



## **REPORT AND RECOMMENDATIONS**

### **FINANCE COMMITTEE**

**WEDNESDAY, NOVEMBER 15, 2023**

**8:00 AM**

**FIRST FLOOR CONFERENCE ROOM**

**107 NORTH KENT STREET**

**WINCHESTER, VA 22601**

### **ATTENDEES** –

Committee Members Present: Judith McCann-Slaughter, Chairman; Blaine Dunn; Gary Oates; and Angela Wiseman. Non-voting liaisons Seth Thatcher, Commissioner of the Revenue and William Orndoff, Treasurer.

Committee Members Absent: Charles DeHaven and Jeffrey Boppe.

Staff present: Cheryl Shiffler, Finance Director; Sharon Kibler, Assistant Finance Director; Jay Tibbs, Assistant County Administrator; Mike Bollhoefer, County Administrator; Steve Hawkins, Sheriff Major; Barry Kittoe, Sheriff Lieutenant; Nick Sabo, WRA Executive Director; Wayne Corbett, Deputy Treasurer; Lynn McKinley, NRADC Chief Budget Manager; Tana Jones, NRADC Captain; Delsie Jobe, DSS Administrative Services Manager; Mark Cheran, Zoning Administrator; Wyatt Pearson, Planning Director; and Rich Venskoske, Director of Elections.

Others present: Patty Camry, FCPS Executive Director of Finance; Kristen Anderson, FCPS Assistant Director of Finance; and Dr. James Angelo, FCPS Assistant Superintendent for Instruction.

### **A. Action Items**

- A.1. The FCPS Executive Director of Finance requests a public hearing at the December 13, 2023 Board of Supervisors meeting for a supplemental appropriation in the amount of \$7,315,552.**

This amount represents increased state funds approved by the General Assembly at their September 6, 2023 Special Session. Of this amount, \$3,150,847 is requested in the School Operating Fund (see list of items on attached memo), and \$4,163,705 is requested in the Special Grants Fund for the "All in Funding" that addresses high-intensity tutoring, Virginia Literacy Act, and chronic absenteeism. No local funds required. A draft public hearing notice and resulting resolution are provided.

The committee recommends forwarding to public hearing.

[FCPS\\_SA.pdf](#)  
[FCPS\\_SA2.pdf](#)  
[FCPS\\_PubHearResDraft.pdf](#)

**A.2. The DSS Administrative Services Manager requests a General Fund supplemental appropriation in the amount of \$2,940.**

This amount represents funds from the sale of a pool vehicle and will be used toward a replacement vehicle. No local funds required.

The committee recommends approval.

[DSS\\_surplus.pdf](#)

**A.3. The Director of Elections requests a General Fund supplemental appropriation in the amount of 13,648.**

This amount represents salary and fringes for a part-time Deputy Registrar for the remainder of the fiscal year. Local funds are required.

The committee recommends approval.

[PTDepRegistrar.pdf](#)

**A.4. The Director of Elections requests a General Fund supplemental appropriation in the amount of \$83,765.**

This amount represents funds needed to hold the March 2024 Presidential primary election. Local funds are required.

The committee recommends approval.

[2024PrimarySA.pdf](#)

**A.5. The WRA Executive Director requests an Airport Capital Fund supplemental appropriation in the amount of \$100,000.**

This amount represents the Go Virginia Planning Grant Award to perform a planning study for future aeronautical development. No local funds required.

The committee recommends approval.

[AirportGrant.pdf](#)  
[AirportGrant2.pdf](#)

**A.6. The Zoning Administrator requests a Transportation Fund supplemental appropriation in the amount of \$330,000 and a General Fund**

**supplemental appropriation in the amount of \$258,175 (local portion).**

These amounts represents funds needed for the completion of Eyes Lane in the Oaks at Braddock Crossing subdivision due to a shortfall of the LOC posted by the developer. Local funds are required.

The committee recommends approval.

[BraddockCrossing.pdf](#)

**A.7. The NRADC Superintendent requests an NRADC Fund supplemental appropriation in the amount of \$50,000 pending grant award.**

This amount represents a Coronavirus Emergency Supplemental Fund grant to assist regional jails in continuing to prevent, prepare for, and respond to the coronavirus. No local funds required.

The committee recommends approval.

[NRADC\\_Grant.pdf](#)

**A.8. The Sheriff requests a General Fund supplemental appropriation in the amount of \$278,000.**

This amount represents an ARPA Law Enforcement Equipment Grant awarded to be used for various equipment that improves or enhances the delivery of daily law enforcement services to the community. No local funds required.

The committee recommends approval.

[SheriffARPAgrant.pdf](#)  
[SheriffARPAgrant2.pdf](#)  
[SheriffARPAgrant3.pdf](#)

**A.9. The Sheriff requests a General Fund supplemental appropriation in the amount of \$300.**

This amount represents donations received for the Honor Guard and the impound lot building. No local funds required.

The committee recommends approval.

[SheriffDonations.pdf](#)

**A.10. The Sheriff requests a General Fund supplemental appropriation in the amount of \$112.44.**

This amount represents funds from the sale of scrap to be used for vehicle parts. No local funds required.

The committee recommends approval.

[SheriffScrap.pdf](#)

**A.11. The Sheriff requests a General Fund supplemental appropriation in the amount of \$11,821.63.**

This amount represents funds from a vehicle insurance claim to be used for repairs. No local funds required.

The committee recommends approval.

[SheriffVehicleClaim.pdf](#)

**B. Items Not Requiring Action**

- B.1. The County Administrator provided information to introduce the Commercial Property Assessed Clean Energy (C-PACE) financing programs that are authorized as an option for local governments to opt into per the Code of Virginia §15.2-958.3.

[CPACE.pdf](#)

**C. Items For Information Only**

- C.1. The Finance Director provides financial statements ending September 30, 2023.

[FinStmtsSept23.pdf](#)

- C.2. The Finance Director provides a General Fund transfer report for October 2023.

[Oct2023Txfs.pdf](#)

- C.3. The Finance Director provides the General Fund Unreserved Fund Balance report for October 2023.

[FundBalanceOct23.pdf](#)

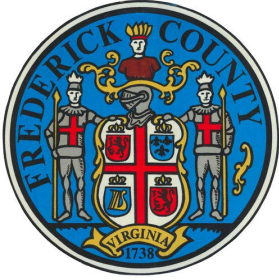
- C.4. The Government Finance Officers Association (GFOA) has awarded the County the Certificate of Achievement for Excellence in Financial Reporting for the June 30, 2022 Annual Comprehensive Financial Report (ACFR). This is the 37th consecutive year that Frederick County has received this achievement.

[2022ACFRAward.pdf](#)

- C.5. The Government Finance Officers Association (GFOA) has awarded the County the Distinguished Budget Presentation Award for the 2024 fiscal year.

This is the 37th consecutive year that Frederick County has received this award.

[2024BudgetAward.pdf](#)



Finance Committee  
Agenda Item Detail  
Meeting Date: November 15, 2023  
Agenda Section: Action Items

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**Title: The FCPS Executive Director of Finance requests a public hearing at the December 13, 2023 Board of Supervisors meeting for a supplemental appropriation in the amount of \$7,315,552.**

This amount represents increased state funds approved by the General Assembly at their September 6, 2023 Special Session. Of this amount, \$3,150,847 is requested in the School Operating Fund (see list of items on attached memo), and \$4,163,705 is requested in the Special Grants Fund for the "All in Funding" that addresses high-intensity tutoring, Virginia Literacy Act, and chronic absenteeism. No local funds required. A draft public hearing notice and resulting resolution are provided.

The committee recommends forwarding to public hearing.

**Attachments:**

[FCPS\\_SA.pdf](#)  
[FCPS\\_SA2.pdf](#)  
[FCPS\\_PubHearResDraft.pdf](#)



# Frederick County Public Schools

Executive Director of Finance

Patty D. Camery  
cameryp@fcpsk12.net

DATE: October 30, 2023  
TO: Sharon Kibler, Frederick County Assistant Finance Director  
FROM: Patty D. Camery, Executive Director of Finance [REDACTED]  
SUBJECT: FY 2024 Budget Items for Consideration by the Board of Supervisors

On October 27, 2023, the School Board approved the following requests that are subject to consideration and approval by the Board of Supervisors. Please include the following items on the agenda for the November 15 County Finance Committee meeting.

1. The School Board is requesting an FY 2024 supplemental appropriation to the School Operating Fund for \$3,150,847.00, which represents increased state funds approved by the General Assembly at their September 6 Special Session I. The School Board voted to use these funds for the following:
  - Chiller and water heater replacement at D.J. Howard
  - Gas boiler and water heater at NREP
  - 7 new buses
  - Incentive pay for substitutes
  - 6 vans for student travel
  - Additional full time substitutes positions
  - 2 full time school plant engineers
2. The School Board is requesting an FY 2024 supplemental appropriation to the Special Grants Fund for \$4,163,705, which represents increased state funds approved by the General Assembly at their September 6 Special Session I. These funds are provided for the "All in Funding" which addresses high-intensity tutoring, Virginia Literacy Act, and chronic absenteeism.

cc: Dr. George Hummer, Superintendent  
Mike Bollhoefer, County Administrator  
Cheryl Shiffler, FC Finance Director



***Frederick County  
Public Schools***

**Frederick County Finance Committee Meeting  
November 15, 2023**

**Patty Camery, CPA, SFO, MSBL  
Executive Director of Finance  
Frederick County Public Schools  
#inspire2085**



# 2023-24 Additional State Dollars

The School Board is requesting an FY 2024 supplemental appropriation in the amount of \$7,314,552.00 for state funds approved by the General Assembly at their September 6 Special Session I to the following funds:

- School Special Grants Fund - \$4,163,705.00
- School Operating Fund - \$3,150,847.00

# 2023-24 Additional State Dollars (con't)

“All in Funding”	\$ 4,163,705
SOQ funding improvements (support position increase)	\$ 1,585,982
State share of 7% compensation (meet salary initiative)	\$ 800,170
Increase in student enrollment	<u>\$ 764,695</u>
	\$ 7,314,552

# “All in Funding” - \$4,163,705

## Special Grants Fund

One-time state dollars for the implementation of the Virginia Literacy Act, learning loss, and additional operating and infrastructure support. Funds expire in 2026.

The Governor recommends that schools focus on 70% Grade 3-8 high-intensity tutoring, 20% on Virginia Literacy Act, and 10% on chronic absenteeism.

# Operating Fund - \$3,150,847

(costs are estimates)

2 School Plant Engineers (\$58,000 includes benefits)	\$ 116,000
20 Full-time Substitutes (one at each school)	\$ 700,000
6 Vans for student travel	\$ 452,000
7 New Buses	\$ 982,000
Premium Friday Pay for Substitutes	\$ 170,000
DJH - Chiller/Water Heater Replacement	\$ 350,000
NREP - Gas Boiler/Water Heater Replacement	<u>\$ 350,000</u>
<b>Estimated Total</b>	<b>\$3,120,000</b>

# FY24 Capital Asset Plan – Not Funded

Location	System/Component Replacement	Cost
Various Sites	Building Automation	\$2,000,000
Apple Pie Ridge Elementary School	Boiler Replacement	\$650,000
Apple Pie Ridge Elementary School	Retro Fit Lighting	\$478,416
Bass-Hoover Elementary School	Building Wiring Renovation	\$250,598
Bass-Hoover Elementary School	Gas Boiler & Water Heater Replacement	\$350,000
Dowell J Howard Center	Chiller & Water Heater Replacement	\$350,000
James Wood Middle School	Stadium Bleacher Replacement	\$924,000
James Wood Middle School	Track Restoration	\$80,000
Middletown Elementary School	Building Wiring Renovation	\$273,780
Millbrook High School	Tennis Court Resurface	\$320,000
NREP, Senseny Road	Gas Boiler & Water Heater Replacement	\$350,000
NREP, Senseny Road	Retro Fit Lighting	\$478,416
Orchard View Elementary School	Cooling Tower Replacement	\$400,000
Sherando High School	Track Resurface	\$200,000
Stonewall Elementary School	Boiler Replacement	\$650,000
<b>Total FY 2024 Capital Projects Request - Not Funded</b>		<b>\$7,755,210</b>



## NOTICE OF PUBLIC HEARING

### Amendment to the 2023-2024 Fiscal Year Budget

Pursuant to Section 15.2-2507 of the Code of Virginia, 1950 as amended, the Board of Supervisors will Hold a Public Hearing to Amend the Fiscal Year 2023-2024 Budget to Reflect a School Operating Fund Supplemental Appropriation in the amount of \$3,150,847 and a School Special Grants Fund Supplemental Appropriation in the Amount of \$4,163,705. These amounts represent increased State funds approved by the General Assembly at the September 6, 2023 Special Session.

