


AGENDA ITEM NO.: 18
AGENDA DATE: 9/12/12

September 4, 2012

TO: City Council

FROM: Mayor Sam Abed 

SUBJECT: Council Agenda Item for September 12, 2012 Council Meeting

Request for Council Support of San Diego County's Development of Additional Property Assessed Clean Energy (PACE) Financing Programs, and authorization for the Mayor to send the attached letter to the County Board of Supervisors.

/jm
Attachment



Sam Abed
Mayor
201 North Broadway, Escondido, CA 92025
Phone: 760-839-4610 Fax: 760-839-4578

September 13, 2012

San Diego County Supervisor Pam Slater-Price
County Administration Center
1600 Pacific Highway, Room 335
San Diego, CA 92101

Dear Supervisor Slater-Price:

I am writing on behalf of the City of Escondido to request that the County of San Diego consider creating a Property Assessed Clean Energy (PACE) program funded via private capital.

As you may recall, in 2010, the City of Escondido, along with a number of other cities within the county opted in to a statewide program designed to implement a residential PACE program. That PACE financing plan, which became law in 2008, created special financing tools to help property owners install energy-efficiency, water, and renewable energy upgrades to their homes and businesses. Unfortunately, the statewide program did not have funding dedicated to the residential component and as a result, no upgrades have been completed.

At the City Council's September 12, 2012 Council meeting, the Council voted to request that the County explore the feasibility of creating a county-wide PACE program that would have the potential to improve the local economy by creating jobs, reducing property owner utility bills, increasing economic activity, and adding value to the region's building inventory. It is important that the County, on behalf of its 18 cities and the unincorporated areas, demonstrate leadership by making the program a reality. Attached is additional information as well as a market analysis for the North County cities along the SR-78 corridor.

PACE financing has enormous potential for the North County region in terms of job creation, economic stimulus and improving air quality. The City of Escondido respectfully requests that you support the implementation of a County-sponsored PACE financing program that will benefit the entire region.

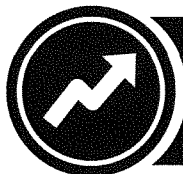
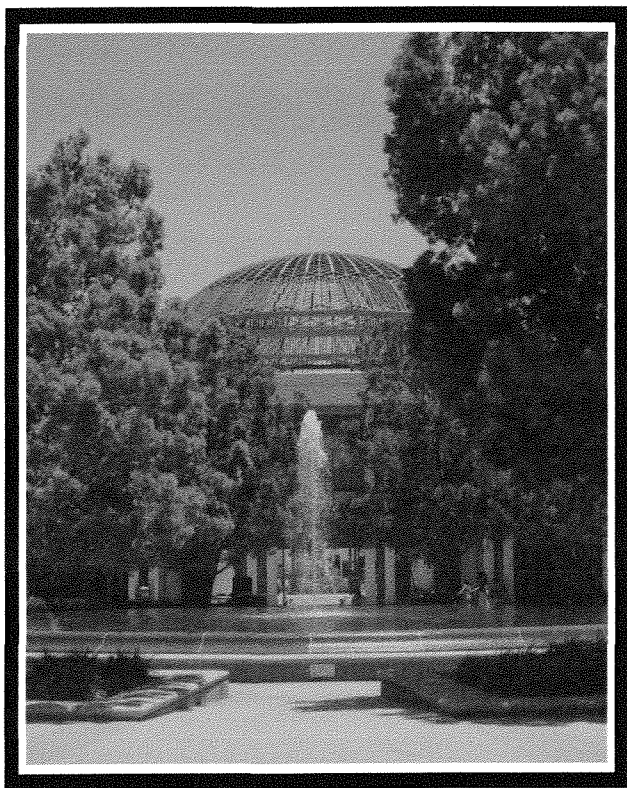
Sincerely,

Sam Abed
Mayor

/jm
Attachments

cc: City Council

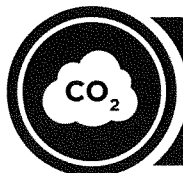
MAKE A DIFFERENCE FOR THE CITY OF ESCONDIDO WITH **CLEAN ENERGY SAN DIEGO**



**Generate \$209 million
in economic activity**



Create 1,200 new jobs



**Reduce carbon emissions by
10,000 metric tons of CO₂**



**Generate \$8 million in
state & local tax revenue**

Over the next five years, Clean Energy San Diego seeks to invest \$72 million in Escondido's local economy through a Property Assessed Clean Energy (PACE) District. That represents retrofitting just 3.5% of existing commercial and residential buildings with clean energy improvements in Escondido.

