

# Investing in Local Economies

## FINANCING FOR ENERGY-SAVING IMPROVEMENTS

Wisconsin communities are invited to join PACE Wisconsin, a program that empowers building owners to save energy and money, communities to create new jobs, and local economies to flourish—all without any taxpayer assistance.

## WHAT IS PACE?

Communities across the United States are taking advantage of the economic development potential offered by Property Assessed Clean Energy (PACE). Wisconsin Statute § 66.0627(8) authorizes Wisconsin counties and municipalities to make PACE financing available in local communities. PACE financing helps stimulate local economies by funding the upfront cost of energy efficiency, renewable energy, and water conservation building improvements.

## PACE HELPS COMMUNITIES:

- **Stimulate**—PACE-funded projects stimulate job creation, investment in goods and services, and savings on building operating expenses—improving the market for investment in your community.
- **Profit**—PACE lowers the cost of doing business in your community. Low-interest PACE financing reduces building owners' overall cost of capital to fund necessary building improvements that result in lower operating costs.
- **Revitalize**—Buildings can be revitalized through the installation of efficient windows, lighting, heating, ventilation and air conditioning (HVAC) equipment, and more—improving the local building stock and, in turn, helping raise the value of property and the potential tax base.
- **Sustain**—Many communities have established sustainability goals, but lack the resources necessary to achieve their objectives. PACE fosters the completion of energy and water conservation projects, helping communities achieve their goals.



## WISCONSIN PACE COMMISSION: A UNIFIED APPROACH

Creating a PACE program from the ground up can be time consuming and resource-intensive. That's why—with the support of the Wisconsin Counties Association and the League of Wisconsin Municipalities—Wisconsin local governments established the Wisconsin PACE Commission (the "Commission"), which offers an efficient and cost-effective option to collectively administer a uniform PACE program in Wisconsin entitled "PACE Wisconsin."

### The Joint Exercise of Powers Agreement

Wisconsin counties and municipalities utilized their joint exercise of powers authority under Wisconsin Statute § 66.0301, to form the Commission. Under the terms of a Joint Exercise of Powers Agreement (the "JPA"), County members agree to adopt a Model PACE Ordinance (discussed below), and to delegate to the Commission the ability to impose PACE Special Charges according to a single, uniform PACE program operated in the Commission members' jurisdiction. Municipal members (cities, villages, and towns) join the Commission, participate in its governance, and agree to support the Commission.

## The Model Ordinance

County members agree to adopt a Model PACE Ordinance as a condition of joining the Commission. Among other powers, this ordinance authorizes the County to impose a PACE Special Charge, collect payments for the Special Charge in installments, place those installments on the tax roll at its discretion, and delegate that authority to the Commission.

PACE Wisconsin is available for all Wisconsin communities to minimize the investment required to offer the benefits of PACE in your community.

## AN EFFICIENT SOLUTION

- **No cost to local governments**—Neither credit exposure, dedication of general funds, or allocation from constricted budgets is required for local governments to implement PACE. To help promote no-cost, efficient implementation, PACE Wisconsin is administered by a Wisconsin nonprofit organization which recovers its costs through transaction fees assessed on completed projects.
- **Statewide approach**—The PACE Commission establishes uniform standards, documents, and best practices applied consistently across the state. A single PACE program promotes scalability by simplifying participation for stakeholders (financial institutions, contractors, project developers, and building owners).
- **Single point of access**—The Program Administrator serves as a single point of access for stakeholders to access PACE financing. Serving as an agent of the Commission, the Program Administrator maintains and enforces comprehensive program guidelines to ensure each PACE project meets the requirements of the Wisconsin PACE statute and program goal, and certifies that repayments occur according to contract.

- **Open market**—PACE Wisconsin is an “open market,” meaning any qualified lender can participate—providing property owners with access to competitive rates and financing terms. Furthermore, any contractor or project developer can work on a qualified project, fostering local business development.
- **Voluntary participation**—Building owner participation in PACE Wisconsin is 100 percent voluntary. No property owner is obligated to take any action—only those who choose to use PACE to improve their property pay the Special Charge.
- **Lender consent**—PACE Wisconsin requires mortgage lenders to consent to PACE financings made on properties on which they hold a lien, ensuring PACE projects receive buy-in from necessary stakeholders while helping promote the economic viability of PACE-funded projects.

## JOIN NOW!

Any Wisconsin community may elect to become members of the Commission pursuant to the terms of the JPA.

1. Pass a resolution authorizing execution of the JPA and (for County members) passage of the Model PACE Ordinance through your county board of supervisors. Both documents are available at [www.pacewi.org](http://www.pacewi.org)
2. Sign the JPA.
3. Building owners in your community can now access PACE financing!

**Visit [www.pacewi.org](http://www.pacewi.org) to help bring PACE Wisconsin to your community.**

If you have additional questions, please contact Kimberly Johnston, *Market Development Director* at 608.729.6900 or [kjohnston@slipstreaminc.org](mailto:kjohnston@slipstreaminc.org)