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## RESOLUTION

### FISCAL YEAR 2023-2024 BUDGET AMENDMENT

**WHEREAS**, Pursuant to Section 15.2-2507 of the Code of Virginia, 1950 as amended, the Frederick County Board of Supervisors, meeting in regular session on December 13, 2023, took the following action:

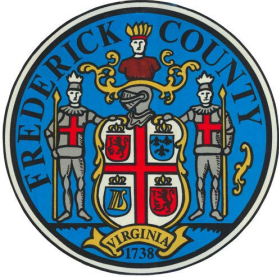
**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Supervisors that the FY 2023-2024 Budget be Amended to Reflect:

A School Operating Fund Supplemental Appropriation in the amount of \$3,150,847. This amount represents increased State funds approved by the General Assembly at the September 6, 2023 Special Session to be used for the following:

- Chiller and water heater replacement at D.J. Howard;
- Gas boiler and water heater at NREP;
- Seven (7) new buses;
- Incentive pay for substitutes;
- Six (6) vans for student travel;
- Additional full time substitutes positions; and
- Two (2) full time school plant engineers.

And, a School Special Grants Fund Supplemental Appropriation in the Amount of \$4,163,705. This amount represents increased State funds approved by the General Assembly at the September 6, 2023 Special Session. These funds are provided for the "All in Funding" which addresses high-intensity tutoring, Virginia Literacy Act, and chronic absenteeism.

Upon a motion made by \_\_\_\_\_ and a seconded by \_\_\_\_\_, the above budget amendment and supplemental appropriation was \_\_\_\_\_ by the following recorded vote:



Finance Committee  
Agenda Item Detail  
Meeting Date: November 15, 2023  
Agenda Section: Action Items

---

**Title: The DSS Administrative Services Manager requests a General Fund supplemental appropriation in the amount of \$2,940.**

This amount represents funds from the sale of a pool vehicle and will be used toward a replacement vehicle. No local funds required.

The committee recommends approval.

**Attachments:**  
[DSS\\_surplus.pdf](#)

# Memo

**To:** Finance Committee/Cheryl Shiffler  
**From:** Delsie D. Jobe  
**CC:** Tamara Green, Director  
**Date:** October 18, 2023  
**Re:** FY 2024 General Fund Supplemental Appropriation Request

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Department of Social Services is requesting a general fund supplemental appropriation in the amount of \$2,940.00 for the sale of a pool vehicle from the sheriff sale October 5, 2023. (2008 Ford Explorer)

We wish to have this funding within our budget to pay for a replacement vehicle in our existing fleet.

Budget line: 4-010-053160-8005-000-000

Thank you for your consideration.



Delsie D. Jobe, Administrative Services Manager

3-010-015020-0006





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**Title: The Director of Elections requests a General Fund supplemental appropriation in the amount of 13,648.**

This amount represents salary and fringes for a part-time Deputy Registrar for the remainder of the fiscal year. Local funds are required.

The committee recommends approval.

**Attachments:**

[PTDepRegistrar.pdf](#)



A Part-time Deputy Registrar would allow relief of some duties of the Full-time staff. During the 2023 and 2024 election season in which Frederick County is voting Sixteen out of Twenty-four months.

Funds needed for the last half of this fiscal year are \$13,648.05 which includes FICA and Workman's Comp.

Salary based on a 30-hour week	\$11,700.00
FICA	\$895.05
Workman's Comp	\$1,053.00

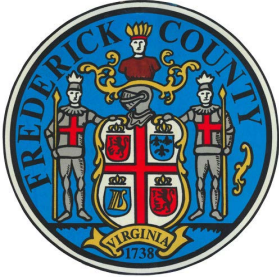
This will be added to my annual budget for the next fiscal year.

The Three-Year Election Schedule is as follows:

<u>Election Date</u>	<u>Election Type</u>
November 7, 2023	General
March 5, 2024**	Primary
June 20, 2024*	Primary
November 5, 2024	General
June 19, 2025*	Primary
November 4, 2025	General
June 18, 2026*	Primary
November 3, 2026	General

\*June Primary, if held

\*\*Presidential Primary



Finance Committee  
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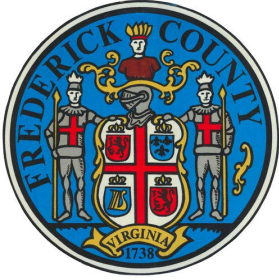
**Title: The Director of Elections requests a General Fund supplemental appropriation in the amount of \$83,765.**

This amount represents funds needed to hold the March 2024 Presidential primary election. Local funds are required.

The committee recommends approval.

**Attachments:**  
[2024PrimarySA.pdf](#)





Finance Committee  
Agenda Item Detail  
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---

**Title: The WRA Executive Director requests an Airport Capital Fund supplemental appropriation in the amount of \$100,000.**

This amount represents the Go Virginia Planning Grant Award to perform a planning study for future aeronautical development. No local funds required.

The committee recommends approval.

**Attachments:**

[AirportGrant.pdf](#)  
[AirportGrant2.pdf](#)



## WINCHESTER REGIONAL AIRPORT

491 AIRPORT ROAD  
WINCHESTER, VIRGINIA 22602  
(540) 662-5786

### **MEMORANDUM**

To: Cheryl Shiffler, Frederick County Finance Director  
From: Nick Sabo, Winchester Regional Airport Authority Executive Director  
Date: October 16, 2023  
RE: Finance Committee Agenda Item | Go Virginia Planning Grant Award

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The Winchester Regional Airport Authority (WRAA) received a grant offer from the Go Virginia program (i.e., Commonwealth of Virginia Department of Housing and Community Development ("DHCD"), Regional Council 8) to perform a planning study on a 30-acre tract of airport land with significant economic development potential. The study will include environmental/geotechnical surveys and fully investigate three (3) different concepts for future aeronautical development. No local funds are required.

Revenue: 3 - 085 - 024040 - 0012, State Reimbursement Capital Projects, \$100,000  
Expense: 4 - 085 - 081030 - 8801 - 000 - TBD, Northside Planning Study, \$100,000


We sincerely appreciate the support of Frederick County. Please advise if you have questions or need additional information.

## Grant Application Request Form

The Grant Application & Acceptance Policy, adopted by the Board of Supervisors on March 23, 2016, outlines the policies for submitting grant applications on behalf of Frederick County and for the acceptance and appropriation of all grant awards. This policy applies to any Frederick County program, department or constitutional office preparing and submitting grant applications to agencies outside the County government for funds, materials or equipment to be received and administered by the County or by an agency for which the County acts as fiscal agent.

Please refer to the policy flow chart on the back of this form to assist in determining the appropriate course of action. The policy in its entirety can be found on the Finance intranet page.

Complete the information below and attach as the cover to all grant applications sent to the County Administrator for approval.

Requesting Department	Winchester Regional Airport				
Name of Grant	North Side Planning Study				
Grantor	Go Virginia				
Grant deadline for submission	11/30/2023				
Total Amount of Anticipated Award	\$ 100,000.00				
Purpose of grant (summary)	Costs for "North Side Planning Study" to evaluate 3 leading development options for a 30-acre parcel at the Winchester Regional Airport.				
Grant approved through budget process? (Yes/No)	No				
Local Match Requirement (Yes/No)	No	Amount:	\$ 0.00		
If yes, Source(s) & amount(s) of local match (fin comm/BOS approval required if match requires a budget amendment)	N/A				
Other associated costs	All project costs included in above amounts; no additional costs				
Continuing obligation and cost (fin comm/BOS approval required)	No continuing financial obligation after grant closeout				
Addition of Staff and cost (Yes/No) (fin comm/BOS approval required)	No	How many?	0	Total cost, including fringes:	\$ 0.00
Revenue and Expenditure codes & amounts	3 - 085 - 024040 - 0012, State Reimbursement Capital Projects, \$100,000 4 - 085 - 081030 - 8801 - 000 - TBD, Northside Planning Study, \$100,000				
Department Contact (name, email, phone)	Nick Sabo, nsabo@flyokv.com, 540-662-2422				
Department Head approval to apply for grant	 Digitally signed by Nick Sabo Date: 2023.10.17 11:33:28 -04'00'			Date	10/17/2023
BOS approval date (if applicable)					
Finance review of grant policy compliance				Date	
County Administrator approval to apply for grant				Date	

Notes:

Project is part of the airport's master development plan





Finance Committee  
Agenda Item Detail  
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---

**Title: The Zoning Administrator requests a Transportation Fund supplemental appropriation in the amount of \$330,000 and a General Fund supplemental appropriation in the amount of \$258,175 (local portion).**

These amounts represents funds needed for the completion of Eyes Lane in the Oaks at Braddock Crossing subdivision due to a shortfall of the LOC posted by the developer. Local funds are required.

The committee recommends approval.

**Attachments:**

[BraddockCrossing.pdf](#)

**MEMORANDUM**

**TO:** Finance Committee

**FROM:** Mark R. Cheran, Zoning Administrator

**RE:** Request for Appropriations for Oaks at Braddock Crossing Subdivision

**DATE:** November 3, 2023

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The above-referenced subdivision known as Oaks at Braddock Crossing was recorded on October 1, 2007. The owner of the subdivision, Joseph Edmiston posted Letter of Credit (LOC) #327 through the Bank of Charles Town in the amount of \$71,825.00 in 2021. This amount was for the completion of Eyles Lane that will serve this subdivision of eighteen (18) lots. This LOC replaced LOC #283 that was for the amount of \$457,180.20 and was reduced for road maintenance, as the road was completed. The approved subdivision had the minimum of three (3) dwellings for acceptance into the Virginia Department of Transportation's (VDOT) secondary road system.

The developer of this subdivision was notified by staff via certified mail on February 1, 2023, that this subdivision has the minimum of three (3) lots to meet the requirements of VDOT. The developer was given fifteen (15) days to respond to Frederick County to complete the outstanding requirements or post a new monetary guaranty to complete Eyles Lane. The developer did not answer the correspondence from Frederick County. Frederick County has contacted the holder of the Letter of Credit, the Bank of Charles Town to call LOC #327 on September 14, 2023. As of the date of this memo, the work has not been completed or a new monetary guaranty received.

Staff requested VDOT evaluate Eyles Lane for acceptance into the secondary road system. VDOT conducted an inspection in June, 2023. VDOT noted what deficiencies needed to be corrected prior to the road being accepted into the secondary road system. Staff had Public Works estimate any short fall of the LOC. Public Works estimates the cost of the work will be a total of \$330,000.

Therefore, staff is requesting that an appropriation of \$330,000 into a specific line item to be designated by the Finance Department. This line item is needed for the County to administer the completion of Eyles Lane for inclusion into the state secondary road system to serve this subdivision. The Planning Department will be responsible for overseeing the project management of the work performed, as well as coordinating the road acceptance with the Virginia Department of Transportation.

MRC/slc

cc: C. William Orndoff, Jr., Treasurer  
Wayne Corbett, Deputy Treasurer



Finance Committee  
Agenda Item Detail  
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**Title: The NRADC Superintendent requests an NRADC Fund supplemental appropriation in the amount of \$50,000 pending grant award.**

This amount represents a Coronavirus Emergency Supplemental Fund grant to assist regional jails in continuing to prevent, prepare for, and respond to the coronavirus. No local funds required.

The committee recommends approval.

**Attachments:**


[NRADC\\_Grant.pdf](#)

# Grant Application Request Form

The Grant Application & Acceptance Policy, adopted by the Board of Supervisors on March 23, 2016, outlines the policies for submitting grant applications on behalf of Frederick County and for the acceptance and appropriation of all grant awards. This policy applies to any Frederick County program, department or constitutional office preparing and submitting grant applications to agencies outside the County government for funds, materials or equipment to be received and administered by the County or by an agency for which the County acts as fiscal agent.

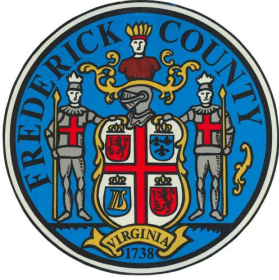
Please refer to the policy flow chart on the back of this form to assist in determining the appropriate course of action. The policy in its entirety can be found on the Finance intranet page.

Complete the information below and attach as the cover to all grant applications sent to the County Administrator for approval.