Clean Energy San Diego has the potential to generate measurable and meaningful economic and environmental outcomes: 29,000 new jobs, \$5.1 billion in economic activity and a tremendous reduction in carbon dioxide that contributes to global warming.

The fully-funded, turnkey solution offered exclusively by Ygrene is the only PACE program that can produce these outstanding results. We look forward to working with you to kick-start Escondido's economic growth and deliver immediate benefits to your stakeholders.

Calculations based on ECONorthwest Economic Impact Analysis, April 2011



MARKET ANALYSIS

San Diego North County

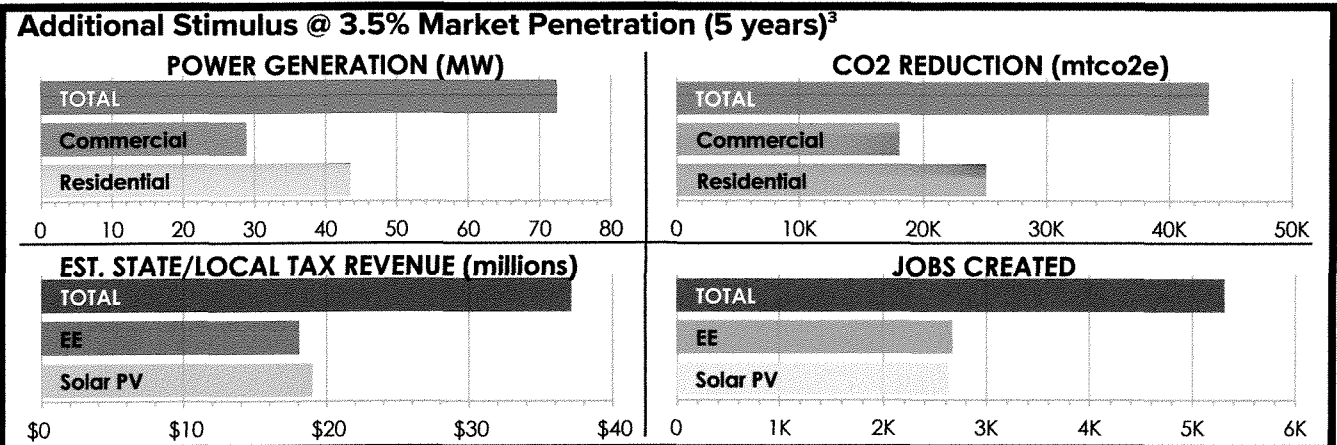
Population (2010 Census)	609,949
Cities	Carlsbad, CA Escondido, CA Oceanside, CA San Marcos, CA Vista, CA
Public Electric Utility	San Diego Gas & Electric
State RPS	33% by 2020
Est. Annual GHG Emissions ¹	7,990,332 mtCO ₂ e



Residential		Commercial ²	
# Occupied Housing Units	126,886	# Buildings	13,215
Median Home Value	\$417,700	Total Area	137,848,474 sq ft
% Homes with Mortgage	78%		

Total Market		# Projects	Project Value
Residential	126,886	\$	7,011,287,596
Commercial	13,215	\$	3,041,606,796
Project Total	140,101	\$	10,052,894,392

Market Scenarios (5 years)		1.3% (SCEIP)	3.5%	7%
Market Penetration				
Residential	\$	76,201,099	\$ 245,395,066	\$ 490,790,132
Commercial	\$	50,934,153	\$ 106,456,238	\$ 212,912,476
Project Total	\$	127,135,252	\$ 351,851,304	\$ 703,702,607
Economic Output	\$	336,518,176	\$ 931,325,947	\$ 1,862,651,895



¹Emissions based on state mtCO₂e per capita value from the World Resources Institute's Climate Analysis Indicator Tool (CAIT)

²Commercial est. based on population, ft²/person multiplier supplied by Pike/CoStar, and avg. building size of 14,900 ft²

³Charts based on investment multiplier contained in ECONorthwest's report entitled "Economic Impact Analysis of Property Assessed Clean Energy Programs (PACE)" that utilizes the IMPLAN economic model to estimate total economic impact SCEIP data based on Sonoma County projects from 9/2009 to 5/2011 and scaled to target market size and makeup

Sources: US Census Bureau, US Environmental Protection Agency, Pike Research, CoStar Group, City-data.com, Sonoma County Energy Independence Program (SCEIP), World Resources Institute, ECONorthwest