

# Saint Paul Port Authority



2016 ENERGY DESIGN CONFERENCE  
February 24, 2016

# Continuing Education Credits

In accordance with the Department of Labor and Industry's statute 326.0981, Subd. 11,

“This educational offering is recognized by the Minnesota Department of Labor and Industry as satisfying **1.5 hours** of credit toward **Building Officials and Residential Contractors** continuing education requirements.”

For additional continuing education approvals, please see your credit tracking card.

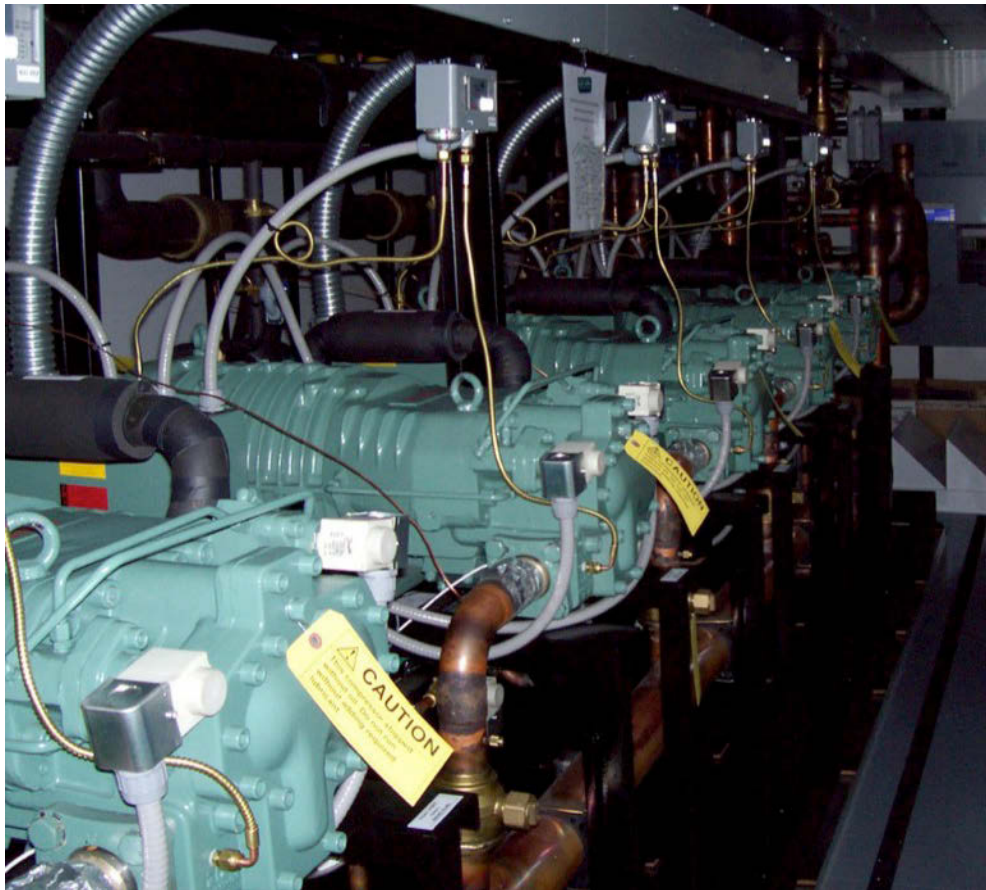
# Programs

- Trillion BTU (TBTU)
- Property Assessed Clean Energy (PACE)
- Energy Savings Partnership (ESP)
- Anaerobic Digestion Facilities (AD)

# Trillion BTU Results

- 100 Projects
- \$50,000,000 of Project Costs
- \$15,000,000 of ARRA Funds
- \$10,000,000 Annual Savings
- 300,000,000,000 BTUs Saved Annually
- 750 Jobs Retained / Created
- 550 Construction Jobs Created

