



Legislation Text

File #: 17-580, Version: 1

TO: Mayor and Commissioners
FROM: Caryn Gardner-Young, Assistant City Manager
THROUGH: Chief Neal de Jesus, Interim City Manager
DATE: July 18, 2017

RESOLUTION NO. 50-17 AUTHORIZING THE EXECUTION OF A NON-EXCLUSIVE INTERLOCAL AGREEMENT WITH THE FLORIDA RESILIENCY AND ENERGY DISTRICT TO ADVANCE A PROPERTY ASSESSED CLEAN ENERGY PROGRAM ("PACE")

Recommended Action:

Motion to Approve Resolution No. 50-17 allowing the City of Delray Beach to join the Interlocal Agreement creating the Florida Resiliency and Energy District ("FRED").

Background:

On May 4th 2017, the City of Delray Beach City Commission ("City") adopted a Property Assessed Clean Energy ordinance that promoted a multi-provider PACE program model and instituted certain disclosure requirements and protections for Delray Beach residents. Concurrently, the City Commission adopted resolutions that made the City party to the Florida Green Corridor Interlocal Agreement and reaffirmed our participation in the PACE program run by Renew Financial. At the conclusion of the discussion of this item, Mayor Glickstein requested that staff bring forward agreements to be members or subscribers to the other two large PACE provider districts in Florida as soon as possible.

Resolution No. 50-17 accepts and makes Delray Beach party to the Interlocal Agreement creating the Florida Resiliency and Energy District ("FRED"). FRED emerged as an interlocal agreement between the City of Fernandina Beach, Nassau County, the Town of Lake Clarke Shores, Palm Beach County and the Florida Development and Finance Corporation (FDFC) in September of 2016. In the agreement, the City of Fernandina Beach and Lake Clarke Shores are the founding members of FRED, and FDFC is designated as the Administrator for the District and responsible for the development of the PACE program. FDFC has then partnered with Renovate America, a national PACE provider to market and implement PACE projects through their well-established HERO program.

Renovate America's HERO Program is one of the largest PACE programs in the United States, and has financed \$2.4 billion of energy improvements across 100,000 homes in California and Missouri since its inception 2012. They expanded their HERO program to Florida in 2016, and it has been adopted in 46 communities. Renovate America will launch HERO in Florida in three successive waves during the summer of 2017, as it completes building out the network of approved contractors and the service operations. Our geographic area, Palm Beach County and Broward County, is anticipated to launch by July 29, 2017, as part of the second wave. As this national firm has substantial experience and resources, staff believes they have the ability to successfully enter the

market, recruit contractors and effectively market PACE financing to both residential and commercial property owners in Delray Beach.

By approving this PACE provider, Delray Beach residents will have additional choices in selecting which company to use to obtain PACE financing. Each PACE organization has slightly different contract terms, and greater choices allows residents to select a firm that best meets the needs of their project. Additionally, market competition tends to drive down costs associated with the program, including the interest rates offered and the associated application and closing fees.

City Attorney Review:

Approved as to form and legal sufficiency.

Finance Department Review:

Finance recommends approval.

Funding Source:

N/A

Timing of Request:

N/A