



# CITY OF FERNLEY

## CITY COUNCIL AGENDA REPORT

Meeting Date: November 3, 2021

<b>REPORT TO:</b>	Mayor and City Council
<b>REPORT FROM:</b>	Daphne Hooper, City Manager
<b>REVIEWED BY:</b>	Brandi Jensen, City Attorney
<b>REVIEWED BY:</b>	Denise Lewis, City Treasurer

<b>FINANCIAL IMPACT:</b> Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	<b>CURRENTLY BUDGETED:</b> Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	<b>FUND/ACCOUNT:</b>
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**ACTION REQUESTED:**  Consent  Ordinance  Resolution  Motion  Receive/File

**AGENDA ITEM:** Staff Report (For possible action); Discussion and possible action to adopt Resolution 21-009 amending and restating the City of Fernley Commercial Property Assessed Clean Energy Program established by Resolution 20-016; to provide the means of financing one or more energy efficiency improvement projects, renewable energy projects, water efficiency improvement projects or resiliency projects for qualifying commercial or industrial real property; together with other matters related thereto.

**Agenda Item Brief:** On June 8, 2021, Governor Sisolak signed into law Senate Bill 283 which amends Chapter 271 CPACE enabling legislation.

**Recommended Motion:**  
“I move to adopt Resolution 21-009, amending the creation of the City of Fernley Commercial Property Assessed Clean Energy Program; to provide the means of financing one or more energy efficiency improvement projects or renewable energy projects for commercial or industrial property; together with other matters properly relating thereto.”

**Business Impact (per NRS Chapter 237):**

A Business Impact Statement is Attached.

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

**ALTERNATIVES:**

Council can direct staff to provide more information.

**BACKGROUND:**

During the 79th Session of the Nevada Legislature, the Legislature approved, and then Governor Sandoval signed, Assembly Bill 5 enabling Nevada municipalities to create districts to finance energy efficiency and renewable energy projects for commercial and industrial properties (commonly known as Commercial Property Assessed Clean Energy, or C-PACE). The law requires local governments to pass a resolution should they wish to allow C-PACE in their jurisdiction. On August 5, 2020, the Fernley City Council adopted Resolution 20-016 creating the Commercial Property Assessed Clean Energy Program (C-PACE).

On June 8, 2021, Governor Sisolak signed into law Senate Bill 283 which amends Chapter 271 of the C-PACE enabling legislation.

The C-PACE model is an innovative mechanism for financing energy efficiency and renewable energy improvements on private property. C-PACE programs allow a property owner to finance the up-front cost of energy or other eligible improvements on a property and pay the costs back over time through a voluntary assessment. The unique characteristic of Property Assessed Clean Energy (PACE) assessments is that the assessment is attached to the property rather than an individual (Federal Department of Energy, PACE Brief).

C-PACE financing is provided by private capital providers in an open market. The financing is secured through a voluntary benefit assessment lien that is levied against the owner's property. The financing term is based on the useful life of the improvements and can extend up to 25 years. The financing itself can cover up to 100 percent of a building's project cost and often requires no money down.

C-PACE projects for existing buildings must be designed such that the estimated energy cost savings, over the effective useful life of the qualified energy-efficiency improvements and/or renewable energy improvements, exceeds the financing amount, i.e. the savings-to-investment ratio (SIR) be greater than one. Such projects create positive cash flow for the property owner.

C-PACE is also available to commercial real estate developers who design and construct new buildings. C-PACE financing has proven to be attractive to developers who use it to reduce their project's weighted average cost of capital or fill gaps in their financing plan.

Sustainable Real Estate Solutions, Inc. (SRS), an industry leader in C-PACE program administration services nationwide, was previously selected by the city to administer the program. SRS is responsible for program management and quality assurance, including prospective participants' (contractors, developers, capital providers) application processing, property owner project application processing and support services to all C-PACE stakeholders.

**FINANCIAL IMPLICATIONS:**

None

**Attachments:**

**SB 283, as amended**

**Resolution 21-009**

**Resolution 20-016 redlined**