



THE CITY OF KEY WEST

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To: City Commissioners

CC: City Manager, Jim Scholl

Date: November 3, 2017

Re: Recommendation to Support Property Assessed Clean Energy

Dear City Commissioners,

As your Sustainability Advisory Board, we have been tracking the progress of a program called Property Assessed Clean Energy (PACE) for over 5 years now. It has been one of our named priorities since 2013. We are very excited to see that Monroe County is considering opting into the program for the entire length of the Keys, including all of the incorporated areas. We highly recommend that the City of Key West support the County's actions to the highest degree possible.

PACE is a financing tool that allows commercial and residential property owners access to capital to improve their properties. Enabling PACE programming happens at the state level and implementing it happens at the local government level. PACE started in California in 2007 and is now active in 33 states. The State of Florida enabled PACE in 2010, and is now implemented across 258 local governments.

In Florida, PACE funds can be used for windstorm protection, energy efficiency and solar power projects. Contracted 3rd party PACE providers work with interested property owners to determine the best ROI options for the building. Once the property agrees on the projects and financing terms, they sign a contract with the Provider who provides the upfront capital for the project. The Provider recoups their money through a commonly used governmental payment mechanism, the property tax assessment. Payments are annual, as billed with other property taxes, and when the property sells, the tax assessment stays with the property not the owner until it is paid off.

In the Florida Keys, there are many property owners that could benefit from the savings and resiliency that the PACE program can provide. Reducing insurance and energy bills can go a long way in making Keys living more affordable while also making the property more sellable. It provides an additional option for financing needed change. We, the Sustainability Advisory Board for the City of Key West, urge the City to create a resolution supporting Monroe County's opting in to PACE and helping advertise the program to our residents.

Thank you,

Monica Haskell, Chair
Sustainability Advisory Board

Key to the Caribbean – Average yearly temperature 77° F.