



BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: August 5, 2014

ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS:

There is no contract involved with this resolution.

The resolution provides for the Board of Supervisors of Pima County, Arizona to allocate 1,750,000.00 dollars of the County's QECB volume cap allocation to the Northwest Fire District of Pima County subject to conditions A. through D. of the resolution.

This allocation is irrevocable once bonds or other obligations are issued that utilize this allocation.

The County Administrator or his designee is authorized to take action and execute any agreements or certificates necessary to carry out the intent of this resolution.

This agreement has no expenditure or revenue.

There are no statutory requirements.

The Qualified Energy Construction Bond is a tax credit from the IRS that offsets the cost of debt financing (interest) to the entity that is doing the project. In this case, NWFD will enter into a standard Lease Purchase Agreement with a Bank and the Principal Payment and a portion of the Interest Payment will be made by NWFD. The remainder of the Interest Payment will be made from the IRS to the Bank in the form of a Tax Credit.

No funds or transactions will go through Pima County. The Resolution and allocation of the QECB amount to NWFD is the only involvement required by the County.

CONTRACT NUMBER (if applicable):

STAFF RECOMMENDATION(S): Recommend that the resolution pass

CORPORATE HEADQUARTERS:

CLERK OF BOARD USE ONLY: BOS MTG. _____

ITEM NO. _____

PIMA COUNTY COST: 0 and/or REVENUE TO PIMA COUNTY: \$0

FUNDING SOURCE(S): N/A

(i.e. General Fund, State Grant Fund, Federal Fund, Stadium D. Fund, etc.)

Advertised Public Hearing:

		YES	X	NO
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Board of Supervisors District:

1		2		3		4		5		All	X
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IMPACT:

IF APPROVED: 1,750,000.00 dollars of Pima Countys' 4.6 million dollar Qualified Energy Conservation Bonds will be allocated to Northwest Fire District for energy conservation projects.

IF DENIED: Northwest Fire District will not be able to finance energy conservation projects.

DEPARTMENT NAME:

CONTACT PERSON: MARC LYNN

TELEPHONE NO.: 724-3093



May 14, 2014

Ms. Nicole Fyffe
Pima County Administrator's Office
110 W. Congress Street, 10th Floor
Tucson, AZ 85701

RE: Reallocation of QECBs to the Northwest Fire District

Ms. Fyffe:

In reference to our call today, Ameresco, Inc. is an energy services company and we have developed a project with the Northwest Fire District (NWFD) in Pima County. The project is an energy improvement project which includes solar electricity and lighting improvements.

Pima County has an allocation in a financing tool called the Qualified Energy Conservation Bonds (QECBs) program. This program is a federal incentive that reduces the interest cost of a qualifying project. The project for the NWFD will qualify for the program. The County could transfer a portion of the allocation to NWFD with the passage of a resolution. Ameresco has assisted clients transfer an allocation from the county level to another municipal entity within that county in Arizona on 3 separate projects. Pinal County reallocated their QECB capacity to the City of Casa Grande, for instance.

The QECB incentive is not a grant, it is a financing incentive. In Arizona, and across the nation, we have found that this incentive was not lucrative enough for a recipient municipality to go out and develop a project because they received an allocation. Therefore, we have found unused allocations in many states.

If Pima County were to consider reallocating their QECB capacity for use by NWFD any costs would be covered by the project, furthermore NWFD could agree to indemnify the County from any future involvement with the financing. Once the resolution is passed there should be no further obligation or involvement by the County in regards to the QECB program.

We have attached a sample resolution for your review. The NWFD project is just under \$1.75 million and the allocation to Pima County is \$4,632,571. Please contact me with any questions.

Sincerely,

Tim Farkas
Finance Manager - Ameresco, Inc.
tfarkas@ameresco.com
(702) 446-1281

RESOLUTION NO. ____

RESOLUTION REALLOCATING A PORTION OF PIMA COUNTY'S ALLOCATION OF QUALIFIED ENERGY CONSERVATION BONDS TO NORTHWEST FIRE DISTRICT

The Pima County Board of Supervisors finds as follows:

- A. On February 17, 2009, the President of the United States signed into law the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 Stat. 115 2009 ("*ARRA*").
- B. *ARRA* authorizes state and local governments to issue Qualified Energy Conservation Bonds ("*QECBs*"), caps the amount of *QECBs* that may be issued, and provides a method of allocating the cap to the various states and the large local governments within those states.
- C. The Governor of Arizona issued Executive Order 2009-12 that designated oversight of the *QECB* program in Arizona to the Arizona Department of Commerce, which has allocated approximately \$4.6 million of the State's volume cap to Pima County, Arizona (the "*County*").
- D. The County may use such allocation for qualified conservation purposes or may reallocate all or a portion of such allocation to a local governmental entity located within the geographical boundaries of the County.
- E. Northwest Fire District of Pima County, Arizona (the "*Fire District*") has requested the County to reallocate \$1,750,000 of its volume cap allocation to the Fire District so that the Fire District can issue *QECBs* and use the proceeds for qualified conservation purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE PIMA COUNTY BOARD OF SUPERVISORS AS FOLLOWS:

1. The Board of Supervisors of Pima County, Arizona hereby allocates \$1,750,000 of the County's *QECB* volume cap allocation to the Fire District, subject, however, to the following conditions:
 - A. The County receives an opinion from a nationally recognized bond counsel to the effect that this is a legal and valid allocation, that the County has taken all steps necessary to make the allocation, that the Fire District is eligible to receive the allocation, that the purpose for which the Fire District intends to issue the *QECBs* is a "qualified conservation purpose" under *ARRA*, and that the *QECBs* to be issued by the Fire District are not private activity bonds.
 - B. The Fire District and the County enter into an agreement that, to the extent permitted by law, the Fire District will defend and hold the County harmless from and against any and all claims arising out of or related to this allocation to the Fire District or the Fire District's issuance of bonds or other obligations intended to qualify as *QECBs* pursuant to this allocation, including any claim brought by any holder of such a bond or obligation.
 - C. The Fire District reimburses the County for all outside legal and other expenses incurred by the County with respect to this Resolution and the allocation to the Fire District.
 - D. A nationally recognized bond counsel, acting on behalf of the Fire District, approves this Resolution.

2. This allocation will be irrevocable once bonds or other obligations are issued that utilize this allocation.
3. The County Administrator or his designee is authorized to take any actions and execute any agreements or certificates necessary to carry out the intent of this resolution.

ADOPTED AND APPROVED this ____ day of _____, 2014.

Chair, Board of Supervisors, Pima County, Arizona

**APPROVED:
NORTHWEST FIRE DISTRICT OF PIMA
COUNTY, ARIZONA**

By: _____
Its: _____

ATTEST:

Clerk, Board of Supervisors, Pima
County, Arizona

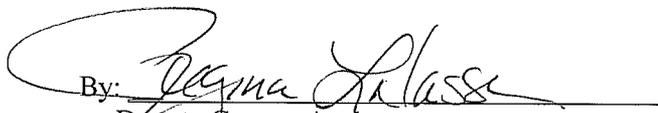
APPROVED AS TO FORM:

GUST ROSENFELD, P.L.C.

By: 
Bond Counsel

APPROVED AS TO FORM:

PIMA COUNTY ATTORNEY'S OFFICE

By: 
Deputy County Attorney
REGINA NASSEN