Requesting Department	Northwestern Regional Adult Detention Center		
Name of Grant	Coronavirus Emergency Supplemental Fund		
Grantor	DCJS		
Grant deadline for submission	10/31/2023		
Total Amount of Anticipated Award	\$ 50,000.00		
Purpose of grant (summary) PLEASE INCLUDE FISCAL YEAR	The purpose of the grant is to assist Virginia's regional jails in continuing to prevent, prepare for, and respond to the coronavirus. The grant will be awarded in FY24 (11/1/23 - 1/31/24).		
Grant approved through budget process? (Yes/No)	No		
Local Match Requirement (Yes/No)	No	Amount:	
If yes, Source(s) & amount(s) of local match (fin comm/BOS approval required if match requires a budget amendment)			
Other associated costs	N/A		
Continuing obligation and cost (fin comm/BOS approval required)	N/A		
Addition of Staff and cost (Yes/No) (fin comm/BOS approval required)	No	How many?	Total cost, including fringes:
Revenue and Expenditure codes & amounts	3-011-024040-000-001 4-011-033010-5405-000-000		
Department Contact (name, email, phone)	Clay Corbin; ccorbin@fcva.us		
Department Head approval to apply for grant	Clay A. Corbin	Digitally signed by Clay A. Corbin Date: 2023.10.19 12:57:23 -04'00'	Date 10/19/2023
BOS approval date (if applicable)			
Finance review of grant policy compliance	Sharon Kibler	Digitally signed by Sharon Kibler Date: 2023.10.20 10:06:38 -04'00'	Date 10/20/2023
County Administrator approval to apply for grant			Date 10/30/2023

Notes:

[sk] 10/20/23: need fin cmte/bos supplemental appropriation request



Finance Committee  
Agenda Item Detail  
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**Title: The Sheriff requests a General Fund supplemental appropriation in the amount of \$278,000.**

This amount represents an ARPA Law Enforcement Equipment Grant awarded to be used for various equipment that improves or enhances the delivery of daily law enforcement services to the community. No local funds required.

The committee recommends approval.

**Attachments:**

[SheriffARPAgrant.pdf](#)  
[SheriffARPAgrant2.pdf](#)  
[SheriffARPAgrant3.pdf](#)

# FREDERICK COUNTY SHERIFF'S OFFICE



Sheriff Lenny Millholland

Major Steve A. Hawkins

1080 COVERSTONE DRIVE  
WINCHESTER, VIRGINIA 22602

540-662-6168  
FAX 540-504-6400

TO : Cheryl Shiffler, Director of Finance  
FROM : Sheriff Lenny Millholland  
SUBJECT : Supplemental Request – ARPA Law Enforcement Equipment Grant  
DATE : October 30, 2023

The Frederick County Sheriff's Office has been approved by the DCJS (Department of Criminal Justice Services) grant for the total amount of \$278,000. The funds will go towards equipment that improves or enhances the delivery of daily law enforcement services to the community and/or ensures the safety of citizens and officers.

We are asking for the awarded amount of \$278,000 to be appropriated into revenue line item 3-010-033010-0025 (Federal Funds – Sheriff).

We are asking for the following amounts to be appropriated into the following expenditure line items.

- 4-010-31020-8001-000-000 (Machinery and Equipment) = \$114,000.00. This amount will go towards 2 pole cameras, Loki Drone, and FATS (Firearms Training Simulator).
- 4-010-31020-8003-000-000 (Communications Equipment) = \$77,000.00 – This amount will go towards a forensics crime scene bundle.
- 4-010-31020-8005-000-001 (Motor Vehicles & Equipment – Grant) = \$28,000.00 – This amount will go towards a UTV (Utility Task Vehicle)
- 4-010-31020-8007-000-000 (Integrated Technology Equipment) = \$58,000.00 – This amount will go towards LPRs and installing cameras in the interview room. This interview installation will include cameras, program, and maintenance (2 years, \$18,846.50 per year.)

Thank you.  
LWM/adc

*Funds received on a reimbursement basis  
Per A. Beeman via 10/31/23 email from A. Carroll:  
no items included in grant request  
have been budgeted for.*

# Grant Application Request Form

The Grant Application & Acceptance Policy, adopted by the Board of Supervisors on March 23, 2016, outlines the policies for submitting grant applications on behalf of Frederick County and for the acceptance and appropriation of all grant awards. This policy applies to any Frederick County program, department or constitutional office preparing and submitting grant applications to agencies outside the County government for funds, materials or equipment to be received and administered by the County or by an agency for which the County acts as fiscal agent.

Please refer to the policy flow chart on the back of this form to assist in determining the appropriate course of action. The policy in its entirety can be found on the Finance intranet page.

Complete the information below and attach as the cover to all grant applications sent to the County Administrator for approval.

Requesting Department	Sheriff's Office		
Name of Grant	ARPA Law Enforcement Equipment Grant		
Grantor	Department of Criminal Justice Services		
Grant deadline for submission	03/24/2023		
Total Amount of Anticipated Award	\$ 278,000.00		
Purpose of grant (summary)	Purchase equipment that improves or enhances the delivery of daily law enforcement services to the community and/or ensures the safety of citizens and officers. Equipment purchased and projects should seek to decrease violent crime within their communities.		
Grant approved through budget process? (Yes/No)	No		
Local Match Requirement (Yes/No)	No	Amount:	
If yes, Source(s) & amount(s) of local match (fin comm/BOS approval required if match requires a budget amendment)			
Other associated costs	none		
Continuing obligation and cost (fin comm/BOS approval required)	No		
Addition of Staff and cost (Yes/No) (fin comm/BOS approval required)	No	How many?	Total cost, including fringes:
Revenue and Expenditure codes & amounts	<del>3-010-024040-0030 10BN</del> <del>4-010-031020-5409-000-000</del> <del>4-010-031020-8005-000-000</del> <i>see updates per memo</i>		
Department Contact (name, email, phone)	Aleck Beeman, abeeman@fcva.us, 540-504-6508		
Department Head approval to apply for grant	[REDACTED]	Date	03/03/2023
BOS approval date (if applicable)			
Finance review of grant policy compliance		Date	3/3/23
County Administrator approval to apply for grant		Date	3/6/23

**Notes:**

- [sk] 1. Will need an appropriation via finance cmte once grant is awarded.
- 2. Funds not spent or encumbered by a PO at the end of the FY (6/30/2023) will require a carry forward via finance cmte.
- 3. Forward grant award documents to Finance upon receipt.
- 4. Sheriff dept responsible for DCJS reporting.

## STATEMENT OF GRANT AWARD (SOGA)

Virginia Department of Criminal Justice Services  
1100 Bank Street, 12<sup>th</sup> Floor  
Richmond, Virginia 23219


<b>508516-LE ARPA - Law Enforcement Equipment</b>
---

Subgrantee:	Frederick
DCJS Grant Number:	509483
UEI Number:	<b>VRF4GXZ4GTH1</b>
Grant Start Date:	7/1/2022
Grant End Date:	6/30/2024
Federal Grant Number(s):	21.027 (2023 ARPA)
Federal Awardee:	U.S. Department of Treasury
Federal Catalog Number:	21.027
Project Description:	Coronavirus State and Local Fiscal Recovery Funds
Federal Start Date:	7/1/2022

Federal Funds:	<b>\$278,000</b>		
State Funds:			
Local Match:	_____		
Total Budget:	<b>\$278,000</b>	Indirect Cost Rate: _____%	*If applicable

Project Director	Project Administrator	Finance Officer
Aleck Beeman Captain 1080 Coverstone Drive Winchester, Virginia 22602 540-504-6508 abeeman@fcva.us	Michael Bollhoefer County Administrator 107 North Kent Street Winchester, Virginia 22602 540-722-8278 michael.bollhoefer@fcva.us	Cheryl Shiffler Finance Director 107 North Kent Street Winchester, Virginia 22601 540-722-8291 cshiffle@fcva.us

**\*Please indicate your ICR in the space provided, if applicable.** As the duly authorized representative, the undersigned, having received the Statement of Grant Awards (SOGA) and reviewing the Special Conditions, hereby accepts this grant and agree to the conditions and provisions of all other Federal and State laws and rules and regulations that apply to this award.

Signature:   
Authorized Official (Project Administrator)

Title: County Administrator

Date: 6/2/23





Finance Committee  
Agenda Item Detail  
Meeting Date: November 15, 2023  
Agenda Section: Action Items

---

**Title: The Sheriff requests a General Fund supplemental appropriation in the amount of \$300.**

This amount represents donations received for the Honor Guard and the impound lot building. No local funds required.

The committee recommends approval.

**Attachments:**

[SheriffDonations.pdf](#)

# FREDERICK COUNTY SHERIFF'S OFFICE



Sheriff Lenny Millholland

Major Steve A. Hawkins

1080 COVERSTONE DRIVE  
WINCHESTER, VIRGINIA 22602

540-662-6168  
FAX 540-504-6400

TO : Cheryl Shiffler Director of Finance  
FROM : Sheriff Lenny Millholland  
SUBJECT : Appropriation of Funds – Donation  
DATE : October 30, 2023

The Frederick County Sheriff's Office has received donations totaling \$300.00. This amount has been posted to 3-010-018990-0006

We are requesting the following to be appropriated in line item 31020-5409-000-003 (Honor Guard).

- 9/13/23 - \$100 from Mr. Weir. This amount will go toward supplies for the Honor Guard.

We are requesting the following to be appropriated in line item 31020-8900-000-000 (Improvements other than buildings).

- 10/13/23 – \$200 from Mrs. Joan Henry. This amount will go towards the building at the impound lot.

Thank you,

LWM/adc

c.s. 9/26/23 \$100

c.s. 10/19/23 \$200



Finance Committee  
Agenda Item Detail  
Meeting Date: November 15, 2023  
Agenda Section: Action Items

---

**Title: The Sheriff requests a General Fund supplemental appropriation in the amount of \$112.44.**

This amount represents funds from the sale of scrap to be used for vehicle parts. No local funds required.

The committee recommends approval.

**Attachments:**

[SheriffScrap.pdf](#)

# FREDERICK COUNTY SHERIFF'S OFFICE



Sheriff Lenny Millholland

Major Steve A. Hawkins

1080 COVERSTONE DRIVE  
WINCHESTER, VIRGINIA 22602

540-662-6168  
FAX 540-504-6400

TO : Cheryl Shiffler Director of Finance  
FROM : Sheriff Lenny Millholland  
SUBJECT : Recycling of Scrap Metal  
DATE : October 30, 2023

---

The Frederick County Sheriff's Office had collected scrap metal (steel, aluminum, and copper) from vehicles that are no longer being used. We've received payments totaling \$112.44 from Auto Recyclers LLC. This amount has been posted to 3-010-018990-0001

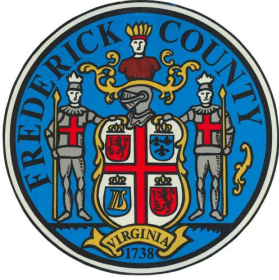
We are requesting this amount to be appropriated in line item 4-010-031020-5408-000-000 (Vehicle/Power Equipment) This amount will go towards vehicle parts (wiper blades, headlight etc.).

Thank you.

LWM/adc

c.s. 10/26/23 \$46.88

c.s. 10/30/23 \$65.56



Finance Committee  
Agenda Item Detail  
Meeting Date: November 15, 2023  
Agenda Section: Action Items

---

**Title: The Sheriff requests a General Fund supplemental appropriation in the amount of \$11,821.63.**

This amount represents funds from a vehicle insurance claim to be used for repairs. No local funds required.

The committee recommends approval.

**Attachments:**

[SheriffVehicleClaim.pdf](#)

# FREDERICK COUNTY SHERIFF'S OFFICE



Sheriff Lenny Millholland

Major Steve A. Hawkins

1080 COVERSTONE DRIVE  
WINCHESTER, VIRGINIA 22602

540-662-6168  
FAX 540-504-6400

TO : Cheryl Shiffler Director of Finance  
FROM : Sheriff Lenny Millholland  
DATE : October 30, 2023  
SUBJECT : Insurance Reimbursement

---

The Frederick County Sheriff's Office has received a check from VACoRP totaling \$11,821.63 for the auto claim dated September 18, 2023, involving 1<sup>st</sup> Lieutenant Cornwell. The amount was posted to 3-010-018990-0001

We are requesting the following amount to be appropriated in 31020-3004-000-002 (vehicles maintenance). This amount will go towards repairs.

Thank you,

LWM/adc

c.s. 10/17/23



Date: 10/5/2023

Frederick County  
ATTN: Jennifer Place  
107 N. Kent Street  
Winchester, VA 22601

VA Association of Counties Group Self-Insurance Risk Pool  
Participant: Frederick County  
Claim Number: [REDACTED]  
Date of Loss: 9/18/2023

Dear Jennifer Place:

Enclosed please find a VAcorp property damage check in the amount of \$11,821.63. This check is for cost related to the repair on the 2020 Ford Explorer [REDACTED]. This amount was determined by the estimate from S&S Appraisal Services. Repair cost \$12,321.63 - \$500.00 deductible = \$11,821.63.

If you should have any questions regarding this payment, please do not hesitate to contact our office.

