



Municipal Implementation for PACE Betterment Assessment

MassDevelopment is the lead program administrator for the PACE Massachusetts financing program which was launched in August 2020. Your municipality voted to opt-in to allow the Municipality's participation in the PACE program for commercial and industrial property owners located in the Municipality.

MassDevelopment has contracted with MuniCap, Inc as its Betterment Assessment Consultant to assist with the related assessment and billing requirements and procedures needed for each municipality to participate in a PACE financing. MassDevelopment and MuniCap are reaching out to you in advance of the first PACE financing in your municipality to begin the process to determine how to best add the PACE betterment assessment to your municipal property tax bill. We understand the implementation process for each municipality may vary based on internal processes and will work with you to understand the Municipality's specific requirements.

On the next page is a general outline of steps specifically related to the Municipality's role in the PACE program. Additional information regarding the general guidelines and responsibilities can be found in the Municipal Assessment and Assignment Agreement template (Appendix G – PACE Massachusetts Guidelines) which is downloadable at www.massdevelopment.com/PACE

Municipal Actions for PACE Setup and Financing Closing

1. **Municipality** opts into PACE program
 - a. Vote by City/Town Council/Board of Selectmen using MassDevelopment PACE resolution
 - i. Certified copy of PACE resolution sent to MassDevelopment
2. PACE Questionnaire
 - a. **Municipality** completes to best of their knowledge
 - b. MuniCap uses information to determine assessment setup
 - c. MuniCap test runs PACE process with **Municipality**
3. MassDevelopment communicates to host **Municipality** it has received an application for potential PACE project
4. MassDevelopment notifies **Municipality** if PACE project is approved by MassDevelopment and DOER
5. MassDevelopment provides **Municipality** draft of Municipal Assessment and Assignment Agreement (MAA Agreement)
 - a. **Municipality** reviews agreement
 - b. **Municipality** and MassDevelopment sign MAA Agreement, one-time

For each Project

- a. **Municipality** receives and acknowledges receipt of the Preliminary Notice (Exhibit A)
 - b. **Municipality** receives Final Notice (Exhibit B)
6. At Closing:
 - a. **Municipality** receives and signs the Statement of PACE Betterment Assessment (Exhibit C) and Assignment (Exhibit D) at closing
 - b. **Municipality** levies PACE betterment assessment and records PACE Lien on property*
 - c. **Municipality** signs Exhibit D assigning PACE lien to MassDevelopment*
 - d. MassDevelopment assigns PACE lien to project's Capital Provider

*MassDevelopment program counsel will coordinate recording the lien and assignment.

7. **Municipality** bills and collects PACE assessments and disburses amounts collected to MassDevelopment's paying agent (Zions Bank) in accordance with MAA Agreement
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Vote/Resolution Authorizing the City/Town of _____ to Participate in the Massachusetts Commercial Property Assessed Clean Energy Program (PACE Massachusetts)

WHEREAS, pursuant to M.G.L. c. 23M, as amended (the “PACE Act”), the Commonwealth has established a commercial sustainable energy program known as the Massachusetts Property Assessed Clean Energy Program (“PACE Massachusetts”) to provide a financing mechanism (“PACE financing”) to private owners of commercial and industrial properties for certain qualifying commercial energy improvements (“improvements”); and

WHEREAS, pursuant to the PACE Act, PACE Massachusetts is administered by the Massachusetts Development Finance Agency (“MassDevelopment”), in consultation with the Massachusetts Department of Energy Resources; and

WHEREAS, under PACE Massachusetts, the owner of the commercial or industrial property benefitting from the improvements (the “benefitted property”) is required to repay the PACE financing through the payment of a betterment assessment (a “PACE betterment assessment”) placed on such benefitted property by the municipality in which the benefitted property is located; and

WHEREAS, in order for an owner of commercial or industrial property to participate in PACE Massachusetts, Section 2 of the PACE Act requires that the municipality in which such property is located must elect to participate in PACE Massachusetts; and

WHEREAS, the City/Town of _____ (the “Municipality”) has determined that it is in the best interest of the Municipality to participate in PACE Massachusetts as a “participating municipality,” as provided in the PACE Act, to permit the owners of commercial and industrial properties located in the Municipality to access PACE financing for qualifying commercial energy improvements through PACE Massachusetts;

WHEREAS, NOW THEREFORE, BE IT [VOTED/RESOLVED], as follows:

The [City Council of the City of _____ [with the approval of the Mayor]] [the Board of Selectmen/Town Council of the Town of _____] hereby approves the Municipality participating in PACE Massachusetts pursuant to the PACE Act, and authorizes the [Mayor/Town Manager] to enter into a PACE Massachusetts Municipal Assessment and Assignment Agreement (the “Agreement”) with MassDevelopment, pursuant to which the Municipality will agree to (i) levy PACE betterment assessments and impose PACE betterment assessment liens on benefitted properties located in the Municipality, in the amounts determined by MassDevelopment to be sufficient to repay the PACE financing, (ii) assign the PACE betterment assessment liens to MassDevelopment, which MassDevelopment may in turn assign to the providers of the PACE financing (each a “capital provider”), as collateral for such PACE financing, (iii) include on the property tax bills for the benefitted properties the installment payments necessary to repay the PACE betterment assessments, in the amounts and at the times as determined by MassDevelopment, (iv) collect and pay over to MassDevelopment or its designee, the PACE betterment assessment installment payments, as and when collected, and (v) enforce, to the extent required by the Agreement, the PACE betterment assessments and liens; the Agreement to be substantially in the form presented to this meeting, with such changes, modifications and insertions as the [Mayor/Town Manager] may approve as being in the best interest of the Municipality. The Collector Treasurer of the City/Town or such other City/Town agency as may be designated in the Agreement is authorized to levy such PACE betterment assessments and impose the PACE betterment assessment liens on behalf of the City/Town without further authorization by this legislative body.

Notwithstanding any other provision of law to the contrary, officers and officials of the Municipality, including, without limitation, municipal tax assessors and tax collectors, are not personally liable to MassDevelopment or to any other person for claims, of whatever kind or nature, under or related to PACE Massachusetts, including, without limitation, claims for or related to uncollected PACE betterment assessments. Other than fulfillment of the obligations specified in the Agreement, the Municipality has no liability to the owner of the benefitted property or to any capital provider related to the Municipality’s participation in PACE Massachusetts.

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