

PACE FINANCING PROCESS OUTLINE

Step 1. Initiating project authorization

- a. Property owner must submit a petition and plan that:
 - i. Describe the energy special improvement project to be completed.
 - ii. Set forth the special assessments requested in order to pay the costs of the project.
 - iii. Request that the city, village or township in which the project is located levy the special assessments on the property.
- b. Both the city, village or township in which the project is located and an existing or created energy special improvement district (ESID) in that jurisdiction must approve the project.

Step 2. Levying special assessments

- c. The legislative authority of the local jurisdiction that approved the project must pass legislation to levy the special assessments.
- d. The form and content of the legislation is determined by referring to Ohio law and any relevant city or village charter provisions.
- e. Once passed, the legislation must be certified to the county auditor. If certified, the special assessments will be collected with real property tax bills.

Step 3. Drafting agreements regarding special assessments

- f. Like other forms of financing, agreements are necessary to describe certain obligations and relationships of the parties.
- g. These agreements typically involve a mechanism for transferring the special assessments to the capital provider.
- h. These agreements should also contain provisions regarding disbursement of loan proceeds, construction and maintenance of the project, continuing financial obligations and the foreclosure process in the event the property owner does not pay the special assessments.

For more information, contact Bricker & Eckler's PACE attorneys in the Public Finance group:



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