

Memorandum
Office of Jenine Windeshausen
Treasurer-Tax Collector



To: The Board of Supervisors

From: Jenine Windeshausen, Treasurer-Tax Collector 

Date: July 21, 2015

Subject: Approval of mPOWER Nonresidential Application
John L. Sullivan Chevrolet Dealership and
John L. Sullivan Toyota & Truck Center

Action Requested:

Approve two (2) applications for the John L Sullivan Family Limited Partnership related to financing energy efficiency retrofits and solar photovoltaic installation with mPOWER Placer for the John L Sullivan Chevrolet Dealership and the John L Sullivan Toyota & Truck Center Dealership in an amount not to exceed \$2,039,513.19 and \$3,694,896.56, respectively.

Background:

The mPOWER Placer Program provides financing for energy efficiency, water conservation and renewable generation improvements to property owners in Placer County. Pursuant to the mPOWER Placer Program Report and Administrative Guidelines (the "Program Report"), applications greater than \$500,000 require the Program Steering Committee to review and then make a recommendation for denial or approval to the Treasurer-Tax Collector. The Treasurer-Tax Collector is then required to review and approve or deny the application. Applications approved by the Treasurer-Tax Collector are then subject to final review and approval by the Board of Supervisors based on the Treasurer-Tax Collector's recommendation to the Board of Supervisors.

The Steering Committee met and reviewed the applications. The Steering Committee recommended the approval of the applications and requested the Treasurer-Tax Collector to review and make a final recommendation to the Board for approval.

The Treasurer-Tax Collector has reviewed the John L. Sullivan applications and the recommendation of the Steering Committee and now recommends the Board approve the applications based on the following information.

John L Sullivan Family Limited Partnership Application Details – The owners of John L Sullivan Chevrolet and John L Sullivan Toyota & Truck Center Dealership are requesting financing for energy retrofit improvements and solar photovoltaic installations on the building containing the Chevrolet showroom and the parking lot, as well as on the buildings containing the Toyota showroom and

Toyota Truck Center. Roseville Electric performed an energy audit in 2014 which provided information regarding energy efficiency measures and renewable energy generation installation for improving the energy and environmental performance of the two dealerships. These improvements are included in the project scope.

The application for the Chevrolet Dealership was submitted for measures which include:

- Installation of interior and exterior lighting LED Retrofit Kits
- Retrofitting HVAC units with 6 Ton Climate Wizards
- Installation of Cool Roof Versiweld TPO Reinforced Membrane
- Installation of Roof Mounted Photovoltaic System (328kW-DC)

The total cost of the improvements for this application will not exceed \$2,039,513.19 including program costs.

The application for the Toyota Dealership and Toyota Truck Center was submitted for improvements, installation and costs which include:

- Installation of interior and exterior lighting LED Retrofit Kits
- Retrofitting HVAC units with 6 Ton Climate Wizards
- Installation of Cool Roof Versiweld TPO Reinforced Membrane
- Installation of (2) Roof Mount Photovoltaic System (282kW-DC) & (93.6kW-DC)

The total cost of the improvements for this application will not exceed \$3,694,896.56 including program costs.

Application Criteria- The application has been reviewed for compliance with Program requirements. It has been determined that all of the Program application criteria have been met including:

- The property owner is current on the property taxes and has not been in default within the last three years
- The property owner is not in bankruptcy
- The property's aggregate annual tax rate does not exceed 5% of the property value
- The property owner is current on all credit agreements with their lender
- The property owner's lender has signed an acknowledgement letter which states that the voluntary assessment lien will not constitute a default under its Deed of Trust or other lending provisions
- The principal amount of the contractual assessment may not exceed 10% of the property value plus the value of the Energy Improvements without lender consent. The principal amount of the assessment is approximately 21.75%

(Chevrolet) and 17% (Toyota) of the property value plus the value of the Energy Improvement. The lender has provided the required consent

- The value of the property plus the value of the Energy Improvements being financed is greater than the total of the principal amount of all outstanding debt

Both projects' improvements are expected to achieve an estimated first year utility savings of \$267,394 with a cumulative 25 year savings of \$2,929,689, net of the assessment payment.

Therefore, based on the Steering Committee and Treasurer Tax Collector's review and recommendation, your Board is asked to approve the John L Sullivan Family Limited Partnership applications (2) related to energy efficiency retrofits and solar photovoltaic financing with mPOWER Placer for the John L Sullivan Chevrolet Dealership and the John L Sullivan Toyota & Truck Center Dealership in an amount not to exceed \$2,039,513.19 and \$3,694,896.56, respectively. Disbursement of funds will be based on evidence of cost after installation and inspection.

Fiscal Impact:

There is no direct impact on the County General Fund. mPOWER Placer is an enterprise fund and the program is designed to achieve cost recovery. The commercial processing fee of \$2,600 charged as a part of the application process helps to offset application processing costs.

