

**Memorandum**  
**Office of Jenine Windeshausen**  
**Treasurer-Tax Collector**

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**To:** The Board of Supervisors

**From:** Jenine Windeshausen, Treasurer-Tax Collector

**Date:** January 20, 2015

**Subject:** mPOWER Folsom Nonresidential Application – Folsom Lake Ford and Kia Showroom

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**Action Requested:**

Approve the Folsom Lake Ford/Kia application dated 10/22/14 for energy efficiency retrofit and solar photovoltaic financing with mPOWER Folsom in an amount not to exceed \$1,562,591.96.

**Background:**

The mPOWER Folsom Program provides financing for energy efficiency, water conservation and renewable generation improvements to property owners in the City of Folsom. The Placer County Treasurer-Tax Collector, who administers the mPOWER Placer Program in the County of Placer, has been appointed the mPOWER Folsom Program Administrator. The Program provides financing for both residential and non-residential property types. Board approval is required for financing amounts in excess of \$500,000.

**Folsom Lake Ford/Kia Application Details** – The owners of Folsom Lake Ford/Kia are requesting financing for energy retrofit improvements as well as solar photovoltaic installations on the two buildings containing the showrooms for Ford and Kia. The applicant performed an energy audit in 2012 which gave them efficiency measures for improving the energy and environmental performance of Folsom Lake Ford/Kia. The recommendations in the report were based on an on-site energy audit performed by Ford Motor Company. The requested improvements are part of the plan as detailed in the audit.

The application was submitted for improvements, installation and costs which include:

- Install interior lighting with LED Retrofit Kit
- Replace 9 HVAC systems with energy star rated equipment
- Install Cool Roof Versiweld TPO Reinforced Membrane
- Install Photovoltaic System Roof Mount (320kW-DC)

The total cost of the improvements will not exceed \$1,562,591.96 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 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 does 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 for the principal amount exceed 10% of value.
- 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's solar photovoltaic improvement is expected to achieve an estimated first year solar savings and incentives of \$283,632 net of the assessment payment with a cumulative 25 year savings of \$1,260,361.

The applicant has also submitted a second application to finance similar improvements to Folsom Lake Kia Service Center on a separate property. The application was for \$387,000 and has been approved by the Steering Committee. This application does not require Board approval as it is below the \$500,000 threshold that requires Board approval.

**City of Folsom Program Report and Administrative Guidelines** - Pursuant to the Program Report, for 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.

As the mPOWER lien will be a City of Folsom lien, the Steering Committee is comprised of a representative from the City of Folsom Manager's Office, a representative from the City of Folsom Public Works and Community Development Department, and a representative from the City of Folsom Office of Management and Budget. The Committee met and reviewed the application. The Steering Committee recommended the approval of the application and requested the Treasurer-Tax Collector to make a final recommendation to the Board for approval.

The Treasurer-Tax Collector has reviewed the application and the recommendation of the Steering Committee and is recommending the Board approve the application.

Therefore, based on the Steering Committee and Treasurer Tax Collector's review and recommendation, your Board is asked to approve the Folsom Lake Ford/Kia application dated 10/22/14 for energy efficiency retrofit and solar photovoltaic financing with mPOWER Folsom in the amount not to exceed \$1,562,591.96.

**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.

