

RESOLUTION 2022- 40

**CITY OF COMMERCE CITY COUNCIL
RESOLUTION OF INTENT
TO ESTABLISH A PACE PROGRAM**

**STATE OF TEXAS §
 §
CITY OF COMMERCE §**

WHEREAS, The 83rd Regular Session of the Texas Legislature enacted the Property Assessed Clean Energy Act, Texas Local Government Code Chapter 399 (the “PACE Act”), which allows the governing body of a local government, including a City or County, to designate an area of the territory of the local government as a region within which an authorized representative of a local government and the record owners of commercial, industrial, and large multifamily residential (5 or more dwelling units) real property may enter into written contracts to impose assessments on the property to repay the financing by the owners of permanent improvements fixed to the property intended to decrease water or energy consumption or demand; and

WHEREAS, the installation or modification by property owners of qualified energy or water saving improvements to commercial, industrial, and large multifamily residential real property in the City of Commerce will further the goals of energy and water conservation without cost to the public; and

WHEREAS, the City Council finds that financing energy and water conserving projects through contractual assessments (“PACE financing”) furthers essential government purposes, including but not limited to, economic development, reducing energy consumption and costs, and conserving water resources; and

WHEREAS, the City Council subject to the public hearing scheduled as provided below, at which the public may comment on the proposed program and the report issued contemporaneously with this resolution, finds that it is convenient and advantageous to establish a program under the PACE Act and designate the entire geographic area within the City’s jurisdictional boundaries as a region within which a designated City authorized representative and the record owners of qualified real property may enter into PACE financing agreements:

THEREFORE, be it resolved by the City Council of the City of Commerce that:

1. The Recitals to this Resolution are true and correct and are incorporated into this Order for all purposes.
2. The City hereby adopts this Resolution of Intent and finds that financing qualified projects through contractual assessments pursuant to the PACE Act is a valid public purpose.
3. The City intends to make contractual assessments to repay PACE financing for qualified energy or water conserving projects available to owners of commercial, industrial, and large multifamily

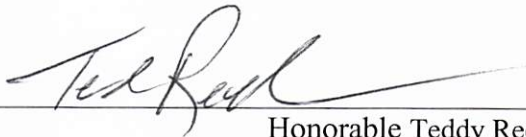
residential real property. The program is to be called The City of Commerce Property Assessed Clean Energy Program ("City of Commerce PACE").

4. The following types of projects are qualified projects for PACE financing that may be subject to such contractual assessments: Projects that (a) involve the installation or modification of a permanent improvement fixed to privately owned commercial, industrial, or residential real property with five (5) or more dwelling units, and (b) are intended to decrease energy or water consumption or demand, including a product, device, or interacting group of products or devices on the customer's side of the meter that uses energy technology to generate electricity, provide thermal energy, or regulate temperature.

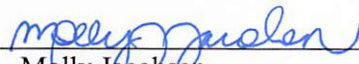
An assessment may not be imposed to repay the financing of facilities for undeveloped lots or lots undergoing development at the time of the assessment or the purchase or installation of products or devices not permanently fixed to real property.

5. The entire geographic area within the City's jurisdictional boundaries is included in the region where PACE financing and assessments can occur.
6. Financing for qualified projects under the PACE program will be provided by qualified third-party lenders chosen by the owners. Such lenders will execute written contracts with the City's authorized representative to service the assessments, as required by the PACE Act. The contracts will provide for the lenders to determine the financial ability of owners to fulfill the financial obligations to be repaid through assessments, advance the funds to owners on such terms as are agreed between the lenders and the owners for the installation or modification of qualified projects, and service the debt secured by the assessments, directly or through a servicer, by collecting payments from the owners pursuant to contracts executed between the lenders and the owners. The lender contracts will provide that the City will maintain and continue the assessments for the benefit of such lenders and enforce the assessment lien for the benefit of a lender in the event of a default by an owner. The City will not, at this time, provide financing of any sort for the PACE program.
7. The City will contract with Texas PACE Authority, a qualified non-profit organization to be the independent third-party Authorized Representative.
8. The City will consult with the County Tax Assessor/Collector for Hunt County.
9. The report on the proposed PACE program prepared as provided by Tex. Local Gov't Code Sec. 399.009, is available for public inspection on the City's website and in the office of the City Manager at 1119 Alamo Street, Commerce, Texas 75428, and is incorporated in this resolution and made a part hereof for all purposes.
10. The City Council will hold a public hearing on the proposed PACE program and report on October 18, 2022 at 6:00 p.m. in the Commerce City Hall Council Chambers, located at 1119 Alamo Street, Commerce, Texas 75428.

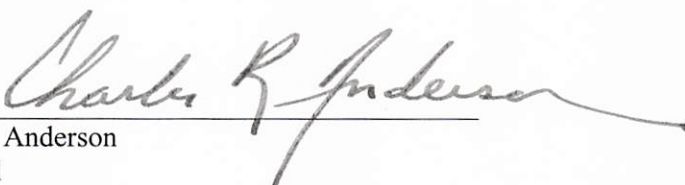
Adopted this 20th day of September, 2022.



Honorable Teddy Reel, Mayor

Attested by: 

Molly Jacobsen
City Secretary

Approved as to form: 

Charles Anderson
Counsel