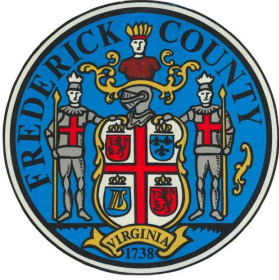
Sincerely,

[REDACTED]

David Goerner  
Claims Specialist

Enclosure: Check

FREDERICK  
COUNTY  
OCT 12 2023  
FINANCE  
DEPARTMENT



Finance Committee  
Agenda Item Detail  
Meeting Date: November 15, 2023  
Agenda Section: Items Not Requiring Action

---

**Title:** The County Administrator provided information to introduce the Commercial Property Assessed Clean Energy (C-PACE) financing programs that are authorized as an option for local governments to opt into per the Code of Virginia §15.2-958.3.

**Attachments:**

[CPACE.pdf](#)





## COUNTY of FREDERICK

---

**Michael Bollhoefer**  
County Administrator

540/665-6382

Fax: 540/667-0370

E-mail: [michael.bollhoefer@fcva.us](mailto:michael.bollhoefer@fcva.us)

### MEMORANDUM

To: Finance Committee

From: Michael Bollhoefer

Date: November 2, 2023

Re: Commercial Property Assessed Clean Energy (C-PACE) Financing

---

A local business owner has asked if the County is willing to implement a financing program for local businesses for renewable energy production and distribution facilities, energy efficiency improvements, water usage efficiency, and stormwater management improvements. The loans would be originated by capital providers and the County would have no obligation to originate or guarantee the loans. The role of the County would be to secure the loan by recording a lien on the property, and in the event of a default on the loan, enforce the lien in the amount of the loan, associated costs and interest, in the same manner that a property tax lien against real property would be enforced.

The purpose of this presentation is to introduce the program to the Committee and come back to a subsequent meeting to determine if the Committee wants to recommend the program to the Board of Supervisors.

Section I	State Statute
Section II	Program Guidelines
Section III	Power Point
Section IV	Sample Ordinance

# Section I

## State Statute

Code of Virginia  
 Title 15.2. Counties, Cities and Towns  
 Chapter 9. General Powers of Local Governments

## § 15.2-958.3. Commercial Property Assessed Clean Energy (C-PACE) financing programs.

A. As used in this section:

"Eligible improvements" means any of the following improvements made to eligible properties:

1. Energy efficiency improvements;
2. Water efficiency and safe drinking water improvements;
3. Renewable energy improvements;
4. Resiliency improvements;
5. Stormwater management improvements;
6. Environmental remediation improvements; and
7. Electric vehicle infrastructure improvements.

A program administrator may include in its C-PACE loan program guide or other administrative documentation definitions, interpretations, and examples of these categories of eligible improvements.

"Eligible properties" means all assessable commercial real estate located within the Commonwealth, with all buildings located or to be located thereon, whether vacant or occupied, whether improved or unimproved, and regardless of whether such real estate is currently subject to taxation by the locality, other than a residential dwelling with fewer than five dwelling units or a condominium as defined in § 55.1-2000 used for residential purposes. Common areas of real estate owned by a cooperative or a property owners' association described in Subtitle IV (§ 55.1-1800 et seq.) of Title 55.1 that have a separate real property tax identification number are eligible properties. Eligible properties shall be eligible to participate in the C-PACE loan program.

"Program administrator" means a third party that is contracted for professional services to administer a C-PACE loan program.

"Resiliency improvement" means an improvement that increases the capacity of a structure or infrastructure to withstand or recover from natural disasters, the effects of climate change, and attacks and accidents, including, but not limited to:

1. Flood mitigation or the mitigation of the impacts of flooding;
2. Inundation adaptation;
3. Natural or nature-based features and living shorelines, as defined in § 28.2-104.1;
4. Enhancement of fire or wind resistance;
5. Microgrids;
6. Energy storage; and
7. Enhancement of the resilience capacity of a natural system, structure, or infrastructure.

B. Any locality may, by ordinance, authorize contracts to provide C-PACE loans (loans) for the initial acquisition, installation, and refinancing of eligible improvements located on eligible properties by free and willing property owners of such eligible properties. The ordinance may refer to the mode of financing as Commercial Property Assessed Clean Energy (C-PACE) financing and shall include but not be limited to the following:

1. The kinds of eligible improvements that qualify for loans;

2. The proposed arrangement for such C-PACE loan program (loan program), including (i) a statement concerning the source of funding for the C-PACE loan; (ii) the time period during which contracting property owners would repay the C-PACE loan; and (iii) the method of apportioning all or any portion of the costs incidental to financing, administration, and collection of the c-pace loan among the parties to the C-PACE transaction;
  3. (i) A minimum dollar amount that may be financed with respect to an eligible property; (ii) if a locality or other public body is originating the loans, a maximum aggregate dollar amount that may be financed with respect to loans originated by the locality or other public body, and (iii) provisions that the loan program may approve a loan application submitted within two years of the locality's issuance of a certificate of occupancy or other evidence that eligible improvements comply substantially with the plans and specifications previously approved by the locality and that such loan may refinance or reimburse the property owner for the total costs of such eligible improvements;
  4. In the case of a loan program described in clause (ii) of subdivision 3, a method for setting requests from owners of eligible properties for financing in priority order in the event that requests appear likely to exceed the authorization amount of the loan program. Priority shall be given to those requests from owners of eligible properties who meet established income or assessed property value eligibility requirements;
  5. Identification of a local official authorized to enter into contracts on behalf of the locality. A locality may contract with a program administrator to administer such loan program;
  6. Identification of any fee that the locality intends to impose on the property owner requesting to participate in the loan program to offset the cost of administering the loan program. The fee may be assessed as a program fee paid by the property owner requesting to participate in the program; and
  7. A draft contract specifying the terms and conditions proposed by the locality.
- C. The locality may combine the loan payments required by the contracts with billings for water or sewer charges, real property tax assessments, or other billings; in such cases, the locality may establish the order in which loan payments will be applied to the different charges. The locality may not combine its billings for loan payments required by a contract authorized pursuant to this section with billings of another locality or political subdivision, including an authority operating pursuant to Chapter 51 (§ 15.2-5100 et seq.), unless such locality or political subdivision has given its consent by duly adopted resolution or ordinance. The locality may, either by ordinance or its program guide, delegate the billing; collection, including enforcement; and remittance of C-PACE loan payments to a third party.
- D. The locality shall offer private lending institutions the opportunity to participate in local C-PACE loan programs established pursuant to this section.
- E. In order to secure the loan authorized pursuant to this section, the locality shall place a voluntary special assessment lien equal in value to the loan against any property where such eligible improvements are being installed. The locality may bundle or package said loans for transfer to private lenders in such a manner that would allow the voluntary special assessment liens to remain in full force to secure the loans. The placement of a voluntary special assessment lien shall not require a new assessment on the value of the real property that is being improved under the loan program.
- F. A voluntary special assessment lien imposed on real property under this section:
1. Shall have the same priority status as a property tax lien against real property, except that such voluntary special assessment lien shall have priority over any previously recorded mortgage or deed of trust lien only if (i) a written subordination agreement, in a form and substance acceptable to each prior lienholder in its sole and exclusive discretion, is executed by the holder of each mortgage or deed of trust lien on the property and recorded with the special assessment lien in the land records where the property is located, and (ii) evidence that the property owner is current on payments on loans secured by a mortgage or deed of trust lien on the property and on property tax payments, that the property owner is not insolvent or in bankruptcy proceedings, and that the title of the benefited property is not in dispute is submitted to the locality prior to recording of the special assessment lien;
  2. Shall run with the land, and that portion of the assessment under the assessment contract that has not yet become due is not eliminated by foreclosure of a property tax lien;
  3. May be enforced by the local government in the same manner that a property tax lien against real property is enforced by the local government. A local government shall be entitled to recover costs and expenses, including attorney fees, in a suit to collect a delinquent installment of an assessment in the same manner as in a suit to collect a delinquent property tax; and

4. May incur interest and penalties for delinquent installments of the assessment in the same manner as delinquent property taxes.


G. Prior to the enactment of an ordinance pursuant to this section, a public hearing shall be held at which interested persons may object to or inquire about the proposed loan program or any of its particulars. The public hearing shall be advertised once a week for two successive weeks in a newspaper of general circulation in the locality.

H. The Department of Energy shall serve as a statewide sponsor for a loan program that meets the requirements of this section. The Department of Energy shall engage a private program administrator through a competitive selection process to develop the statewide loan program. A locality, in its adoption or amendment of its C-PACE ordinance described in subsection B, may opt into the statewide C-PACE loan program sponsored by the Department of Energy, and such action shall not require the locality to undertake any competitive procurement process.

2009, c. 773; 2010, c. 141; 2015, cc. 389, 427; 2019, cc. 564, 753; 2020, c. 664; 2021, c. 6; 2021, Sp. Sess. I, c. 532; 2022, c. 402.

The chapters of the acts of assembly referenced in the historical citation at the end of this section may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired. 6/21/202


#### Virginia Law Library

The Code of Virginia, Constitution of Virginia, Charters, Authorities, Compacts and Uncodified Acts are now available in both EPub and MOBI eBook formats. 

#### Helpful Resources

[Virginia Code Commission](#)  
[Virginia Register of Regulations](#)  
[U.S. Constitution](#)

#### For Developers

The Virginia Law website data is available via a web service. 

#### Follow us on Twitter



# Section II

## Program Guidelines



# VIRGINIA C-PACE PROGRAM GUIDELINES

Virginia's C-PACE Program (VA C-PACE) is sponsored by the Virginia Department of Energy and administered by the Virginia PACE Authority

# Contents

Note for Reader .....	5
Executive Summary.....	6
1.0 Purpose of Program Guidelines .....	7
2.0 Program Administration.....	8
2.1 Virginia Energy .....	8
2.2 Virginia PACE Authority .....	8
2.3 Contact information.....	9
2.4 Key Billing and Collection Dates.....	9
2.5 Key Responsibilities by Stakeholder .....	9
3.0 Eligibility Requirements .....	10
3.1 State Statutory Requirements .....	10
3.2 Local Statutory Requirements .....	10
3.3 Eligible Property .....	11
3.3.1 Property Types .....	11
3.3.2 Property Location .....	11
3.3.3 Multiple Parcels .....	11
3.4 Eligible Improvements .....	12
3.4.1 Construction Status .....	12
3.4.2 Real Property .....	12
3.4.3 Loan Underwriting Parameters.....	12
3.4.3.1 C-PACE Loan Amount.....	12
3.4.3.2 C-PACE Loan Amount Thresholds.....	12
3.4.3.3 C-PACE Loan to Value Thresholds.....	12
3.4.3.4 Determination of Value.....	12
3.4.3.5 Project Term.....	13
3.4.3.6 Interest Rates.....	13
3.4.3.7 Capitalized Interest Periods.....	13
3.4.3.8 Interest Only Periods.....	13
3.4.3.9 Loan Amortization.....	13
3.4.4 Retroactive C-PACE .....	13
3.4.5 Lender Consent .....	13
3.5 Eligible Project Costs .....	14
3.5.1 Hard Costs.....	14
3.5.2 Ancillary Costs .....	14
3.5.3 Soft Costs .....	14
3.6 Eligible Improvements .....	15
3.6.1 Energy Efficiency .....	15
3.6.2 Water Efficiency and safe drinking water.....	15
3.6.3 Renewable Energy.....	15
3.6.4 Resiliency.....	16



3.6.5 Stormwater management project .....	16
3.6.6 Electric Vehicle Infrastructure .....	16
3.6.7 Environmental Remediation .....	16
3.7 Property Owners.....	<b>17</b>
3.7.1 Statutory Requirements.....	17
3.7.2 Programmatic Requirements.....	17
3.8 Capital Providers .....	<b>17</b>
3.9 Registered Contractors.....	<b>18</b>
3.10 Qualified Professionals.....	<b>19</b>
3.10.1 Credentials .....	19
3.10.1.1 Energy and Water Efficiency.....	19
3.10.1.2 Renewable Energy.....	19
3.10.1.3 Resiliency.....	20
3.10.1.4 Stormwater Management.....	20
3.10.1.5 Environmental Remediation and Safe Drinking Water.....	20
3.10.1.6 Electric Vehicle Infrastructure.....	21
3.10.2 Selection of Qualified Professional .....	21
4.0 Project Analysis Process and Requirements .....	21
4.1 Project Analysis Approval Process .....	<b>21</b>
4.2 Project Analysis for Existing Building Improvements.....	<b>22</b>
4.2.1 Energy and/or Water Efficiency Improvements .....	22
4.2.2 Renewable Energy Improvements .....	23
4.2.3 Resiliency Improvements.....	24
4.2.3.1 General Resiliency Analysis and Approach.....	24
4.2.3.2 Eligible Hazards.....	24
4.2.3.3 Standards and Resources .....	25
4.2.3.4 Eligible Savings .....	25
4.2.3.5 Project Analysis.....	26
4.2.5 Environmental Remediation .....	26
4.2.4.1 Asbestos, Lead Paint Removal, and Mold Remediation .....	26
4.2.4.2 Indoor Air Quality.....	27
4.2.4.3 Safe Drinking Water.....	27
4.3 New Construction and Substantial Renovation/Adaptive Reuse.....	<b>27</b>
4.3.1 Baseline: New Construction .....	27
4.3.2 Baseline: Substantial Renovation/Adaptive Reuse .....	28
4.3.3 Methodologies for Determining Savings .....	28
4.4 Retroactive C-PACE.....	<b>29</b>
4.4.1 Qualifications.....	29
4.4.2 Lookback Period and C-PACE Loan Term .....	29
4.4.3 Required Documentation .....	29
5.0 Program Fees.....	30
5.1 Program Administration Fees.....	<b>30</b>
5.1.1 Application Fee .....	30

