

City of Minneapolis

Request for Committee Action

To: Community Development & Regulatory Services
Date: 7/26/2016
Referral: N/A
From: Community Planning & Economic Development
Lead Staff: Becky Shaw
Presented by: Becky Shaw
File Type: Resolution
Subcategory: Assessment

Subject:

PACE energy financing for the Tubman facility located at 4432 Chicago Avenue.

Description:

Passage of Resolution to levy a Property Assessed Clean Energy (PACE) assessment against the property located at 4432 Chicago Avenue as set forth in Levy No. 19353.

Previous Actions:

December 6, 2013, City Council authorized entering into a Joint Powers Agreement designating Saint Paul Port Authority (SPPA) to implement and administer PACE program on behalf of the City of Minneapolis. June 9, 2015, City Council authorized the amended and restated Joint Powers Agreement with the SPPA ([15-00656](#)).

Ward/Address:

Ward 8
4432 Chicago Avenue

Background/Analysis:

The PACE energy program allows Minneapolis businesses to finance energy efficiency improvements to their facilities through an agreement with the Saint Paul Port Authority (SPPA). Under the agreement, the SPPA provides upfront capital to finance the energy efficiency projects, which are then paid back through assessments placed on that property. Tubman has submitted an application for energy improvement financing for its facility located at 4432 Chicago Avenue. Improvements include the addition of two 40kw solar installations, lighting upgrades and miscellaneous energy efficiency upgrades. As a result of these improvements, the facility will save approximately 2,000 MMBTUs or \$48,000 in utility fees per year. In addition, Tubman will earn approximately \$15,740 in solar rebates from Xcel on an annual basis for ten years.

The total project cost of these improvements is \$423,000. Tubman is requesting a \$159,000 PACE assessment be placed against the property which will be paid in 20 increments over a 10 year period starting in 2017. The assessments will cover debt service payments on the loan. The assessment for this project will be Levy #19353.

Financial Review:

No financial impact.

Attachments:

1. Resolution