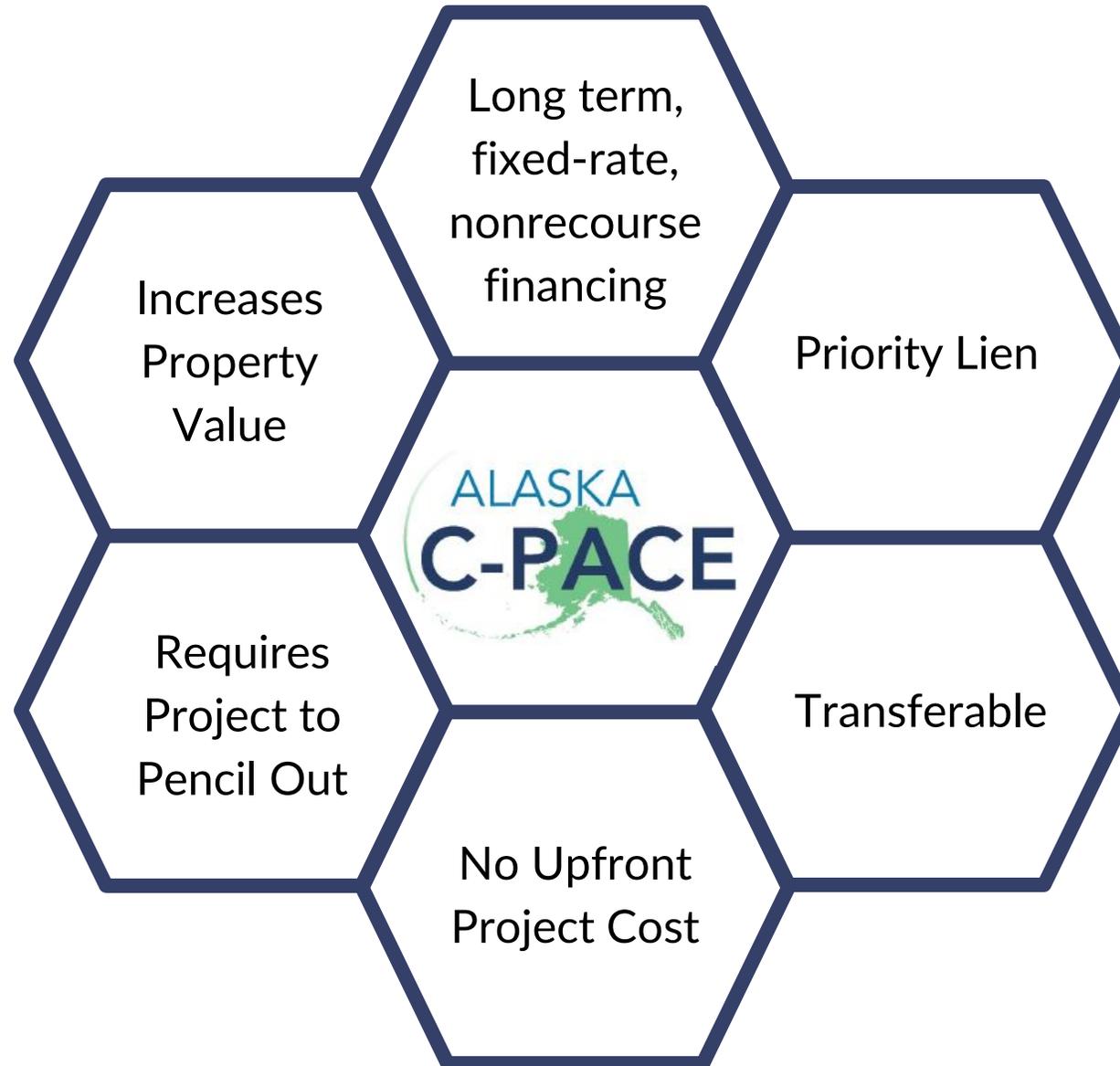
- *Financing tool for businesses at no cost to the taxpayers*
- *Voluntary to enable and launch in tax assessing jurisdictions & voluntary for the property owner to apply with private financing*
- *Not a subsidy, tax credit or tax incentive*
- *Activates projects and investment*

