

## **Lean & Green Michigan™ PACE Program Application**

Public Act 270 of 2010 (“Act 270”) authorizes local units of government to adopt Property Assessed Clean Energy (“PACE”) programs to promote the installation of energy efficiency improvements and renewable energy systems by owners of commercial or industrial property within a district designated by the City of Royal Oak. Act 270 allows private commercial lenders to finance energy projects and authorizes local units of government to issue bonds, notes and other indebtedness. Act 270 authorizes the assessment of properties for the cost of the energy projects and provides for repayment to local governments through a voluntary property assessment. The property assessment remains with the property and has the same priority as other property tax and assessment liens in the event of foreclosure.

LAGM™ has developed a PACE Program that provides voluntary special assessments for certain energy efficiency improvements and renewable energy systems that are associated with real property.

The property eligibility requirements are as follows:

Property is privately owned commercial or industrial real property within the City of Royal Oak’s jurisdictional boundaries, which may be owned by any individual or private entity, whether for-profit or non-profit. MCL 460.933(g). Multi-family residential property is included in the definition of commercial property.

There are no delinquent taxes, special assessments, or water or sewer charges on the property. The Authorized Officials at their discretion may disqualify properties that although not currently delinquent, have been delinquent within six months of the application’s submission. MCL 460.941(2)(a).

There are no delinquent assessments on the property under a PACE Program. MCL 460.941(2)(b).

The term of assessment shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 25 years. Projects that consist of multiple energy efficiency improvements or renewable energy systems with varying lengths of useful life may blend the lengths to determine an overall assessment term that does not exceed the useful life of the improvements in aggregate. MCL 460.939(i).

An appropriate ratio must be determined for the amount of assessment in relation to the assessed value of the property. The ratio will be determined on a project-by-project basis by LEP and shall not exceed 25% of the State Equalized Value without written approval of the Authorized Officials. MCL 460.939(j).

Written consent from the mortgage holder must be obtained if the property is subject to a mortgage. MCL 460.939(k).

A baseline energy audit must be conducted for the property that is approved by LEP and the Authorized Officials. Such approval may be granted retroactively if the audit meets the standards of LEP. MCL 460.939(o).

For projects financed for more than \$250,000, a performance guarantee must be provided by the contractor(s) to guarantee a savings to investment ratio greater than one (1). MCL 460.939(p). The performance guarantee must meet the standards set by LEP.

For projects financed for more than \$250,000, an agreement to conduct annual energy and financial audits must be established with committed financial and logistical arrangements for ongoing verification and measurement of energy savings that meet standards set by LEP. MCL 460.939(p).

Bonds or notes issued under Act 270 shall **not** be general obligations of the local unit of government, but shall be secured by the voluntary assessments and other security mechanisms provided in the statute. MCL 460.945(2).

The applicant assumes all risk with respect to the implementation of a PACE Program in respect of the applicant's property. The City of Royal Oak is an accommodation party only, and is providing access to the PACE Program so as to enable property owners to make decisions regarding energy improvements to their property in a manner which allows the property owner to make the improvements in a cost-effective manner and for the property owner's benefit.

Energy projects that may be eligible for PACE assessments include, but are not limited to: equipment, devices, or materials intended to decrease energy consumption, including: insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems; storm windows and doors; multi-glazed windows and doors; heat-absorbing or heat-reflective glazed and coated window and door systems; and additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption; automated energy control systems; heating, ventilating, or air-conditioning and distribution system modifications or replacements; caulking, weather-stripping, and air sealing; replacement or modification of lighting fixtures to reduce the energy use of the lighting system; energy recovery systems; day lighting systems; installation or upgrade of electrical wiring or outlets to charge a motor vehicle that is fully or partially powered by electricity; measures to reduce the usage of water or increase the efficiency of water usage; any other installation or modification of equipment, devices, or materials approved as a utility cost-savings measure by the City Commission; and a fixture, product, device, or interacting group of fixtures, products, or devices on the customer's side of the meter that use one (1) or more renewable energy resources to generate electricity, but does not include an incinerator or digester.

Mail or deliver your application and attachments to:

Attention:

Program Administrator for City of Royal Oak PACE Program  
c/o Levin Energy Partners, LLC  
6895 Telegraph Road  
Bloomfield Hills, MI 48301

Applications and attachments may also be e-mailed to the Program Administrator through the webpage [www.levinenergypartners.com](http://www.levinenergypartners.com). For questions regarding the status of your application please contact the Program Administrator at 248.808.1420.