# Example 1: J&J Distributing



Central Refrigeration System

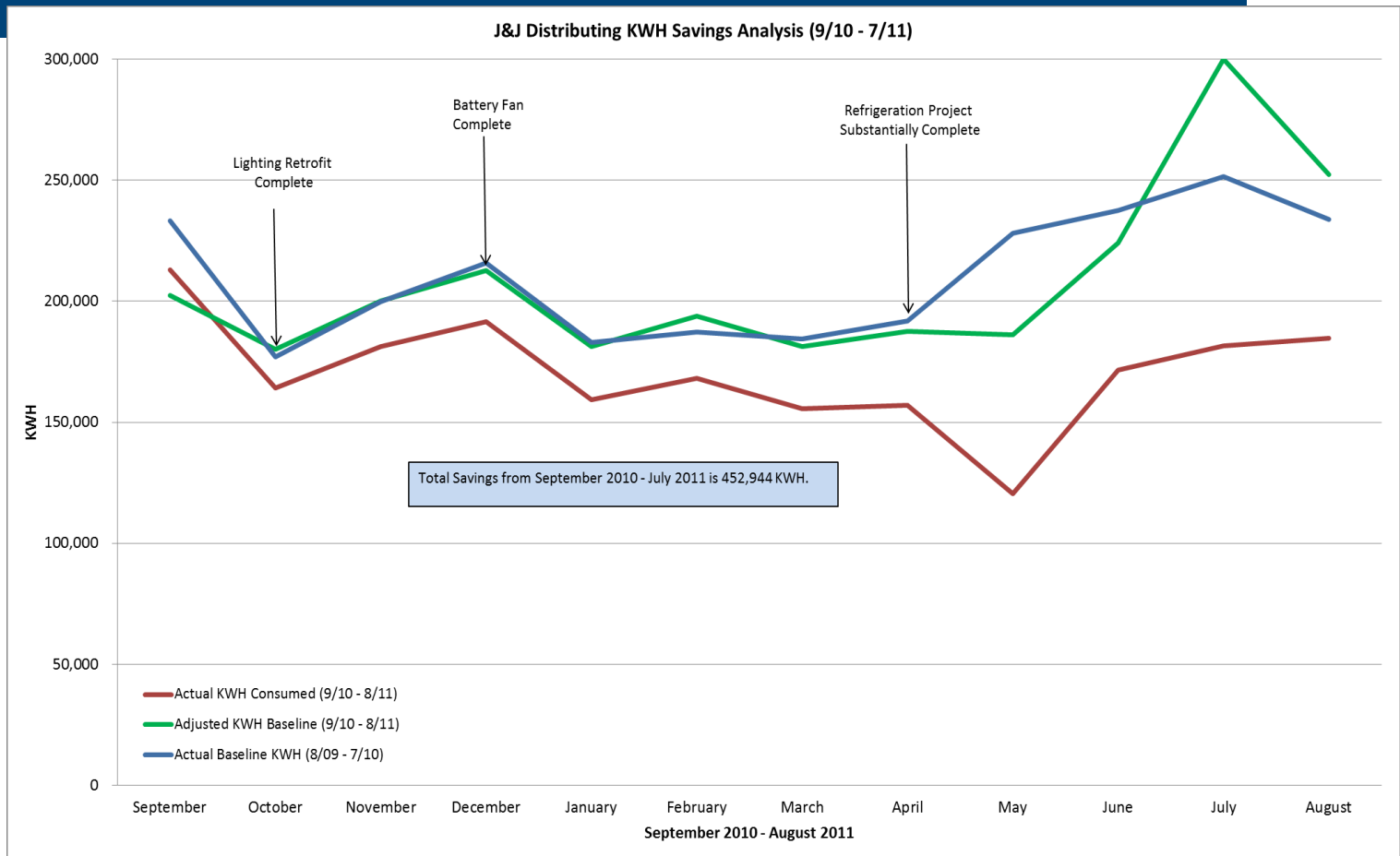
\$ 1,395,269. Project Cost

40% Energy Reduction

8 union pipefitters on-site

Future Expansion

# J&J Distributing





# J&J Distributing



## Example 2: Pier Foundry





# Pier Foundry

- Installation of a new furnace - \$1,500,000
  - Xcel energy rebate - \$400,000
  - Trillion fund - \$1,100,000
- Monthly energy savings - \$21,000
- Monthly loan payment - \$20,000
- Monthly positive cash flow - \$1,000
- Start-up went from 8 hours to 20 minutes
- Capacity doubled as well as workforce

