

NONCODE ORDINANCE

Sponsored By: Assemblymember Nowers
Introduced: 02/01/22
Public Hearing: 02/15/22
Adopted: 02/15/22

**MATANUSKA-SUSITNA BOROUGH
ORDINANCE SERIAL NO. 22-008**

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING A REPORT SETTING FORTH TERMS AND CONDITIONS OF THE BOROUGH'S MUNICIPAL PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM AND RELATED MATTERS.

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 the Matanuska-Susitna Borough with no cost to the public, thereby serving a valid public purpose; and

WHEREAS, to enable the Borough to establish a Municipal Property Assessed Clean Energy Program ("PACE" Program), the PACE

Act requires, among other things, that the Borough prepare a report ("PACE" Report) which includes PACE Program details; and

WHEREAS, the PACE Report in its current form, as presented to and made a part of the records of this meeting, has been made available for public inspection and comment by positioning the PACE Report on the Borough Website and making the PACE Report physically available at the Borough Planning Department Office; and

WHEREAS, notice of the PACE Report has been published in a reasonable manner and included the location where the PACE Report is available for 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 Assembly proposes to finalize the PACE Report, subject to the establishment of the PACE Program by the Assembly pursuant to an ordinance; and

WHEREAS, it appears the PACE Report is in appropriate form and is an appropriate instrument for the purpose intended.

BE IT ENACTED:

Section 1. Classification. This Ordinance is a noncode ordinance.

Section 2. Acceptance of PACE Report. The Borough adopts the proposed PACE Program Report as a condition precedent to

establishing a municipal property assessed clean energy program ("PACE Program"), consistent with the PACE Act, which includes the following details which will be finalized before final adoption:

a) a map showing the boundaries of the area within the PACE Program is available; and

b) a form of contract between the Borough 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 Borough and third-party capital provider regarding the servicing of debt through PACE Program assessments; and

d) a description of qualifying energy improvement projects; and

e) a financing plan by the Borough for third party financing and or financing by the Borough to ensure sufficient capital is available under the PACE Program; and

f) if bonds are to be issued by the Borough 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

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 the Borough in connection with the PACE Program; and

n) a description of quality assurance and antifraud measures of the Borough 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.

Section 3. Effective Date. This ordinance shall take effect upon adoption.

ADOPTED by the Matanuska-Susitna Borough Assembly this 15 day of February, 2022.


EDNA DeVRIES, BOROUGH MAYOR

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

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