



AGENDA MEMORANDUM

City Manager

City Council Regular Meeting Date: July 30, 2025

To: City Council
From: Dana A. Souza, City Manager
Date: July 23, 2025

SUBJECT: Consideration of Resolution 25-021 to authorize the Florida Development Finance Corporation (FDFC) Commercial Property Assessed Clean Energy (C-PACE) Program in Sanibel

BACKGROUND:

The PACE Act is codified in Section 163.08, Florida Statutes, and creates a mechanism for local governments to provide for the financing of certain qualifying improvements to real property. The implementation of a Commercial Property Assessed Clean Energy (C-PACE) program involves two primary functions: 1) the ability to issue debt to provide funding for qualifying improvements, and 2) the ability to collect the costs associated with the financing through the levy of voluntary, property owner requested special assessments against their improved real property, all in accordance with the procedures set forth in Chapter 197, Florida Statutes, and in particular Section 197.3632, Florida Statutes (the "Uniform Assessment Collection Act").

When the PACE Act was adopted, Florida Development Finance Corporation's (FDFC) enabling act was amended to authorize FDFC to issue debt to fund PACE projects throughout the State (Section 288.9606(6)(c), Florida Statutes). The FDFC does not, however, constitute a "local government" under the PACE Act for the purpose of imposing Voluntary Assessments. Therefore, the Florida Resiliency and Energy District (FRED) was created by interlocal agreement, as a separate legal entity in accordance with Section 163.01(7), Florida Statutes, and in that capacity, has the authority to levy Voluntary Assessments in furtherance of the PACE Act.

The Interlocal Agreement provides that FDFC will provide the turn-key financial and administrative services for the C-PACE program. FDFC is designated as FRED's agent for purposes of program administration and executing agreements on behalf of FRED, while utilizing its legislative authority to provide, authorize and issue revenue bonds and other debt instruments, to finance qualifying improvements.

Sanibel is and shall remain a barrier island sanctuary

FRED's duties include acts which are necessary to ensure assessments are properly levied in accordance with the Uniform Assessment Collection Act. 's role, in turn, encompasses all other administrative and financing activities associated with the operation of the C-PACE program.

The City has been approached by a local business seeking financing through the FDFC C-PACE program and is requesting that the City authorize participation in the program to support local businesses in recovering from the impacts of Hurricane Ian.

If the City elects to authorize the FDFC PACE program to be offered within its jurisdiction, the City Council must adopt a Resolution 25-021. This resolution authorizes the City of Sanibel to enter into a Limited Purpose Party Membership Agreement (LPPMA) with FRED, enabling commercial property owners in Sanibel to access to the FDFC C-PACE program. Through the LPPMA, the City would become a Limited Member of FRED. The agreement is included in the agenda packet for this item.

Numerous jurisdictions throughout Florida, including the cities of Fort Myers, Cape Coral, Bonita Springs, and the Village of Estero, have already opted into C-PACE by approving similar resolutions to allow C-PACE providers to offer financing within those jurisdictions. The agreements for the cities of Bonita Springs and Fort Myers are included in the agenda packet.

BENEFITS:

- Offers an additional financing tool to support storm recovery efforts.
- Promotes investment in resilient, energy-efficient, and sustainable infrastructure.
- Enhances property values while reducing energy and operational expenses.
- Can be used for both new construction and upgrades to existing buildings.

Should the City Council approve Resolution 25-021, the City of Sanibel will have no financial obligation or liability to any property owner seeking or receiving funding through the C-PACE financing program, FRED, or FDFC.

Ryan Bartkus, Senior Director of FDFC will attend the City Council meeting to provide background information on C-PACE and answer questions from City Councilmembers

FUNDING SOURCE: N/A

RECOMMENDED ACTION: Consider approval of Resolution 25-021.