# Example 3: Science Museum of MN



# SCIENCE MUSEUM OF MINNESOTA

## Large Museum Building:

- \$1.5 million Trillion Fund loan to install a heat recovery system that is expected to cut energy costs by 80%
  - Xcel Energy Rebate – \$250,000
  - Trillion Fund – \$750,000
  - Corporate Grants – \$500,000
- Monthly Energy And Operating Savings – \$17,000
- Monthly Loan Payment – \$13,000
- Monthly Positive Cash Flow – \$4,000

# PACE OF MINNESOTA

- State Wide
- Requires Lender Consent
- Niches:
  - ▶ Renewable Energy
  - ▶ Multi-Tenant Buildings
  - ▶ Not-for-Profits
- Interest Rates from 4% to 7%, Depending on Term

# PACE HOST CITY/COUNTY CONCERNS

- Financial Risk:
  - No Financial Risk Per Statute
  
- Time Commitment:
  - One-time Action for Joint Powers Agreement
  - Process Payments Twice Each Year
  - Tax-Forfeiture Process By County, if Needed
  
- Special Assessment Process:
  - Not Controversial – Requested by Owner
  - Feel Good Vote – Helping Owner
  
- Why the Saint Paul Port Authority
  - Department of Commerce Request

# SAINT PAUL PORT AUTHORITY PACE JOINT POWERS AGMTS.

## Executed JPAs

Becker County

Beltrami County

Bridgewater Township

Carlton County

Carver County

Chippewa County

Cottage Grove

Cottonwood County

Duluth

Eagan

Eden Prairie

Edina

Falcon Heights

Hopkins

Houston County

Kandiyohi County

Mankato

Meeker County

Minneapolis

Minnetonka

Mountain Iron

Oakdale

Olmsted County

Ramsey County

Roseville

St. Louis Park

Saint Paul

Scott County

Sherburne County

Stearns County

Washington County

Wright County



# SAINT PAUL PORT AUTHORITY PACE JOINT POWERS AGMTS.

## Pending JPAs

Blaine

Big Stone County

Cook County

Fillmore County

Goodhue County

Hennepin County

Morris

Pine City

Red Wing

Renville County

Rice County

Rochester

Saint Cloud

Sibley County

St. Louis County

Wabasha County

Wilkin County

Winona County

# SAINT PAUL PORT AUTHORITY APPROVED PACE SOLAR PROJECTS

		<u>Kw</u>	<u>Project Cost</u>	<u>PACE/TBTU Financing</u>	<u>Annual Savings</u>
Crankshaft Supply Co.	Minneapolis	40	\$ 180,000	\$ 55,000	\$ 5,000
Greenway Office	Minneapolis	80	506,000	100,000	10,000
Buffie Chiropractic	Rockford	40	250,000	49,000	5,000
Meyer's Cozy Corner Campground	Richmond	40	135,000	135,000	5,000
Water Street Inn	Stillwater	40	210,000	160,000	5,000
Cover Park Manor	Oak Park Hts.	10	52,000	40,000	1,000
Carver County Commercial Prop.	Cologne	7	37,000	37,000	800
Jordan Seeds	Woodbury	40	140,000	112,000	5,000
St. Christopher's Episcopal Church	Roseville	30	119,000	119,000	3,750

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# SAINT PAUL PORT AUTHORITY APPROVED PACE SOLAR PROJECTS

		<u>Kw</u>	<u>Project Cost</u>	<u>PACE/TBTU Financing</u>	<u>Annual Savings</u>
World Imports	Eden Prairie	40	\$ 171,000	\$ 171,000	\$ 5,000
RJFK Media Prod.	Saint Paul	12	57,000	57,000	1,500
Encaustic, LLC	Minneapolis	31	165,000	113,000	5,000
P & E Peterson	Dassel	40	174,000	174,000	9,000
W & G Klassen	Mountain Lake	40	174,000	150,000	9,000
Meyers Cozy Corner Campground - 2	Richmond	40	210,000	210,000	10,000
Precision Fiberglass	Grove City	80	248,000	248,000	10,000
Bork Lumber	Paynesville	20	93,000	93,000	4,000
Playschool Childcare	Maplewood	20	75,000	75,000	4,000
R & M Olson	Cologne	40	186,000	186,000	9,000
Tubman	Minneapolis	<u>80</u>	<u>200,000</u>	<u>200,000</u>	<u>18,000</u>
Totals		770	\$3,382,000	\$2,484,000	\$125,050

