

Background Document

DATE: Agenda Item 3-23-26

TO: WHEELER COUNTY COMMISSIONERS COURT

SUBJECT: Approval Of A Resolution Of Intent To Establish A Wheeler County Property Assessed Clean Energy ("PACE") Program And Enter Into A Professional Services Agreement; And Authorizing Related Actions

RECOMMENDATION:

It is recommended that the Commissioners Court adopt a resolution related to the intent to form the Wheeler County Property Assessed Clean Energy Program ("Wheeler County PACE") and authorize the County Judge or designee thereof, to execute all documents and take any actions necessary and appropriate to carry out the intent of this resolution.

BACKGROUND:

PACE is an innovative way to finance energy efficiency, water efficiency, and renewable energy upgrades for commercial, industrial, and large multifamily (five or more units) real property. Property owners who participate in the program repay the financings through a voluntary contractual assessment placed on their property. One of the most notable characteristics of PACE programs is that the financing is attached to the property rather than belonging to an individual. Therefore, when the owner sells the property, the financing may be paid off during the sale, or stay with the property and be transferred to the new owner, who also benefits from the upgrades that were completed.

PACE financing enables businesses to avoid the upfront costs of energy and water efficiency improvements. PACE financings can be paid over a long period of time while energy costs are simultaneously lower, which typically provides the property owner with immediate net savings. PACE overcomes challenges that have hindered adoption of energy and water efficiency for many property owners. The debts, liabilities and obligations incurred as part of the PACE Program do not constitute debts, liabilities or obligations of Wheeler County.

ANALYSIS OF THE PACE PROGRAM:

Participation in this program is voluntary and offers property owners a cost-effective means of making energy and water efficiency improvements to their property. Property owners repay the financing over a period of years reflecting the useful life of the improvements.

The benefits to the property owner include:

- Helps Lower Electric, Gas and Water Utility Bills
- 100% Financing on Hard and Soft Costs
- Typically Results in Savings From Day One
- Increases Property Value
- Results in More Comfortable Buildings and Improved Indoor Air Quality
- Provides Long-Term Funding and Results in Immediate Benefit to Cash Flow

The benefits to the County include:

- Supports Commercial Businesses with No Cost, Liability, or Administration to the County
- Upgrades the Efficiency and Competitiveness of Existing Building Stock
- Helps Attain Energy and Water Efficiency Goals
- Increases Commercial Property Values and Improves Tax Base
- Creates Jobs for Local Contractors, Manufacturers and Engineering Firms

ANALYSIS OF THE PROFESSIONAL SERVICES AGREEMENT AND REPORT:

In order for Lone Star PACE to have the authority to provide PACE financing in the County, it is necessary for the County to execute the Professional Services Agreement. The Professional Services Agreement provides that Lone Star PACE is an authorized representative and program administrator, separate and apart from the County executing such agreement. There are no costs to the County associated with the Wheeler County PACE Program.

Texas Local Government Code Section 399.009 requires a report to be prepared detailing the requirements for every PACE program established. The attached Program Report provides the required information to establish a PACE program within the County. This report will be published on the County website and made available at the County office for inspection by the public.

FISCAL IMPACT:

There is no negative fiscal impact to the County’s general fund incurred by consenting to the inclusion of properties within the County limits in the PACE Program.

ATTACHMENTS:

- 1) Proposed Resolution Of Intent To Establish A Wheeler County Property Assessed Clean Energy (“PACE”) Program; And Authorizing Related Actions
- 2) Report Required by Texas Local Government Code Section 399.009

Respectfully submitted,

Ryan McCormick, Texas PACE