5.1.2 Closing Fee .....	30
5.1.3 Servicing Fee .....	30
5.1.4 Out of Scope Expenses .....	31
5.2 Locality Fees .....	<b>31</b>
5.3 Capital Provider Fee .....	<b>31</b>
5.4 Sample Project Costs .....	<b>32</b>
6.0 Loan Application Process .....	33
6.1 Determine Eligibility and Complete Pre-Application.....	<b>33</b>
6.2.1 Project Analysis .....	34
6.2.2 Lender Consent .....	34
6.3 Submit Final Application with Supporting Documentation .....	<b>34</b>
6.4 Close C-PACE Loan and Initiate Project Construction.....	<b>35</b>
6.4.1 Overview.....	35
6.4.2 Simultaneous Close of C-PACE and Transfer of Property Owner .....	36
6.4.3 Simultaneous Close of C-PACE and Mortgage or Deed of Trust.....	36
6.4.4 Simultaneous Close of C-PACE and Mortgage Release.....	36
6.4.5 Closing and Lender Consent.....	36
6.5 Project Completion .....	<b>37</b>
7.0 C-PACE Loan Administration .....	37
7.1 C-PACE Lien .....	<b>37</b>
7.2 Repayment of the C-PACE Loan .....	<b>38</b>
7.3 Delinquent Payments and Enforcement Remedy .....	<b>38</b>
7.4 Amendment of Lien and Payment Schedule.....	<b>39</b>
7.4.1 Overview.....	39
7.4.2 Process .....	39
7.5 Release of the C-PACE Lien .....	<b>39</b>
7.6 Servicing of C-PACE Payments .....	<b>39</b>
8.0 Lender Consent.....	40
8.1 Overview.....	<b>40</b>
9.0 Change Orders .....	41
10.0 Marketing and Outreach .....	41
Appendix A: Glossary of Terms .....	43
Appendix B: Common Eligible Improvements .....	49
Appendix C: Program Fees .....	55
Appendix D: VA C-PACE Checklist .....	56
Appendix E: VA C-PACE Program Documents.....	57
Appendix F: Supplemental Information .....	58

# Note for Reader

All capitalized terms used in these **VA C-PACE Program Guidelines** that are not specifically defined shall have the meanings set forth in Appendix A (Glossary of Terms) of these Program Guidelines. All Glossary terms are bolded when first referenced in these **Program Guidelines**.

## Executive Summary

The **Virginia C-PACE Program** or **VA C-PACE** is offered through the Virginia Department of Energy (“**VE**” and “**Sponsor**”) and its program administrator, **Virginia PACE Authority** (“**VPA**” and “**Program Administrator**”). The VA C-PACE Program provides a range of services to local governments looking to establish C-PACE in their jurisdiction as well as assists property owners in using C-PACE to upgrade their buildings. The VA C-PACE Program is a public private partnership between local governments, private property owners and private capital providers. The rules, regulations, and guidance of the VA C-PACE Program are established through these VA C-PACE Program Guidelines.

### Background on Commercial Property Assessed Clean Energy (C-PACE) Financing

C-PACE financing is an innovative loan program that provides private building owners a low-cost way to install a wide range of sustainable and cost-efficient measures to both new and existing commercial buildings (“**Eligible Property**”). The loan (“**C-PACE Loan**”) is privately financed and secured as a special assessment lien (“**C-PACE Lien**” or “**Lien**”) with the equivalent senior lien status of a real property tax assessment and enforced by the local government or the capital provider. This hybrid loan structure allows for loan terms that would otherwise be unavailable to many property owners.

C-PACE was developed as a financing mechanism to facilitate clean energy and resiliency property upgrades. The principal underlying concept of C-PACE is that these improvements have a public benefit, like a sewer or road extension, and therefore can be secured and repaid in the same manner as other government-secured liens.

### C-PACE in Virginia

Through the C-PACE Act (§15.2-958.3 of the Code of Virginia), Virginia local governments are authorized to create C-PACE programs through adoption of an ordinance (“**Ordinance**”) and opt into a statewide C-PACE financing program sponsored by the Virginia Department of Energy (“**VA C-PACE Program** or **VA C-PACE**”) for which VPA is the **C-PACE Program Administrator**.

In Virginia, a C-PACE Loan can finance a wide variety of **Projects** on energy efficiency, water efficiency, renewable energy, resiliency, and environmental remediation (“**Eligible Improvements**”) for private existing buildings and new developments. A C-PACE Loan is secured by a voluntary special assessment on the Eligible Property. Like property taxes, C-PACE Loans transfer to the next property owner if the Eligible Property is sold during the term of the C-PACE Loan. The remaining balance of the C-PACE Loan is repaid by the subsequent property owners, who continue to receive the benefits of the Eligible Improvements. Moreover, any current or past due **C-PACE Payments** can be collected each year while future C-PACE Payments stay with the property in the event of sale or default. For private lenders, C-PACE Loans provide greater security than conventional loans because payments are tied to the Eligible Property, thus enabling low interest capital to be raised from the private capital markets with no government financing required.

Property Owners benefit from long, fixed rate terms that are based on the useful life of a single improvement or the weighted average life of multiple installed improvements. Long-term C-PACE Loans lead directly to major property upgrades such as:

- Energy-efficient boilers
- Upgraded insulation
- Flood mitigation
- Solar installations

The Term for a C-PACE Loan may not exceed the **Weighted Average Expected Useful Life** of the Eligible Improvements or Expected Useful Life (EUL) of a single Improvement. Examples of benefits from a C-PACE Loan include improved business cash flow due to lower energy and water costs, a reduction in costs related to business interruption and storm/flood damage, less required owner equity, an increase in the value of the improved Eligible Property, and achievement of sustainability or environmental, social and governance (ESG) goals.

The C-PACE Loan process requires that a **Property Owner** develop Eligible Improvements with a **Registered Contractor** and arrange project financing with a qualified C-PACE Capital Provider ("**Capital Provider**"). Eligible Improvements include: energy efficiency, water efficiency and safe drinking water, renewable energy, resiliency, stormwater management, electric vehicle infrastructure, and environmental remediation. The Property Owner and/or Capital Provider then applies online through the project center to qualify the Eligible Improvements for a C-PACE Loan according to the criteria in the Guidelines. If the Project is approved, the jurisdiction ("**Locality**"), Property Owner, and Capital Provider enter into an agreement known as the **C-PACE Program Agreement** that memorializes the obligations of the parties. The Property Owner and Capital Provider will also execute a separate **Financing Agreement** that defines the terms and conditions of the C-PACE Loan. Transactional documents can be found in [Appendix E: Program Documents](#).

The Program relies on private financial institutions to provide capital to fund C-PACE Loans. The Program is open to any Capital Provider interested in participating. Interested financial institutions should contact the C-PACE Program Administrator to become qualified Capital Providers.

## 1.0 Purpose of Program Guidelines

The purpose of the Program Guidelines is to establish and describe the rules governing the VA C-PACE program.

In this document you can find information about:

- Statutory and programmatic eligibility requirements for Eligible Properties in Virginia
- List of participating localities in VA C-PACE

- Approval, closing, recording, and servicing process of C-PACE Loans
- Process to become a Registered Contractor or Capital Provider
- Common Eligible Improvements
- VA C-PACE Checklist
- Links for all required documentations

## 2.0 Program Administration

The VA C-PACE Program is sponsored by the Virginia Department of Energy and administered by Virginia PACE Authority. VA C-PACE is a turnkey, open-market C-PACE program offered statewide available at no cost to localities that choose to participate. A major benefit to having a program offered statewide is that it allows localities, property owners, contractors, and lenders that are participants in the C-PACE market to adhere to a standardized set of rules across locality lines that enables scale and lower administrative costs. Participating localities in the VA C-PACE Program have passed an Ordinance and opted into VA C-PACE through entering an agreement with VE.

### 2.1 Virginia Energy

VA C-PACE is sponsored by Virginia Energy (VE), a Department within the Commonwealth of Virginia's state government and formally known as the Department of Mines, Minerals, and Energy. The mission of VE is to advance the adoption of clean energy solutions along with energy efficiency products, services, and technologies.

### 2.2 Virginia PACE Authority

Through a competitive procurement process, VE selected the Virginia PACE Authority (VPA) to administer the Program. VPA, a nonprofit 501(c)(3) organization whose mission is to educate, promote, and facilitate clean energy and resilient solutions through the administration of C-PACE financing programs in the Commonwealth. As the administrator for the VA C-PACE Program, VPA ensures that Improvements are eligible for a C-PACE Loan under the C-PACE Act, the local Ordinances, and these Guidelines and submits each C-PACE Project to the Locality for final approval.

VPA works with Virginia localities to:

- Pass enabling legislation for C-PACE financing
- Intake, review, and approve applications
- Facilitate closing of C-PACE Loans
- Register, qualify and train contractors and capital providers
- Provide marketing, outreach, and education on the Program
- Facilitate billing, collections, and remittance of C-PACE Payments, if required

VPA is supported by [Slipstream](#) in the application submittal, review, and approval process. Slipstream is a 501(c)(3) nonprofit organization providing program administration services in a number of states.

## 2.3 Contact information

Website: [www.virginiapace.org](http://www.virginiapace.org)

Email: [info@virginiapace.org](mailto:info@virginiapace.org)

Phone: 757-603-3555

## 2.4 Key Billing and Collection Dates

The Capital Provider will be responsible for billing and collecting the C-PACE Payments from Property Owners over the Loan Term known as Servicing described in Section 7. Often, Capital Providers prefer to align Servicing with the real property tax cycle. Although billing and collection due dates can vary, typically, real property tax due dates are in June or July and in December, collected on an annual or semi-annual basis.

## 2.5 Key Responsibilities by Stakeholder

### Property Owner

- Provide all information in the VA C-PACE Checklist (See [Appendix D: VA C-PACE Checklist](#)) to the Program Administrator including signing/executing the following:
  - Execute the C-PACE Program Agreement and **C-PACE Lien Certificate** with the Capital Provider and the Locality
  - Execute the Financing Agreement with the Capital Provider
  - Sign the **Final Application**
  - Sign the **Project Information Request**
  - Sign the **Capital Provider & VPA Disclosures and Risks**
  - Sign the **Property Owner Affidavit**
  - Sign the **C-PACE Program Completion Certificate** when the Project is complete

### Capital Provider

- Assist Property Owner in gathering information in VA C-PACE Checklist and execute the following documents:
  - Execute the **Capital Provider-VPA Agreement** with VPA once for the VA C-PACE Program
  - Execute the C-PACE Program Agreement with the Property Owner and the applicable Locality for each transaction
  - Execute the C-PACE Lien Certificate with the Property Owner and the applicable Locality for each transaction
  - Service the C-PACE loan
  - Execute a Financing Agreement with the Property Owner

### Locality

- Adopt enabling Ordinance to join the VA C-PACE Program or amend existing Ordinance that complies with the VA C-PACE Program
- Execute the **Virginia Energy-Locality C-PACE Agreement**
- Execute the C-PACE Program Agreement and the C-PACE Lien Certificate for each transaction with the Property Owner and the Capital Provider
- At the Locality’s discretion, collaborate with VPA and VE in promotion of C-PACE

### VE (Sponsor)

- Execute the Virginia Energy-Locality C-PACE Agreement with Localities
- Liaison with Localities for onboarding and strategic outreach and execute the Virginia Energy – Locality C-PACE Agreement

### VPA (Program Administrator)

- Execute the Capital Provider-VPA Agreement with Capital Providers once for the VA C-PACE Program
- Provide all key program administration functions listed under Section 2.2 including:
  - Liaison with Localities to work to pass enabling ordinances and onboarding Localities
  - Collaborate with Localities on economic development opportunities
  - Intake, review, and approve C-PACE Loan applications
  - Facilitate closing of C-PACE Loans
  - Register and train contractors and capital providers
  - Provide marketing, outreach, and education on the Program to stakeholders
  - Service the C-PACE Loans including facilitate billing, collections, and remittance of C-PACE Loan Payments (only if a Capital Provider will not service a C-PACE Loan)

Please note that the above referenced documents including **Programmatic** and **Transactional Documents** are found in [Appendix E: VA C-PACE Program Documents](#).