# SAINT PAUL PORT AUTHORITY APPROVED EFFICIENCY PROJECTS

		<u>MMBTUs</u>	<u>PACE/TBTU Financing</u>	<u>Annual Savings</u>
Excellen	Minneapolis	750	\$ 223,000	\$ 25,000
Longfellow Market	Minneapolis	800	270,000	30,000
Miller Hill Mall	Duluth	2,200	700,000	100,000
Mankato Col. Manor	Mankato	50	184,000	7,000
Into the Mystic	Minneapolis	200	340,000	17,000
Brave New Workshop	Minneapolis	250	350,000	20,000
J&J Distributing	St. Paul	5,000	950,000	150,000
One Southwest X-ing	Eden Prairie	3,000	1,200,000	150,000

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# SAINT PAUL PORT AUTHORITY APPROVED EFFICIENCY PROJECTS

		<u>MMBTUs</u>	PACE/TBTU <u>Financing</u>	Annual <u>Savings</u>
Tubman	Mpls/St. Paul	1,050	\$ 223,000	\$ 30,000
First Bank Building	St. Paul	12,000	6,800,000	500,000
MN Cameroon Cmty	St. Paul	500	150,000	30,000
Shattuck-St. Mary's	Faribault	10,000	3,000,000	400,000
861 E Hennepin Ave.	Minneapolis	<u>350</u>	<u>175,000</u>	<u>20,000</u>
Totals		36,150	\$14,565,000	\$1,479,000

# PACE – OPEN ISSUES

- Lender Consent
  - ▶ Even California Programs Require It
- Off-Balance Sheet Financing
  - ▶ CPA and Building Owner Determine Treatment
  - ▶ CPAs are Becoming More Stringent
- Assessment Stays With Property
  - ▶ Future Mortgagee Will Determine



# Energy Savings Partnership

- Local Government Buildings – Not State
- Cities, Counties, School Districts, etc.
- Energy Efficiency and Renewables
- \$2M LLR with U.S. Trust
- Niche: Projects Under \$3M  
G.O. Pledge Unavailable

# Energy Savings Partnership

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- Guaranteed Energy Savings Partnership - GESP
  - Department of Commerce

# Energy Savings Partnership - Financing

Lessor: US Bancorp Government Leasing and Finance, Inc.

Lessee: Wabasha Kellogg ISD 811

Equipment: Energy Retrofit

Closed: February, 2016

Proposed Structure and Payment Options:

<u>Cost</u>	<u>Interest Rate</u>	<u>Payment</u>	<u>Term</u>	<u>Pmts/Yr</u>	<u>Adv/Arr</u>
\$623,825.00	3.06%	\$54,482.73	15 yrs.	1	Arrears

# Energy Savings Partnership - Financing

Lessor: US Bancorp Government Leasing and Finance, Inc.

Lessee: Gibbons Fairview Winthrop ISD 2365

Equipment: Energy Retrofit

Closed: February, 2016

Proposed Structure and Payment Options:

<u>Cost</u>	<u>Interest Rate</u>	<u>Payment</u>	<u>Term</u>	<u>Pmts/Yr</u>	<u>Adv/Arr</u>
\$896,828.00	3.06%	\$75,450.62	15 yrs.	1	Arrears

# Energy Savings Partnership - Financing

Lessor: US Bancorp Government Leasing and Finance, Inc.

Lessee: City of Mounds View

Equipment: 80kw Solar Installation and Energy Retrofit

Closed: February 23, 2015

Proposed Structure and Payment Options:

<u>Cost</u>	<u>Interest Rate</u>	<u>Payment</u>	<u>Term</u>	<u>Pmts/Yr</u>	<u>Adv/Arr</u>
\$874,964.00	2.99%	\$7,238.73	12 yrs.	12	Arrears