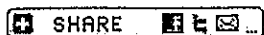


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Florida PACE funding agency announces new platform for statewide implementation

Friday, August 12, 2011

Tallahassee, Fla. - The newly created Florida PACE Funding Agency (the "Agency") has directed Tallahassee-based law firm Bryant Miller Olive to validate its ability to issue up to \$2 billion in bonds on an as-needed basis to fund financing agreements in support of statewide PACE program initiatives. The Agency has developed a unique strategy aimed at helping local governments advance the Property Assessed Clean Energy ("PACE") concept and legislation adopted by the Florida Legislature in 2010.

When the Legislature created the PACE program in 2010, they believed that significant private sector jobs would be created statewide in those communities that subscribe to a PACE program, providing a substantial economic benefit to the State's economy. The Agency anticipates a robust PACE market would be measured in billions of dollars of economic activity. Once implemented, the program is expected to boost private sector employment particularly in the construction sector, and can save taxpayers money on their utility bills and potentially on insurance costs. The Florida PACE Funding Agency program will be available for residential, industrial and commercial property owners to access funding for qualifying improvements to their property.

About the Florida PACE Funding Agency

The Florida PACE Funding Agency was created in June 2011 by general law through an interlocal agreement. The initial incorporators are Flagler County and the City of Kissimmee. The Agency's mission is to facilitate the implementation, planning, development, funding, financing, marketing and management of a uniform statewide platform so that counties and cities can easily and economically take advantage of a scalable program for their property-owning constituents. The Florida PACE Funding Agency was designed to insulate local governments from liability and the heavy use of staff time for such a voluntary program.

To date, the Agency has been established by a charter, has adopted a master bond resolution, and has directed Bryant Miller Olive to validate the Agency's ability to issue bonds to fund the various voluntary financing agreements entered into pursuant to general law, together with a litany of matters and issues associated with the statutorily authorized non-ad valorem assessments which will comprise the revenues to repay the bonds.

Florida's PACE legislation allows individual residential and commercial property owners to voluntarily seek financing for certain energy or wind resistant improvements in the form of a special assessment though their local government with payback occurring over a period of years and collected on the same bill as property taxes. The Florida Legislature in 2010 overwhelmingly passed bipartisan legislation that carefully details the authority and processes for a PACE program and assessments in Florida.

The Florida Pace Funding Agency Approach Works

The Florida PACE Funding Agency has been designed to encourage local governments to subscribe to its statewide, uniform program rather than pursue purely local efforts that would likely not be able to achieve the economies of scale anticipated by the Agency. It is believed that such a subscription approach will be attractive to create markets

with little or no cost to local government treasuries.

No special assessment will be imposed on any property for the cost of qualifying improvements unless all owners of the property voluntarily agree to allow the assessment to be imposed pursuant to a financing agreement entered into by the property owners and the local government.

The actions by the Florida PACE Funding Agency provide a means to validate and provide certainty as to the nature of the non-ad valorem assessments and the impact or reaction from mortgage lenders doing business in Florida, as well as the ability to only issue bonds on an as needed basis to underwrite energy efficiency, renewable energy and wind resistance improvements. Key points of the program that serve as benefits to local governments include:

- No subscription activity with local governments or provision of assessments to willing property owners will take place unless and until a successful statewide validation in Florida has been completed by the Florida PACE Funding Agency.
- This unique platform will allow for local governments to participate in the advantages of the PACE programs and access capital markets, without having to implement or deploy individual programs or individually seek capital for their constituents.
- The Agency will not provide its services within the jurisdiction of any local government that does not desire and request to cooperatively enter into a subscription agreement.
- The Agency's charter, any future subscription agreements with local governments and the pending validation are all designed to make it clear that no local government is responsible for the actions or liabilities incurred by the Agency, thus providing and confirming the insulation of liability pursuant to general law to any participating local government.

The Validation

The Agency filed its Validation Complaint on July 12, 2011. The Complaint seeks approval to issue as much as 2 billion dollars in bonds to be issued from time to time as funds are needed. This amount is premised upon a conservative economic analysis that there are 3,132,600 buildings which are over twenty (20) years old and likely candidates in Florida for retrofit or energy-related or wind resistant improvements. The economic analysis was performed by RERC Strategic Advisors, Orlando, Florida, and is based on the assumption that if only five percent (5%) of the owners of such estimated number of buildings voluntarily apply for such retrofit improvements over the next several years, the necessity for potential aggregate of bonds issued in several series on an as needed basis could easily equal or exceed 2.35 billion dollars.

The validation process is intended to clarify the unique prerequisites and provisions in the Florida legislation that more closely follow guidelines provided by the Office of the Controller of the Currency, which has suggested pragmatic guidance to its regulated banks for PACE related programs nationwide.

In order to provide an integrated functioning program to its subscribing local governments as soon as practical after the validation proceedings have been concluded, it is anticipated that the Agency, through its interim Executive Director, will commence appropriate procurement efforts to enable the Agency to engage public and/or private sector providers of the administrative services which will be required to operate the Agency's program on a statewide basis.

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