## 3.0 Eligibility Requirements

### 3.1 State Statutory Requirements

The Virginia C-PACE statute requires that interested localities pass enabling legislation to enable C-PACE in their jurisdiction. Full text for the legislation is here:

<https://law.lis.virginia.gov/vacode/title15.2/chapter9/section15.2-958.3/>

### 3.2 Local Statutory Requirements

Localities must pass an Ordinance substantially similar to a form of the **C-PACE Program Model Ordinance** (See [Appendix E: VA C-PACE Program Documents](#)) to implement the VA C-PACE Program. To be eligible to participate in the Program, a locality must also execute the Virginia C-PACE-Locality



C-PACE Agreement with Virginia Energy. Once a participating jurisdiction, VPA will be responsible for ensuring that all C-PACE applications meet the local statutory requirements for project eligibility as set forth in an Ordinance.

### 3.3 Eligible Property

#### 3.3.1 Property Types

C-PACE Financing is available to all types of commercial properties that meet the definitions as defined in § 15.2-958.3. Eligible property types include, but are not limited to: office, industrial, retail, multifamily properties with more than four single family dwelling units, hospitality, healthcare, agricultural and other specialty commercial uses. Properties such as nonprofits that are otherwise exempt from real estate taxation are eligible to participate, as long as they have a real estate assessment. Common areas of real estate owned by a cooperative or a property owners' association described in Subtitle IV (§ 55.1-1800 et seq.) of Title 55.1 that have a separate real property tax identification number are eligible. Commercial condominiums are eligible for a C-PACE Loan.

The Program does not authorize the placement of C-PACE Liens on a property owned by a local, state, or federal government.

#### 3.3.2 Property Location

To be eligible, the property to be improved must be assessable **Real Property** located within the territorial limits of the Locality and must have a property tax or assessment identification number. Assessable real property includes both currently improved (with a building or structure) and unimproved real property.

#### 3.3.3 Multiple Parcels

Properties with multiple tax maps or parcel identification numbers are eligible if all the lots, blocks, tracts, and parcels of land are located within an area enabled in the VA C-PACE Program. If a Project extends across multiple parcels, the Lien will be apportioned across those parcels according to square footage. The following application materials must be submitted separately for each parcel:

- Tax history
- Title report or commitment if a single title report or commitment is not able to clarify property history for each parcel
- Any other application document if the property addresses or owners differ per parcel

The Program Administrator reserves the right to deny applications for properties with multiple parcel identification numbers if any of the parcels is ineligible to participate in the Program.

## 3.4 Eligible Improvements

### 3.4.1 Construction Status

C-PACE Loans are available for improvements to both existing buildings, adaptive reuse, and new construction projects.

### 3.4.2 Real Property

Eligible Improvements must be permanently affixed to the Real Property and remain permanently affixed to the Real Property per the terms and conditions of the Financing Agreement.

### 3.4.3 Loan Underwriting Parameters

VA C-PACE has established general loan underwriting parameters for the Program. Any deviations from these parameters for local programs which have not yet joined the state are delineated in the VA C-PACE Locality Matrix ([See Appendix F: Supplemental information](#)). This matrix will be updated on an ongoing basis as Localities opt into the VA C-PACE Program.

#### 3.4.3.1 C-PACE Loan Amount

A C-PACE Loan must be equal to or less than the amount of the **Eligible Project Costs**.

#### 3.4.3.2 C-PACE Loan Amount Thresholds

There is no minimum or maximum loan amount per the state statute. The minimum C-PACE Loan amount established by the Program is \$50,000 with no maximum threshold other than stipulated under 3.4.3.3 below.

#### 3.4.3.3 C-PACE Loan to Value Thresholds

The C-PACE Loan Amount, when combined with existing mortgage and other lien obligations, shall not exceed a 100% combined loan-to-value (CLTV) ratio to the assessed or market value of the Property, whichever is greater. Exceptions to CLTV limits shall be considered on a case-by-case basis by the Program Administrator. There is no maximum C-PACE only loan-to-value ratio requirement.

#### 3.4.3.4 Determination of Value

The Property value must be determined for both taxable and tax-exempt properties. Determination of property value is a requirement of the Program Administrator and typically a requirement of the Capital Provider. There are four ways to calculate value of a property acceptable by the Program Administrator:

1. Assessed value as determined by the **Land Records**
2. Appraisal prepared by an independent real estate appraisal firm within 18 months of submission of the Final Application unless exception is granted by the Program Administrator
3. Automate Valuation Method
4. Insurance value (typically used for smaller projects)

Supporting documentation should be provided for all four valuation methods.

#### 3.4.3.5 Project Term

C-PACE Loan Terms must not exceed the Weighted Average EUL of the proposed Eligible Improvements or the EUL of a single Eligible Improvement as described in Section 4: Project Analysis Process and Requirements. For the purposes of this calculation, Eligible Improvements that have a useful life that is difficult to determine according to standard professional methods by the Technical Reviewer will be assumed to have a useful life of 20 years. For the purposes of this calculation, the Weighted Average EUL for all Eligible Improvements will be capped at 35 years with exceptions made on a case-by-case basis.

The Term of the C-PACE Loan begins upon receipt of the Certificate of Occupancy or other evidence that the Eligible Improvements comply substantially with the plans and specifications previously approved by the Locality.

#### 3.4.3.6 Interest Rates

Both fixed-rate and fixed rates adjusted at periodic intervals are eligible in the Program.

#### 3.4.3.7 Capitalized Interest Periods

C-PACE Loans may be structured to include up to 36 months of capitalized interest payments. Exceptions to this limit will be considered on a case-by-case basis and at the discretion of the Program Administrator.

#### 3.4.3.8 Interest Only Periods

There is no limit on Interest only periods set by the Program Administrator.

#### 3.4.3.9 Loan Amortization

C-PACE Loans must be fully amortized at maturity.

### **3.4.4 Retroactive C-PACE**

Completed installations of certain C-PACE Improvements are eligible for refinancing using C-PACE. Retroactive C-PACE are C-PACE Loans that close after the Property Owner completes the installation of the Eligible Improvements. Retroactive C-PACE must occur within 24 months of the time elapsed between the completion of the installation and approval of the application for a C-PACE Loan. Retroactive C-PACE Projects must satisfy the same requirements as other C-PACE Projects in terms of eligibility in most cases. See 4.4 Retroactive C-PACE for more details.

### **3.4.5 Lender Consent**

To receive a C-PACE Loan, the Property Owner must obtain written **Lender Consent** of the C-PACE Loan by the holder of each mortgage or deed of trust lien on the Property prior to **Final Approval** by the Program Administrator. See Section 8.0 Lender Consent for more detail.

## 3.5 Eligible Project Costs

Eligible Projects Costs or **Project Costs** include all **Hard Costs, Ancillary Costs**; and s. Costs to acquire an Eligible Property are not Eligible Project Costs.

### 3.5.1 Hard Costs

All direct installation/construction contract costs (materials, labor, and overhead) associated with the Project.

### 3.5.2 Ancillary Costs

Construction costs that are necessary to install an Eligible Improvement. Examples include roof structural improvements necessary to support a roof mounted solar PV array or building electrical upgrades necessary to support an energy efficient HVAC system.

Note: The Project documentation should demonstrate that the Ancillary Costs are necessary for installation of the Eligible Improvement(s).

### 3.5.3 Soft Costs

Soft costs are indirect costs that are not considered direct construction costs but are necessary to complete the Project. Examples include but are not limited to:

- Project management
- Closing Fees (program administration fees)
- Title reports and credit checks
- Financial services (e.g., Capital Provider fee, **Project Developer** fee)
- Legal services (e.g., Property Owner legal, Capital Provider legal)
- Recording taxes and fees, and escrow disbursement fees
- Architectural and engineering costs related to the Project
- Consulting reports (e.g., Project Analysis, energy audit, commissioning reports, measurement and verification, feasibility studies, financial projections, and surveys)
- Due diligence reports (e.g., appraisal, environmental, and physical condition assessments)
- Energy savings performance guaranty or insurance
- Building accreditation(s)
- Permitting fees
- Interest reserves
- Capitalized interest
- Any other closing costs or fees required to complete the Project

If an indirect cost cannot be allocated directly to the installation of an Eligible Improvement (e.g., Mechanical/Engineering/Plumbing (M/E/P) plans that include plans for installation of new lighting fixtures), then the Eligible Soft Cost would be calculated in the same proportion as the proportion of Project Costs to the total construction budget.

M/E/P plans: \$50,000

Eligible Improvements: HVAC and LED lighting (materials, labor, and overhead): \$100,000

Total construction budget: \$500,000

Percentage of Project to total construction budget: 20%

Eligible Soft Costs: \$10,000 (20%)

The Program Administrator has final discretion on Eligible Project Costs.

## 3.6 Eligible Improvements

Eligible Improvements for a Project are energy efficiency, water efficiency and safe drinking water, renewable energy, resiliency, stormwater management, electric vehicle infrastructure, and environmental remediation. A compendium of Common Eligible Improvements is found in [Appendix B: Common Eligible Improvements](#) as well as on the Virginia PACE Authority [website](#).

### 3.6.1 Energy Efficiency

Any measure that results in reduction of consumption of energy over a baseline such as:

- High efficiency lighting
- Heating ventilation air conditioning (HVAC) upgrades
- High efficiency hot water heating systems
- Building shell or envelope improvements including fenestration
- Building energy management systems
- Process equipment upgrades

### 3.6.2 Water Efficiency and safe drinking water

Any measure that results in reduction of consumption of water over a baseline established such as:

- Stormwater runoff mitigation and improved drainage systems
- Water efficiency devices, measures, or systems
- Replacement of lead pipes that serve potable water supply

### 3.6.3 Renewable Energy

Any system using renewable resources such as sunlight, wind, or biomass to generate energy to supply such as:

- On-site demand of the Eligible Property
- Export of electricity to a utility provider
- Sale of the electricity using a Power Purchase Agreement (or similar approved agreement)
- A combination of the above three options
- Production of clean heat or power by use of a renewable energy resource

Types of renewable energy systems may include but are not limited to:

- Solar photovoltaic power
- Fiber optic solar
- Solar thermal
- Small wind microturbines
- Geothermal heat pump
- Fuel cells

Note: The Program Administrator may approve other types of renewable energy not listed in the Program Guidelines at its discretion.

#### **3.6.4 Resiliency**

Per the state statute, **Resiliency Improvements** means an improvement that increases the capacity of a structure or infrastructure to withstand or recover from natural disasters, the effects of climate change, and attacks and accidents, including but not limited to:

- Flood mitigation or the mitigation of the impacts of flooding
- Inundation adaptation
- Natural or nature-based features and living shorelines, as defined in §28.2-104.1
- Enhancement of fire or wind resistance
- Microgrids
- Energy storage
- Enhancement of the resilience capacity of a natural system, structure, or infrastructure

#### **3.6.5 Stormwater management project**

- Green roofs
- Blue roofs
- Pervious pavement/pavers
- Rainwater capturing systems

#### **3.6.6 Electric Vehicle Infrastructure**

- Charging stations
- Electrical upgrades necessary to install EV charging stations

#### **3.6.7 Environmental Remediation**

A project intended to remove environmental or health hazards including but not limited to:

- Soil and groundwater remediation
- Indoor air quality
- Indoor water quality
- Asbestos remediation
- Lead paint removal
- Mold remediation

## 3.7 Property Owners

The Program is voluntary and available to Property Owners with Eligible Properties located within a Locality. Only a Property Owner who voluntarily participates in the Program and owns a property upon which a Lien has been levied will have a secured lien imposed against its Eligible Property.

### 3.7.1 Statutory Requirements

The state law in Virginia also requires that a Locality to give due regard to a property owner's ability to repay C-PACE financing under §15.2-958.3 of the Code of Virginia.

### 3.7.2 Programmatic Requirements

- Be 100% title holder of the Eligible Property (as reflected in the Land Records) or the holder of an eligible long-term leasehold interest. The Property Owner or the Property Owner's legally authorized representative must sign the Final Application
- Submit evidence that the title of the Eligible Property is not in dispute prior to recording the C-PACE Lien Certificate, as evidenced by a title report certifying the condition of the title, performed, and signed by a title examiner who has been certified by the Virginia Land Title Association or a title insurance commitment from a title insurance company acceptable to the Capital Provider and the Program Administrator
- Be current in the payment of all obligations secured by the Eligible Property, including loans secured by mortgages or deed of trust liens on the Eligible Property, real property taxes, special assessments (including C-PACE Liens), special taxes, other tax liens, and/or water or sewer charges;
- Have no judgement lien, or other involuntary liens against the Eligible Property, including, but not limited to, construction or mechanics liens, judgments against the Property Owner, or eminent domain proceedings
- Have no notices of default or delinquency on property-based debt that have not been cured

The Program Administrator and the Capital Provider may review public records to verify compliance with this requirement.

