

Amendment to the Property Assessed Clean Energy (PACE) Program Interlocal Agreement



City Council A Session

April 3, 2025

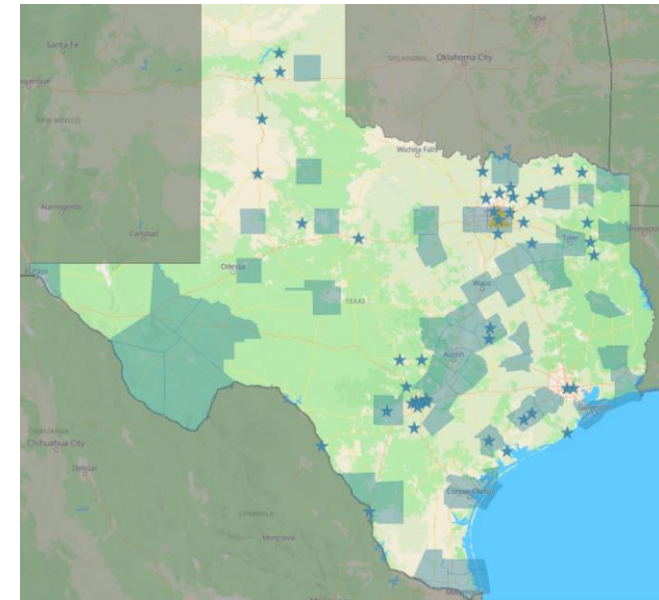
Agenda Item #20

Brenda Hicks-Sorensen, Director, Economic Development

Property Assessed Clean Energy Program



- Property Assessed Clean Energy (PACE) Act was approved by the Texas Legislature in 2013
- Provides property owners access to private, low-cost, long-term loans to conduct energy efficiency and water conservation improvements to real property.
- Eligible property types include:
 - Commercial
 - Nonprofit-owned
 - Industrial
 - Multi-family residential
- PACE Act allows local governments to establish a PACE Program within their legal jurisdictions
- 103 local governments in Texas have established PACE programs



COSA PACE Program



- On February 20, 2020, City Council approved:
 - A Resolution of Intent to establish a City of San Antonio PACE Program; and
 - An Interlocal Agreement (ILA) with the Alamo Area Council of Governments (AACOG) to serve as the program's Third-Party Administrator.
 - On March 5, 2020, City Council approved: an Ordinance establishing the City's PACE Program.
- Interlocal Agreement
 - Term included an initial two (2) years and three (3) one-year extensions.
 - The Texas Pace Authority (TPA) assists AACOG with program administration.

COSA PACE Projects



The Travis Building



The Allen Building



Intercontinental Hotel



Monarch Hotel



- Since the establishment of the City's program, four projects have utilized PACE financing.
- The projects have been for hospitality, office, and mixed-use residential projects, with over \$83 million in assessed value.
- Two projects with over \$60 million in combined capital investment currently have applications with AACOG.

Interlocal Agreement



Proposed amendment:

- Extends the term of the agreement for an additional two (2) years; and
- Provides the City Manager or their designee with the authority to approve future amendments.
- All future amendments must still be made in writing and signed by both AACOG and the City.

Fiscal Impact



This amendment and the ILA with AACOG have no fiscal impact to the City of San Antonio.

Recommendation

Staff recommends approval of the Ordinance authorizing the amendment to the City's Interlocal Agreement with AACOG for Third-Party Administration of the City's PACE Program.

Ordinance Approved Amendment:

- Extends the ILA for an additional two (2) years; and
- Provides the City Manager or their designee with authority to approve future amendments to the ILA.

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