

## Request for Board Action Details

**File #:** 2024-494

**Type:** Administrative Item      **Status:** Passed

**In control:** Board of Commissioners

**On agenda:** 11/12/2024      **Final action:** 11/12/2024

**Title:** Certification of Property Assessed Clean Energy Charges for Energy Improvements

**Sponsors:** Community & Economic Development

**Indexes:**

**Code sections:**

**Attachments:** 1. Letter to Ramsey County East Immanuel Lutheran Revised, 2. PACE of MN Project and Assessment Tracking Sheet, 3. Resolution

Date	Ver.	Action By	Action	Result
11/12/2024	1	Board of Commissioners	approved	Pass

**Sponsor:** Community & Economic Development

**Title**  
Certification of Property Assessed Clean Energy Charges for Energy Improvements

### Recommendation

- Request the County Auditor to extend the proposed special assessment plus interest on the following property:
  - Owner: East Immanuel Lutheran Church
  - Property Address: 1173 Payne Avenue, Saint Paul, MN 55130
  - PIN: 29-29-22-12-0082
  - Project Type Heating, Ventilation and Air Conditioning (HVAC) improvements
  - Assessment Request: \$205,000
  - Interest Rate: 6.00%
  - Interest Starts Accruing: 01/01/2025
  - Finance Period: 12 years

Such assessments shall be payable in equal annual principal and interest installments extending over the term of the special assessment. The first of the installments shall be payable with general property taxes in 2024, and shall bear interest at the rates per annum and interest start date stated above, and to the first installment shall be added interest on the entire assessment from the interest start date until December 31 of the tax payable year to which the first installment will be extended, and to each subsequent installment, when due, shall be added interest for one year on all unpaid installments and to each installment shall also be added the special assessment administration fee required by Minnesota Statutes section 429.061, subdivision. 5.
- Direct the Chief Clerk to send a certified copy of this Resolution to the County Auditor to extend the assessment for East Immanuel Lutheran Church on the property tax lists of the county.

### Background and Rationale

On November 24, 2015, the Ramsey County Board of Commissioners approved an agreement with the Saint Paul Port Authority (SPPA) for the administration and implementation of Property Assessed Clean Energy

Program of Minnesota (PACE OF MN) on behalf of county for energy improvements to eligible properties and providing for the imposition of special assessments as needed in connection with the program (Resolution B2015-355).

Per Minnesota Statutes, Section 429.061, the Ramsey County Board is required to adopt by resolution each assessment. This action is the 68th certification of PACE OF MN special assessments; the first was completed December 22, 2015. With these special assessments, property owners have invested over \$62.9 million in energy improvements.

#### New Assessment

The following property owner has submitted an application to SPPA:

Owner: East Immanuel Lutheran Church  
Property Address: 1173 Payne Avenue, Saint Paul, MN 55130  
PIN: 29-29-22-12-0082  
Project Type Heating, Ventilation and Air Conditioning (HVAC) improvements  
Assessment Request: \$205,000  
Interest Rate: 6.00%  
Interest Starts Accruing: 01/01/2025  
Finance Period: 12 years

SPPA has reviewed the application of East Immanuel Lutheran Church and determined the interested property owner meets all eligibility requirements. SPPA, on behalf of the property owner, requests the county apply special assessments and collect repayment on property tax bills on behalf of the SPPA.

The owner of any property so assessed may, at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property. An owner may at any time thereafter, pay to the County Auditor the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year.

#### PACE OF MN Process/Eligibility/Requirements

Commercial and industrial businesses, non-profits (including religious institutions), and owners of multi-family housing are eligible for PACE OF MN. Approved projects are eligible for 100% financing from SPPA and other non-county sources and the repayment schedule is structured to have an immediate positive cash flow. Interest rates vary depending on the length of the financing term and include SPPA processing charges.

Interested applicants for the PACE OF MN program can connect with the SPPA. Applicants are required to be the legal owner of the property and all of the legal owners of the property must agree to participate. The interested property owner must be current on any existing mortgage and the property owner must not have defaulted on the deeds of trust. Property must not be subject to any involuntary liens or judgments, not be delinquent on property taxes and the property owner must not be in bankruptcy. SPPA performs a thorough credit analysis and applications are approved by the SPPA's Credit Committee prior to the SPPA submitting an assessment request to the county.

Following review by SPPA, SPPA requests the county apply a special assessment and collect repayment on property tax bills on behalf of the SPPA. Loan payments for PACE OF MN projects cannot exceed the greater of 30% of the property's assessed value as determined by the County Assessor or 30% of an appraised value that has been accepted or approved by the mortgage lender. The second clause allows PACE assessments to be applied to new construction where the value increase has not yet been realized from a property tax perspective. The assessment stays with the property in the event of a sale. The special assessment becomes a lien against the property at the point that it is extended to the tax rolls. If not timely paid, the special

assessment would accrue penalties and interest as with other delinquent taxes and is subject to tax forfeiture. Unpaid assessments become a lien on the property like any other special assessment or unpaid property taxes.

**County Goals** (Check those advanced by Action)

- Well-being       Prosperity       Opportunity       Accountability

**Racial Equity Impact**

The Community and Economic Development (CED) department is actively exploring ways to better understand the racial equity impact of this program. Historically, this program has been utilized by a diverse range of participants, including larger, well-capitalized property owners, developers, religious institutions, and non-profit organizations.

CED is collaborating with SPPA to identify opportunities to incorporate racial equity considerations into the program, including potential adjustments to its delivery. As part of future efforts, CED will be updating the Economic Competitiveness and Inclusion Vision Plan, which will offer an opportunity to further explore and address racial equity impacts. Ramsey County remains committed to ensuring the program is accessible, fair, and equitable for all. PACE special assessments are self-imposed by property owners, a financing option for energy efficiency improvements.

**Community Participation Level and Impact**

The Saint Paul Authority, PACE administrator for Ramsey County, engages businesses directly or through other economic development partners in increasing awareness of this program. The community is also informed of the availability of this program through the county's website at:

[www.ramseycounty.us/businesses/property-development/property-development-programs/property-assessed-clean-energy-program-pace](http://www.ramseycounty.us/businesses/property-development/property-development-programs/property-assessed-clean-energy-program-pace) <<http://www.ramseycounty.us/businesses/property-development/property-development-programs/property-assessed-clean-energy-program-pace>>

- Inform       Consult       Involve       Collaborate       Empower

**Fiscal Impact**

The processing of loan applications to participate in the PACE OF MN program is the responsibility of the SPPA, with loan repayments being the responsibility of the property owner. Support services are provided by existing staff from CED and Property Tax, Records and Election Services and included in the biennial operating budget.

**Last Previous Action**

On October 15, 2024, the Ramsey County Board approved to extend a Certification of Property Assessed Clean Energy assessment plus interest on IVP St. Paul MF Conversion, LLC in the amount of \$15,789,000 (Resolution B2024-204).

**Attachments**

1. Request Letter from St. Paul Port Authority
2. PACE of MN Project and Assessment Tracking Sheet