Note: The [VA C-PACE Checklist](#) contains required documentation and process for approval.

## 3.8 Capital Providers

The Program is an open market, which means Property Owners have the flexibility to select their preferred Capital Provider for a Project. A Capital Provider is a lender that finances a C-PACE Loan. The open market model gives Property Owner's access to a range of private Capital Providers who offer competitive rates and financing terms and conditions. No exclusivity will be provided to Capital Providers, and Property Owners will retain the right to choose the provider of financing who best suits

their business needs. C-PACE Loans are currently financed exclusively by private lenders or financial institutions.

Private lenders and/or financial institutions interested in offering C-PACE Loans can apply by submitting a **RFQ (Request for Qualifications)**, including the Capital Provider-VPA Agreement. As part of the Capital Provider-VPA Agreement, applicants will provide a copy of the Capital Provider's Financing Agreement that it will execute with a Property Owner so that the Program Administrator can confirm that the Financing Agreement is consistent with the state and local enabling C-PACE laws and the Capital Provider Agreement

Upon approval by the Program Administrator, the applicant will be considered qualified in the Program as a Capital Provider and will be listed on the VPA website.

Property Owners may pre-select their preferred lender for the Project. However, prior to the closing of the applicable C-PACE Loan, the Program Administrator must approve the private lender or financial institution as a Capital Provider as outlined above.

Responsibilities of a Capital Provider include the following:

- Making the C-PACE Loan
- Recording the C-PACE Lien Certificate and any **C-PACE Amendment** to the Lien in the Land Records and notifying the Program Administrator and Locality
- Notifying the Locality and the Program Administrator of any changes to the C-PACE Payments, including recording any updated **Assessment Payment Schedules** in the Land Records
- Notifying the Locality and the Program Administrator whenever a **C-PACE Assignment** or a C-PACE Amendment to a C-PACE Loan takes place

### 3.9 Registered Contractors

All Improvements financed through the Program must be installed by a business that has been approved by the C-PACE Program Administrator known as a Registered Contractor. Examples include an energy auditor, licensed engineer, HVAC company, or solar installer. The process includes completing a one page online form and agreeing to the terms of conditions of the C-PACE Program. The registration process does not evaluate the contractor's competence or the status of its licensure.

It should be noted that a Property Owner may hire a company that is not initially a Registered Contractor as long as the company is approved prior to approval of a Final Application. If a general contractor is responsible for the work of all subcontractors, then only the general contractor would be required to become a Registered Contractor.

To be eligible for a C-PACE Loan, work associated with the installation of an Eligible Improvement that requires a license must be installed by a Registered Contractor that holds the appropriate license.



Registered Contractors are responsible for ensuring that all subcontractors hold the appropriate licenses. Furthermore, it is the responsibility of the Property Owner to ensure that qualified, reputable contractors are chosen to perform the work on the Project according to the requirements set forth in the Program Guidelines.

### 3.10 Qualified Professionals

A Registered Contractor may perform a Project Analysis if they become a **Qualified Professional**. A Qualified Professional must hold one or more of the following credentials or certifications unless they are approved by the Program Administrator on a case-by-case basis:

#### 3.10.1 Credentials

##### 3.10.1.1 Energy and Water Efficiency

- Registered Architect (RA)
- Professional Engineer (PE)
- Certified Building Energy Assessment Professional (BEAP) offered by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)
- Certified Energy Auditor (CEA) offered by the Association of Energy Engineers (AEE)
- Certified Energy Manager (CEM) offered by AEE
- Certified High-Performance Building Design Professional (HBDP) offered by ASHRAE
- Certified Measurement and Verification Professional (CMVP) offered by AEE and Efficiency Valuation Organization
- LEED Accredited Professional (LEED AP) with documented experience as determined by the Program Administrator

##### 3.10.1.2 Renewable Energy

- Solar PV
  - Professional Engineer (PE)
  - Individuals with IBEW-NECA Solar PV Certification
  - Individuals with North American Board of Certified Energy Practitioners (NABCEP) certifications
    - PV Specialist
    - PV Installation Professional
    - Provide proof of the following:
      - 35 hours of solar PV training, pass the NABCEP entry-Level PV exam, and provide proof that they have installed at least two solar PV systems- both using a minimum of 1 kWDC and inverter
      - Either hold a letter from NABCEP stating they are qualified to sit for the NABCEP PV Installer Certification Exam (you must apply to NABCEP to sit for this exam or hold a certificate verifying they have passed the NABCEP PV Installer Certification Exam

- Solar Thermal
  - Professional Engineer (PE)
  - NABCEP Solar Heating Installer certifications
- Other Renewable Systems
  - Professional Engineer (PE)

### 3.10.1.3 Resiliency

Qualifications for reviewing a resiliency Project vary based on the underlying Project scope, type, and complexity. For review of a report providing a broad range of potential resiliency improvements, a generalist may be approved as a Qualified Professional if they have expertise sufficient to comment on the condition or expected performance of a property relevant to the hazards(s) of concern. For this level of analysis, one or more of the following credentials typically suffice:

- Professional Engineer (PE)
- Registered Architect (RA)
- Professional Geologist (PG)

For specific hazards such as flood, wind or coastal erosion, a Qualified Professional with specialized experience and education should be retained depending on the hazards and level of risk identified. For example, for severe weather hazards including hurricanes, tropical and convective storms, a Qualified Professional could include a Certified FORTIFIED Commercial™ Evaluator for light commercial and multifamily properties.

### 3.10.1.4 Stormwater Management

For most stormwater management projects, a Qualified Professional should be a Professional Engineer licensed to practice civil engineering and/or stormwater management and have 5+ years of general civil engineering of properties, including 2+ years of experience in stormwater management or drainage calculation analysis.

For review of energy storage or alternative vehicle charging stations, a Qualified Professional should be a Professional Engineer with at least 5+ years of relevant experience.

### 3.10.1.5 Environmental Remediation and Safe Drinking Water

For most environmental remediation projects, a Qualified Professional will be an Environmental Professional as defined in the EPA All Appropriate Inquiry (AAI) 40 CFR §312.21 (Results of Inquiry by an Environmental Professional) as follows:

- Bachelor’s degree or higher from an accredited institution of higher education in a relevant discipline of science or engineering and 5+ years of full-time relevant work experience
- State or tribal issued certification or license and 3+ years of full-time work experience
- 10+ more years of relevant, full-time work experience

For Indoor Air Quality (IAQ) projects, a Qualified Professional should have documented expertise in IAQ including one of the following professional qualifications:

- Professional Engineer (PE)
- Registered Architect (RA)
- IAQ Certified Industrial Hygienist (CIH)
- WELL AP with documented expertise
- LEED AP with documented expertise

For Safe Drinking Water (SDW) projects, a Qualified Professional should have documented expertise in SDW including one or more of the following professional qualifications:

- Professional Engineer (PE)
- Registered Architect (RA)
- Water Quality Association Professional Certification
- Environmental Professional

#### 3.10.1.6 Electric Vehicle Infrastructure

- Professional Engineer (PE)

#### 3.10.2 Selection of Qualified Professional

Property owners can select an individual or firm to perform the Project Analysis if they are approved by the Program Administrator or work with a preapproved firm for the Program. A list of pre-approved firms can be found at [virginiapace.org](http://virginiapace.org).

## 4.0 Project Analysis Process and Requirements

For a Project to be approved, the Property Owner or Capital Provider must submit sufficient supporting documentation to the Technical Reviewer confirming that the project meets the Program requirements.

### 4.1 Project Analysis Approval Process

1. Property Owner and/or Capital Provider engages contractor or consultant to develop the Project Analysis
2. Capital Provider or Property Owner submits completed Project Analysis for review by the Program Administrator
3. Program Administrator reviews and approves the Project or requests clarification/modification of Project Analysis

Resiliency and Environmental Improvements are new to the Program. As a result, requirements for Project Analysis for resiliency and environmental remediation projects should be discussed in advance with the Program Administrator.

Note: Although not anticipated nor common, the Program Administrator does have the authority to reject the recommendations of Project Analysis if the project does not meet the requirements of the Program Guidelines.

## 4.2 Project Analysis for Existing Building Improvements

### 4.2.1 Energy and/or Water Efficiency Improvements

At a minimum, proposed project analysis should include the following:

- Description of the proposed project including each individual Eligible Improvement that will be funded with the C-PACE Loan
- Expected annual energy savings (kWh, BTUs, or therms) over energy baseline usage; water savings (gallons or ccf) over water baseline usage; annual per unit energy and/or water cost savings (\$)
  - Optional annual demand savings (KW)
  - Optional operational savings (\$)
- Clear and logical documentation of assumptions for the calculations of savings
- Estimate of the EUL of each Eligible Improvement and documentation supporting the EUL
- Calculation of maximum eligible Term for the C-PACE Loan based on the Weighted Average EUL of the Eligible Improvements or EUL of a single Eligible Improvement (or Locality Term limit where applicable in a local program; see Existing Local Program Matrix in [Appendix F](#))
- If an EUL cannot be reasonably determined, the maximum EUL for that improvement would be 20 years
- Cost required for each Eligible Improvement or for combined Eligible Improvements if interactive effects between the Eligible Improvements make itemized costs impractical
- Copy of relevant calculations, equipment specs, data sheets, etc.

If renewable energy measures are under consideration, please refer to Section 4.2.2 Renewable Energy Improvements.

The Program recommends, but does not require, that the Project Analysis be based on one of the following:

- ASHRAE Energy Audit standards as defined by ANSI/ASHRAE/ACCA Standard 211-2018
- Pacific Northwest National Laboratory, A Guide to Energy Audits, PNNL-20956
- Investor Ready Energy Efficiency (IREE) Certification Protocol
- ASHRAE Standard 100
- ASHRAE Standard 90.1 Appendix G

- Methods in accordance with the Virginia Energy Conservation Code

Property Owners are encouraged to obtain all applicable government, utility provider, and/or manufacturer rebates where available.

Note: The Program Administrator does not guarantee that any savings estimates provided by a Registered Contractor, Capital Provider, and/or Property Owner.

#### 4.2.2 Renewable Energy Improvements

The energy generation baseline for all renewable energy improvements is assumed to be zero energy generation unless it is a replacement for an existing renewable energy system, in which case the project analysis must establish the baseline of the existing system using performance and/or nameplate rating which is the official power production rating given to the equipment.

At a minimum, project analysis should include the following:

- Description of proposed renewable energy system including production capacity and type (e.g., roof or ground mount solar PV)
- Description of the site's ambient conditions (e.g., shading analysis)
- Location of the renewable energy system
- Utility consumption profile of the site, including the site's historic energy use and cost (modeled energy consumption may be used in the case of new construction or adaptive reuse projects)
- Expected annual energy production (kWh), electrical demand reduction (kW), annual per unit energy production savings (\$) and operational, maintenance, and insurance cost savings (\$)
- Assumptions affecting the cost savings
  - Weighted cost of energy saved and generated by the Project
  - Cost savings to be realized from time-of-use and demand charge reductions, as applicable
  - Utility tariff to be applied to the site and/or system following installation
  - Utility escalation rate assumptions
  - Tax benefits and other incentives, as applicable
  - EUL of the renewable energy system
  - Maintenance expenses, as applicable
- Assessment of Eligible Project Costs and interconnection issues, including an analysis of the impacts of surplus energy generation by the renewable energy system (e.g., description of utility tariff, if any, to be applied to system production that exceeds consumption)
- Plans to monitor the system and maintain optimized system performance
- Verification of the availability of net metering if the system generates excess power that is delivered to the utility grid at any time

Note: At its discretion, the Program Administrator may waive one or more of the above required components.

### 4.2.3 Resiliency Improvements

Per the state statute, Resiliency Improvements means an improvement that increases the capacity of a structure or infrastructure to withstand or recover from natural disasters, the effects of climate change, and attacks and accidents, including but not limited to:

- Flood mitigation or the mitigation of the impacts of flooding
- Inundation adaptation
- Natural or nature-based features and living shorelines, as defined in §28.2-104.1
- Enhancement of fire or wind resistance
- Microgrids
- Energy storage
- Enhancement of the resilience capacity of a natural system, structure, or infrastructure

Please note that although Electric Vehicle (EV) Charging Infrastructure is specifically defined in the C-PACE Act, the Program considers EV Charging infrastructure to be a Resiliency Improvement for purposes of developing the Project Analysis.

