

# Property Assessed Clean Energy (PACE): Will Gruber (Pulaski County) Brownfield Presentation



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12/01/2017

Harbor Environmental and Pulaski County, Arkansas jointly sponsored a November 15th seminar held in North Little Rock, Arkansas addressing a variety of Arkansas Brownfield issues ([see previous blog post here](#)).

Will Gruber, an attorney in the Pulaski County, Arkansas Legal Department, undertook a presentation titled:

## *Property Assessed Clean Energy (“Presentation”)*

Property Assessed Clean Energy (“PACE”) financing programs provide local governments the ability to finance energy efficiency, water conservation, and/or renewable energy projects. This is facilitated by allowing building owners to make payments through property tax assessments.

The programs often allow participants to finance energy efficiency projects through property assessments that last the functional life of a project (typically ranging from 5 to 20 years). Investment by building owners in the installation of such systems has traditionally been problematic because of their reluctance to assume traditional debt.

PACE enabling legislation has been authorized in 33 states and Washington D.C.

Arkansas adopted enabling legislation several years ago (i.e., Arkansas Property Assessed Clean Energy Act).

A number of Arkansas communities have passed ordinances authorizing the creation of Energy Efficiency Improvement Districts (“Districts”). The Districts provide funding for energy efficiency improvement, renewable energy, and water conservation projects by owners of commercial real estate.

Mr. Gruber’s Presentation provided an analysis of the 2013 legislation that created the Arkansas PACE program. He noted that the Arkansas PACE legislation uses a similar approach that has enabled the financing of roads, levees, sewers, and drainage districts.

The Presentation included a discussion of Districts implementing PACE programs in Arkansas which include:

- Little Rock
- Fayetteville
- Springdale

Pulaski County’s PACE jurisdiction is stated to be county wide and include property owners such as:

- Industrial
- Commercial
- Agricultural
- Multi-Family Residential (greater than 4 units)

Mr. Gruber also noted that a PACE review involves a limited credit analysis and instead focuses on primarily on:

- Energy Savings
- Positive History of Tax Payments
- No Foreclosures/Bankruptcy in the Recent Past
- Equity Availability in Property

Also described were:

- Third Party Administrator Responsibilities which include:
- Project Development
- Program Marketing
- Shepherding Projects
- Contractor Training
- Presentation to Board for Approval

A key to PACE long-term financing was described as:

- Up to 20 Years
- Weighted Life of Improvements
- Allowing for Lower Annual Payment than Traditional Bank Loans

Other key points also included:

- Who Can Finance? (Almost anyone)
- Annual Payments Made as Property Tax Assessment
- Lien Stays with Property When it is Sold

Mr. Gruber noted that in terms of Brownfields in the context of PACE:

“If you’re a property owner and you have a building that has environmental hazards that necessitate remediation, then there are likely going to be outdated systems that need to be updated, i.e., HVAC, windows, roof, water conservation – if land is contaminated, could clean and then install solar panels.”

Mr. Gruber’s contact information is [wigruber@pulaskicounty.net](mailto:wigruber@pulaskicounty.net), phone 501-34-8285.

[The slides from Mr. Gruber’s Presentation can be downloaded here.](#)