

**TOWN OF COLCHESTER
PLANNING AND ZONING DEPARTMENT**

TO: Board of Selectmen
FROM: Matthew Bordeaux, Planning Director
DATE: February 26, 2021
RE: Connecticut Green Bank's C-PACE Program

The Connecticut Green Bank's C-PACE Program, which stands for Connecticut Property Assessed Clean Energy, is a financing tool that makes energy efficiency upgrades more accessible and affordable for a variety of new and existing commercial, industrial, non-profit and multi-family building owners. With C-PACE, building owners can finance energy upgrades immediately and pay for them over time through a voluntary benefit assessment lien, levied and recorded against the benefitting property, to be repaid with the collection of real property taxes.

The program is established in Connecticut General Statute 16a-40g and is administered by the Connecticut Green Bank, a quasi-public agency. Connecticut passed the enabling policy in June of 2012, and there are currently 135 municipalities that have passed resolutions to join the program. The Connecticut Green Bank designed the program to attract low cost capital into the state for the purpose of energy upgrades in buildings. In this way, C-PACE is an economic development tool, as building upgrades that lower energy costs create a more competitive environment for attracting and retaining businesses.

The first step before property owners can take advantage of the program is for the legislative body of the town to pass a resolution, enabling the First Selectman to sign a legal agreement with the Green Bank. Once this agreement is signed, building owners throughout Colchester will be eligible for 100% upfront and low-interest financing on eligible energy efficiency and renewable energy projects. While terms vary from project to project, repayment terms range from 5 and 25 years, and the interest rates may be between 5% and 6.5%.

Attached you will find: (1) the C-PACE enabling legislation from CGS 16a-40g; (2) a draft legal agreement between the Town of Colchester and the Connecticut Green Bank; and (3) the draft resolution enabling the Town to enter into the program.

Connecticut Green Bank program administrators reached out to the Town of Colchester because there is a local business interested in installing solar panels on their building using financing from this program.

C-PACE would improve Colchester's continuing effort to be a better place to do business and build a stronger and healthier community for all. C-PACE can be an additional option in Colchester's economic development toolbelt to help our local businesses save money with lower

and more predictable energy bills, encouraging building owners to invest in place, rather than considering relocation.

Proposed Motion:

Move to recommend to the legislative body of the Town of Colchester, the Town Meeting, the adoption of a resolution to approve the Connecticut Green Bank's Connecticut Property Assessed Clean Energy (C-PACE) Program Agreement and authorize the First Selectman to execute and deliver the C-PACE Agreement. A Town Meeting shall be held March 18, 2021 to vote on the resolution.

MRB

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