

Memorandum

Office of Jenine Windeshausen
Treasurer-Tax Collector
County of Placer



To: The Honorable Board of Supervisors
From: Jenine Windeshausen, Treasurer-Tax Collector
Date: September 24, 2013
Subject: mPOWER Placer Squaw Valley Project

Action Requested:

Approve Squaw Valley, LLC's application dated 09/06/2013 for energy efficiency retrofit financing with mPOWER Placer in the amount not to exceed \$730,000 pursuant to the mPOWER Placer Amended and Restated AB811 Program Report and Administrative Guidelines.

Background:

The mPOWER Placer Program provides financing for energy efficiency, water conservation and renewable generation improvements to property owners in Placer County. The Program provides financing for both residential and non-residential property types. Board approval is required for financing amounts in excess of \$500,000.

Squaw Valley, LLC Application Details – Squaw Valley LLC is requesting financing for energy retrofitting and equipment replacement at Gold Coast, a mid-mountain day lodge at Squaw Valley Ski Resort. This project is the second phase of a planned comprehensive retrofit of facilities at Squaw Valley Ski Resort. Squaw Valley LLC has engaged Carbon Lighthouse for the planning, design, management and monitoring for the comprehensive retrofit of the Ski Resort. The application was submitted for a maximum amount of \$730,000 for improvements, installation and costs which include:

- Energy Services Agreement with Carbon Lighthouse to provide turn-key project management including engineering, hardware, installation, labor and commissioning of completed project and at least one year of ongoing measurement and verification services
- Water Heating - installation of building management system controls to optimize use of the existing boilers and re-pipe the boiler system to more efficiently serve the building

- Air Handler - installation of controls to operate one of two air handler units on demand and to discontinue use of the second unit
- Heating – replacement of existing electric resistance heaters with an energy efficient heat pump system

The total cost of the improvements will not exceed \$730,000 including program costs. Disbursement of funds will be based on evidence of cost.

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 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 14% 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.

The project is expected to average an annual net savings of \$75,800 with a cumulative 25-year savings of \$2,788,180 and an internal rate of return of 13.2% as calculated by Carbon Lighthouse.

mPOWER Placer Amended and Restated AB811 Program Report and Administrative Guidelines – Pursuant to the Program Report, for mPOWER Placer applications greater than \$500,000, the Program Steering Committee will make a recommendation to request the Treasurer-Tax Collector to review and make a final recommendation to the Board of Supervisors to approve the mPOWER Application.

The Treasurer-Tax Collector has reviewed the application and the recommendation of the Steering Committee and is recommending the Board approve the application for Squaw Valley LLC for energy efficiency improvements at the Squaw Valley Ski Resort in an amount not to exceed \$730,000.

The Steering Committee, which is comprised of a member of the Auditor's Office, a representative from the County Executive's Office, a representative from the Treasurer's

Office, and a representative from the Tax Collector's Office, met and reviewed the application. The Steering Committee recommends approval of the application and requested the Treasurer-Tax Collector to make a final recommendation to the Board for approval.

Based on the Steering Committee and Treasurer Tax Collector's review and recommendation, your Board is asked to approve the Squaw Valley, LLC's application dated 09/06/13 for energy efficiency retrofit financing with mPOWER Placer in an amount not to exceed \$730,000.

Fiscal Impact:

There will be nominal administration costs related to processing this application, which will be recovered by the Commercial Processing Fee of \$1,300 and future interest revenue.

