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Nancy A. Doty, Chair, District 1  
Nancy Sharpe, District 2  
Rod Bockenfeld, District 3  
Nancy Jackson, Chair Pro-Tem, District 4  
Bill Holen, District 5

## Study Session June 28, 2016

The Arapahoe County Board of County Commissioners typically holds weekly Study Sessions on Monday and Tuesday. Study Sessions (except for Executive Sessions) are open to the public and items for discussion are included on this agenda. Agendas (except for Executive Sessions agendas) are available through the Commissioners' Office or through the County's web site at [www.arapahoegov.com](http://www.arapahoegov.com). Please note that the Board may discuss any topic relevant to County business, whether or not the topic has been specifically noticed on this agenda. In particular, the Board typically schedules time each Monday under "Committee Updates" to discuss a wide range of topics. In addition, the Board may alter the times of the meetings throughout the day, or cancel or reschedule noticed meetings. Questions about this agenda? Contact the Commissioners' Office at 303-795-4630 or by e-mail at [commissioners@arapahoegov.com](mailto:commissioners@arapahoegov.com)

### Study Session Topics

#### 10:30 A.M. \*Commercial Property Assessed Clean Energy (CPACE) Financing Presentation & Request (WHR)

Discussion and presentation of information about Arapahoe County opting-in to the Commercial Property Assessed Clean Energy (CPACE) special district program

*Request: Information/Direction*

*Chris Voutoupal, Government Relations, Heizer/Paul, LLP*

*Ron Rakowsky, Mayor, Greenwood Village, CO*

*David Gabrielson, Executive Director, PACENow*

*Paul Scharfenberger, NEID Board Chair & Colorado Energy Office*

Documents: [CPACE ARAPAHOE COUNTY SUPPORT LETTER\\_062016.PDF](#)

#### \* To Be Recorded As Required By Law

WHR - West Hearing Room

*Arapahoe County is committed to making its public meetings accessible to persons with disabilities.*

*Assisted listening devices are available. Ask any staff member and we will provide one for you.*

*If you need special accommodations, contact the Commissioners' Office at 303-795-4630 or 303-738-7915 TTY.*

*Please contact our office at least 3 days in advance to make arrangements.*

June 20, 2016

**RE: County Adoption of Colorado Property Assessed Clean Energy Program (CPACE)**

Dear County Commissioners,

As a broad coalition of business and civic leaders, we are writing to express our support for Arapahoe County to vote to opt-in to the [Colorado Property Assessed Clean Energy](#) (CPACE) statewide New Energy Improvement District (NEID). CPACE is an impactful, market-based financing mechanism allowing the business community to address long-standing barriers handicapping property owners from investing more heavily in their properties. CPACE is a tool that can be leveraged by not only commercial property owners, but non-profit and agricultural property owners too.

Without using any public money, CPACE allows commercial property owners and developers the opportunity to obtain long term, low-interest, fixed-rate financing to make investments to increase their property's energy efficiency, water conservation and add renewable energy, all while lowering their operational costs. Furthermore, CPACE financing helps developers accelerate improvement projects in our communities, and in some cases bring important projects back to the table that were once not economically viable. As a result the building owners gain immediate positive cash flows and the county receives increased tax revenue and economic development. This capital is patiently waiting on the sidelines to invest in our communities right now.

CPACE economic benefits include:

- For cities and municipalities, CPACE enables energy and water efficiency investments, increased tax revenue, and increased economic development activity. There is no risk to local governments as CPACE assessments are privately funded with no liability to municipalities,
- Because CPACE assessments by definition have savings that exceed the costs, the result leads to increased property value and a better asset for both building owners and mortgage lenders,
- CPACE liens do not accelerate upon default, which preserves the lead financial position of mortgage lenders in controlling the disposition of their assets in the event of foreclosure,
- CPACE improvements have an attractive return on investment that results in immediate positive cash flow to the building,
- Because CPACE funded projects are secured by a tax lien on the property, building owners can access long term, low-cost capital as the security is valued on the building value,

- Unlike traditional capital investments, most commercial leases support the passing down of tax assessments to tenants in cases of triple net leases where tenants get the corresponding utility savings. CPACE allows building owners to pass down the appropriate portion of cost that is offset by the utility savings,
- Building owners can take a long-term view as the PACE assessment is transferable upon sale of the property,
- CPACE terms can go up to 20 years where traditional financing for these types of investments are typically limited to 10-year terms, and;
- CPACE is an attractive financing tool for developers to leverage in their capital portfolio, which helps projects move forward that were once hindered by tedious fundraising hurdles.

To date, 29 states across the country have active, successful and rapidly growing PACE programs, representing over a \$1B in investment in just six years since its inception into the market. Additionally, Colorado's CPACE program is considered to have the potential to be one of the most robust programs in the country, attracting the lion's share of available PACE capital to be invested in our own communities.

We respectfully encourage you to support the CPACE program and thank you for your time and continued leadership in our communities. We are hopeful that you will opt into the CPACE NEID as soon as possible.

Sincerely,

*PACE Equity, LLC*  
*Jackson Street Holdings, LLC*  
*Colorado Cleantech Industries Association (CCIA)*  
*Colorado Solar Energy Industries Association (COSEIA)*  
*NAIOP (National Association of Industrial and Office Properties)*  
*Renovate America*  
*CRE Investments Financing*  
*South Metro Chamber of Commerce*  
*Mayor Ron Rakowsky - City of Greenwood Village*  
*Xcel Energy*  
*International Council of Shopping Centers*  
*Energy Efficiency Business Coalition (EEBC)*