C-PACE History in Alaska

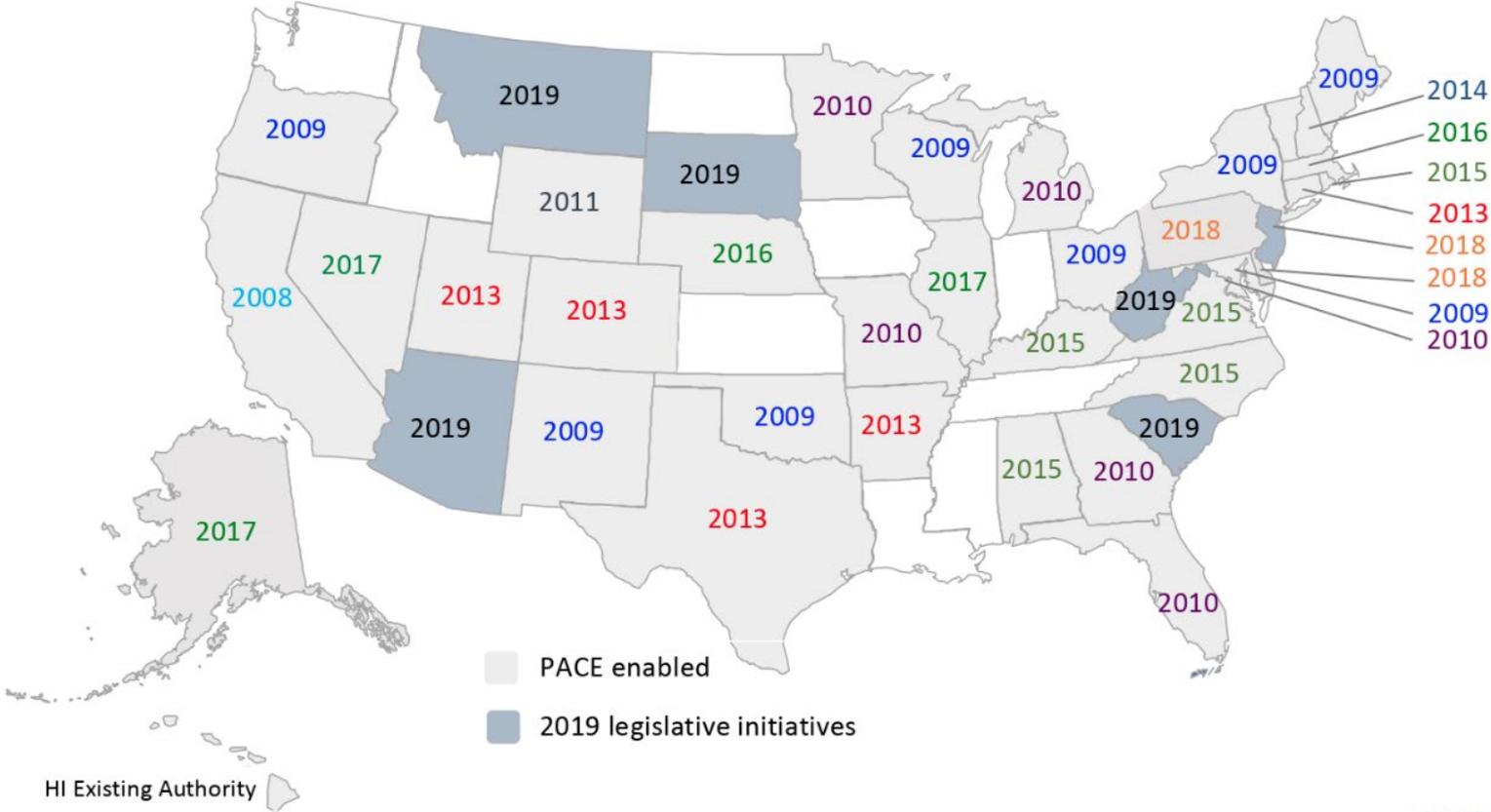


... and many Alaska Municipalities and Boroughs

C-PACE: What and Why?



C-PACE Nationwide



\$2.07B
in investments

2,560
commercial projects

24,000
jobs created

...and counting



C-PACE Status in Alaska



Pending final ordinance vote

Current C-PACE Eligibility

Property Owner

- Legal record holder
- Current on mortgage and property tax payments
- Must not be insolvent or in bankruptcy proceedings

Property

- Commercial or industrial
- Existing property
- Privately owned

Project

- Installation or modification of permanent improvements
- Reduces energy use
- Not easily removed
- Savings to Investment Ratio
- 20% Loan to Value Ratio

What Measures Are Eligible For C-PACE Financing Today?



Efficient Lighting



Boilers and Furnaces



Solar Energy



Water Conservation



Combined Heat
& Energy



Building Energy
Management Systems



Hot Water Heating



Building Shell
Improvements

Delinquency or Default

C-PACE assessments are **liens on the property** and are prior and paramount to all liens except municipal tax liens and special assessments.

The Municipality will enforce any delinquent assessment payment against the property for the benefit of the Capital Provider, in the **same manner** as a property tax lien against real property may be enforced by a local government per state statutes.

Nationally, there have been no foreclosures as a result of a delinquent C-PACE assessment.

HB 227

- 1) Include New Construction
- 2) Allow Resiliency Projects
- 3) Allow Refinancing
- 4) Refer to 25% of Market Value
- 5) Max 30 year, Eliminate the Savings-to-Investment Ratio (SIR)

New Construction

New Construction is allowed in 25 states and Washington D.C.



Resiliency

- seismic improvements
- fire hardening, fire or wind resistance
- stormwater management, flood mitigation and protection
- erosion management
- water or wastewater efficiency including reuse and energy recovery
- microgrids for energy storage and backup power generation
- electric vehicle charging infrastructure
- retrofitting that improves the envelope, structure, or systems of the building, and any other improvement project approved by a municipality as a resilience improvement project

Refinancing

AS 29.5.160 defines “finance” and “financing” to include “refinancing” throughout AS 29.55.100 - 29.55.165.

- Explicitly allows traditional refinancing of loans
- Allows refinancing of completed eligible projects

Refer to 25% of Market Value

- Amends the current requirement that the loan does not exceed 20% of the property's *Assessed Value*
- More inline with industry standard
- Referring to market value rather than assessed value allows the property owner to capture 'As-built' or 'As-operating' assessments
- Particularly important for new construction

30 Year Max and No SIR

- Extends the current requirement that the loan does not exceed 20 years
- If new construction and resiliency are allowed, SIR requirements are not relevant
- Capital Providers decide what they will and won't finance

Thank you!

Details at
www.muni.org/CPACE

Reach out:
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