**Applicant Information**  
**(Use attachments as necessary)**

**1. Property Owner(s) Legal Name(s) (as they appear on property tax records)**

	Name	Parcel #
Owner 1	_____	_____
Owner 2	_____	_____
Owner 3	_____	_____

**2. Property Owner(s) Contact Information**

Name	Address	E-mail Address	Telephone #
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**3. Property Owner(s) Type**

Individual                       LLP                                       LLC  
 Corporation                       Other (please specify) \_\_\_\_\_

**4. Property Type (Check all that apply)**

**Commercial**

- Grocery/convenience store
- Health care/clinic
- Mixed use
- Multi-family unit (3 or more)
- Office
- Other - Please describe \_\_\_\_\_
- Retail
- Restaurant
- Recreational
- Warehouse

**Industrial**  
Please describe \_\_\_\_\_

**5. Property Addresses and Parcel Number**

Physical Property Address of Improvements

\_\_\_\_\_

Mailing Address (if different)

\_\_\_\_\_

Assessor's Parcel #

\_\_\_\_\_

**6. Balance of Any Mortgage(s):**

	Amount of Mortgage	Name of Mortgage Holder
First Mortgage	\$ _____	_____
Second Mortgage	\$ _____	_____
Other	\$ _____	_____
State Equalized Value (SEV)	\$ _____	
Requested assessment amount	\$ _____	

The lien to value ratio (*including* the mortgage, if any, and *excluding* the requested financing amount) cannot exceed 70% of two times the State Equalized Value.

Consent by mortgage holder(s) obtained, if subject to a mortgage. Please attach consent.

**7. Existing Liens Against Property** (tax, special assessment, water or sewer charges, etc.)

Amount	Type	End Date
\$ _____	_____	_____
\$ _____	_____	_____
\$ _____	_____	_____

**Total:** \$ \_\_\_\_\_

**8. Requested Assessment Amount**

Energy Project \$ \_\_\_\_\_

Energy Audit \$ \_\_\_\_\_

Engineering/Architect Plans \$ \_\_\_\_\_

Building Permit Fees \$ \_\_\_\_\_

Other (Please explain) \$ \_\_\_\_\_

**Total** \$ \_\_\_\_\_

The lien to value ratio (*including* the mortgage, if any, and *excluding* the requested financing amount) cannot exceed 70% of two times the State Equalized Value.

The assessment to assessed value ratio cannot exceed 25% of the State Equalized Value without written approval of the Authorized Officials.

**9. Requested Assessment Repayment Period** (Term may not exceed the lesser of the useful life of the energy project or 25 years.)

Term: \_\_\_\_\_ years

**10. Projects Over \$250,000**

Please attach details regarding provisions for ongoing measurements of energy savings and information regarding performance guarantees.

**11. Baseline Energy Audit**

Please attach the baseline energy audit performed on the property and all supporting documentation.

## PROGRAM ELIGIBILITY CHECKLIST

Property is privately owned commercial or industrial real property within the City of Royal Oak's jurisdictional boundaries, which may be owned by any individual or private entity, whether for-profit or non-profit. MCL 460.933(g). Multi-family residential property is included in the definition of commercial property.

There are no delinquent taxes, special assessments, or water or sewer charges on the property. The Authorized Officials at their discretion may disqualify properties that although not currently delinquent, have been delinquent within six months of the application's submission. MCL 460.941(2)(a).

There are no delinquent assessments on the property under a PACE program. MCL 460.941(2)(b).

The term of assessment shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 25 years. Projects that consist of multiple energy efficiency improvements or renewable energy systems with varying lengths of useful life may blend the lengths to determine an overall assessment term that does not exceed the useful life of the improvements in aggregate. MCL 460.939(i).

An appropriate ratio must be determined for the amount of assessment in relation to the assessed value of the property. The ratio will be determined on a project-by-project basis by LEP and shall not exceed 25% of the State Equalized Value without written approval of the Authorized Officials. MCL 460.939(j).

Written consent from the mortgage holder must be obtained if the property is subject to a mortgage. MCL 460.939(k).

A baseline energy audit must be conducted for the property that is approved by LEP and the Authorized Officials. Such approval may be granted retroactively if the audit meets the standards of LEP. MCL 460.939(o).

For projects financed for more than \$250,000, a performance guarantee must be provided by the contractor(s) to guarantee a savings to investment ratio greater than one (1). MCL 460.939(p). The performance guarantee must meet the standards set by LEP.

For projects financed for more than \$250,000, an agreement to conduct annual energy and financial audits must be established with committed financial and logistical arrangements for ongoing verification and measurement of energy savings that meet standards set by LEP. MCL 460.939(p).