#### 4.2.3.1 General Resiliency Analysis and Approach

For determining a broad scope of potential resiliency improvements related to potential hazards, the following approach should be followed:

1. Identify and confirm the hazard(s) related to the Eligible Property
  - a) Review regional hazard data from public or commercial risk modeling/mapping sources
  - b) Based on results, perform site specific analysis
2. Identify and quantify site specific vulnerability (risk) associated with the hazard
3. Identify customized resilience improvements that mitigate the risk or provide adaptation strategies

#### 4.2.3.2 Eligible Hazards

Hazards that qualify under the Program include but are not limited to:

- Precipitation
  - Heavy Rainfall
  - Lack of Rainfall (this covers drought), contributing to water stress
  - Wind-driven Rain
  - Freezing Rain (icing)
  - Freeze-thaw
- Flood
  - Storm Surge
  - Coastal Repetitive Flood (includes sea level rise)
  - Riverine (fluvial) Flood (includes ice-jamming)
  - Surface (pluvial) Flash Flood

- Wind
  - Tropical Cyclone
  - Winter Storms such as Ice storms
  - Severe Thunderstorm and Tornado
  - Localized Wind (includes Downslope Windstorm, Downbursts)
- Wildfire
  - Direct Physical Impacts
  - Air Quality
  - Water Quality
- Extreme Temperature and Snow/Hail
  - Extreme Temperature
    - Cold
    - Heat/Heat Stress
  - Extreme Precipitation
    - Heavy Snow
    - Hail
- Geologic Phenomenon
  - Subsidence
  - Landslide/Mudslide Coastal Erosion
  - Seismic

#### 4.2.3.3 Standards and Resources

Project analysis for both new construction and existing buildings may follow standards issued by The National Institute of Building Sciences. The benefit/cost ratio of Resiliency Improvements can also be calculated by using resources such as the FEMA BCA toolkit. Other potential resources in identifying potential projects include: American Institute of Architects (AIA) Disaster Assistance Handbook, Enterprise Green Communities strategies for Multifamily Building Resilience, and RELi Design.

Virginia specific resources include:

- Virginia Department of Emergency Management
- <https://www.dhcd.virginia.gov/resiliency>
- <https://resilientvirginia.org/>

#### 4.2.3.4 Eligible Savings

Eligible savings can include but are not limited to:

- Reduced insurance premiums
- Avoided incremental insurance expenses
- Avoidance of business interruption
- Uninterrupted power
- Calculated from a benefit/cost ratio > 1

- Other demonstrable savings that can qualify on a case-by-case basis

#### 4.2.3.5 Project Analysis

The Project Analysis must include a narrative description of the Resiliency Project and include technical documentation to support any assumptions and calculations. Examples of supporting technical project analysis include: narrative description, engineering calculations and models, quote or affidavit from insurance provider demonstrating decrease in or avoidance of insurance costs due to increased building resiliency, and schematics demonstrating raising of building above 100-year floodplain. The report should consider any data from a local climate action plan, where applicable. The report should include the expected useful life for each measure that is documented by manufacturer information or other sources. In addition, the Project Analysis should also incorporate any requirements from local or state laws or resilient related building codes and plans.

As resiliency is an emerging field, the Guidelines also include a Resiliency Compendium in Appendix F with resiliency related definitions and references to assist in Project development including additional tools to help qualify a Project. The Program Administrator anticipates that there will be regular updates over the next 12 to 24 months as property-specific resiliency standards are published that will be included in Appendix F.

#### **4.2.4 Stormwater Management Improvements**

Stormwater Management is defined as a measure that reduces onsite stormwater runoff into the stormwater system such as reduction in the quantity of impervious surfaces or onsite retention and/or filtering of stormwater. A Project Analysis for Stormwater Management Improvements must demonstrate that the Eligible Improvements result in a reduction in onsite stormwater runoff into the local stormwater systems, and/or provides reduction of stormwater runoff pollutants. These reductions must meet or exceed the requirements of Locality for stormwater management when constructing a new building. For existing buildings, the analysis must demonstrate that the improvement(s) will reduce the quantity of stormwater runoff and/or the pollutant load of existing runoff and bring the system to be code compliant at a minimum.

If an EUL cannot be reasonably determined, the maximum EUL for that improvement would be 20 years. The Program Administrator retains the right to limit the EUL of improvement(s) if sufficient supporting documentation cannot be provided or is unavailable.

#### **4.2.5 Environmental Remediation**

##### 4.2.4.1 Asbestos, Lead Paint Removal, and Mold Remediation

Environmental remediation generally refers to the clean-up of land or buildings in response to a Phase 2 Environmental Site Assessment (ESA), Weatherization type analysis, and/or outlined in a Voluntary Remediation Plan that has been reviewed by the Virginia Department of the Environment. Per the C-PACE Act, the types of Eligible Improvements include:

- Asbestos Remediation



- Lead Paint Removal
- Mold Remediation

The estimated cost for each remediation action for the Project, including an ESA Phase 1 and Phase 2 ESA costs (e.g., soil sampling) can be included in the C-PACE Loan amount.

#### 4.2.4.2 Indoor Air Quality

An Indoor Air Quality (IAQ) Project can be defined as improving the rated performance in indoor air quality by reducing exposure to indoor airborne contaminants.

Permanently affixed measures that exceed the minimum standards of indoor air quality required by law for retrofit or ground up construction will typically be considered eligible. For existing buildings, Qualified Professionals may also establish a baseline model of building-wide CO<sub>2</sub> or oxygen levels and develop an “as complete” model incorporating proposed air quality measures to demonstrate improvements over the baseline. Examples of supporting technical project analysis include Equipment cutsheets, building models, etc. The following reference can provide guidance when developing an IAQ project: <https://www.epa.gov/indoor-air-quality-iaq/clean-air-buildings-challenge>.

#### 4.2.4.3 Safe Drinking Water

For Safe Drinking Water (SDW) projects, the Project analysis/supporting documentation would demonstrate that contaminants in the potable water provided to a building had been removed such as replacement of lead-based piping with CPVC or copper piping. The following reference can provide guidance when developing an SDW project: <https://www.epa.gov/ground-water-and-drinking-water>.

Please note that supplemental information on IAQ and SDW may be provided in a future Appendix.

## **4.3 New Construction and Substantial Renovation/Adaptive Reuse**

The Program is available for the construction of new buildings as well as the substantial renovation of existing buildings or the adaptive reuse of vacant buildings.

### **4.3.1 Baseline: New Construction**

New construction projects, unlike existing-building retrofits, do not provide a baseline to compare potential savings from Eligible Improvements. Therefore, the baseline for new construction projects is taken from construction standards denoted in the 2018 version of the Virginia Uniform State Building Code (USBC). The USBC denotes the Virginia applicable building codes and standards that in turn are governed by other international and domestic building codes including the latest version of the Virginia Energy Conservation Code. For any new construction project, the Project must demonstrate through the appropriate Project Analysis that the Project exceeds the applicable code. The Qualified Professional should also verify local building code compliance with the applicable local government department for the purposes of the energy and/or water savings calculations prepared in the Project Analysis.

The Project Analysis should summarize that the building's total anticipated performance exceeds the building code (baseline) with a summary percentage of performance above the code baseline. To qualify for C-PACE Financing on a new construction Project, the Project must achieve energy and/or water savings that exceed the applicable building code. One hundred percent (100%) of the C-PACE Project Costs of all water or energy related measures in new construction projects that demonstrate a whole-building summary performance above the minimum code baseline are financeable through C-PACE.

A new construction project that only involves renewable energy installed on a new building is not subject to the additional requirements and should follow the Project Analysis requirements for renewable energy systems to existing buildings as described in 4.2.2 Renewable Energy Improvements.

#### **4.3.2 Baseline: Substantial Renovation/Adaptive Reuse**

The baseline utilized for establishing energy/water consumption for a substantial renovation or adaptive reuse project will be based on a number of factors such as availability of historic utility bills, type of equipment to be installed, and change of use or occupancy type. The Qualified Professional will make the determination if the energy or water savings for a Project should be determined under the Existing Building or New Construction methodology.

#### **4.3.3 Methodologies for Determining Savings**

A Project Analysis for a new construction project may demonstrate expected energy or water savings over this baseline in one of two methods:

- Method 1: Itemization of individual Eligible Improvements (Prescriptive Path): Itemization of individual Eligible Improvements in the Project whose efficiency specifications exceed the baseline requirements as outlined in the appropriate building code. The project analysis/supporting documentation must describe the characteristics of each Eligible Improvement and provide supporting documentation showing that each Eligible Improvement exceeds minimum baseline requirements. Examples of supporting documentation include but are not limited to: contract certificates, permits, equipment cutsheets, COMcheck certificates, building plans. 100% of the cost of each Eligible Improvement that exceeds minimum code requirements may be included in the C-PACE Loan amount.
- Method 2: Demonstration of total savings above applicable building code on a whole building basis: Estimated whole building energy and/or water savings above minimum baseline should be calculated using U.S. Department of Energy approved building energy modeling software or detailed engineering calculations, following one of the two allowable pathways in the applicable International Energy Conservation Code (IECC). Savings calculations for the whole building must state the building's total anticipated performance and specify the summary percentage of energy and/or water performance over code minimum. One hundred percent

(100%) of the energy and water-related measures included in the whole building model may be considered Eligible Improvements.

## 4.4 Retroactive C-PACE

### 4.4.1 Qualifications

Completed installations of certain C-PACE Projects are eligible for Retroactive C-PACE financing. Retroactive C-PACE are C-PACE Loans that close after the Property Owner completes the installation of the Eligible Improvements. Retroactive C-PACE Projects must satisfy the same requirements as other C-PACE Projects in terms of eligibility.

Per the C-PACE Act, Retroactive C-PACE must occur within 24 months of the time elapsed between the completion of the installation and approval of the application for a C-PACE Loan. Completion of installation is the date that the Certificate of Occupancy was issued or other evidence that the Eligible Improvements comply substantially with the plans and specifications previously approved by the Locality. For example, for an existing building, completion of installation could be determined based on information shown in the applicable invoice(s) or the date the installation was approved by a building inspector. The total costs of Eligible Improvements can be refinanced or reimbursed with C-PACE.

Typical scenarios include:

- Replacing an existing C-PACE loan with a new C-PACE Loan if the original C-PACE loan is paid off in its entirety from the proceeds of the new C-PACE loan
- Place a new C-PACE Loan on improvements that would have been eligible for C-PACE at the time of installation
- Refinancing a part of the entirety of a conventional loan with a C-PACE Loan
- Amending an existing C-PACE Loan

Other than increasing proceeds on an already approved C-PACE Loan amount, C-PACE Project Refinancing requires all application, approval and recording requirements like a new C-PACE Loan.

### 4.4.2 Lookback Period and C-PACE Loan Term

The C-PACE Loan Term would be based on the remaining Weighted Average EUL of the Eligible Improvements based on the time elapsed between the time of installation and closing of the new C-PACE Loan. For example, if an approved C-PACE Loan is funded one year after installation of the Eligible Improvements, the term of the C-PACE Loan would be one year less than if it had been funded at the time of completion.

### 4.4.3 Required Documentation

Verification is required to establish prior conditions (baseline) and describe the new Eligible Improvement(s) installed in the Retroactive C-PACE Project. The Project Analysis must include additional documentation that provides evidence of installation of the Eligible Improvements:

- Completion Date for the Eligible Improvement(s) subject to the Project
- Description of the baseline code that was used for project design and permit approval;
  - Most jurisdictions in Virginia have now adopted the 2018 Uniform Statewide Building Code including the 2018 Virginia Energy Conservation Code which corresponds to ASHRAE 90.1 2016 that became effective as of July 1, 2021.
  - If the Retroactive C-PACE Project was approved under a prior code requirement, the Project's Eligible Improvement(s) must exceed the 2015 USBC or ASHRAE 90.1 2013 at a minimum to be eligible
- Make and model of equipment replaced, if applicable
- Photos supported by descriptions, which provide evidence of installation of new Eligible Improvement(s)
- Certifications of the Registered Contractor
- Certifications of the Qualified Professional

## 5.0 Program Fees

### 5.1 Program Administration Fees

The Program Administrator provides a wide variety of services at no upfront cost and is only paid upon closing of C-PACE Loans. These services include, at a minimum, processing and approving C-PACE applications, assisting in closing and servicing of C-PACE Loans, providing marketing, education and training of Program participants and stakeholders, reporting to local government sponsors, and maintenance and upgrade of program documents, materials, and web resources on an ongoing basis.

#### 5.1.1 Application Fee

There is no fee to apply for a C-PACE Loan.

#### 5.1.2 Closing Fee

The Closing Fee is a one-time processing fee of the C-PACE Loan based on the Lien Amount. This fee may be capitalized into the Lien Amount for the Project. There is a minimum Closing Fee to cover the costs of review if the project does not close. This fee is paid out of the proceeds of the C-PACE Loan at closing. The fee schedule is found in [Appendix C](#).

#### 5.1.3 Servicing Fee

Servicing refers to the billing, collection, and remittance of C-PACE Payments on an annual or semi-annual basis. The C-PACE Act gives Localities the option of outsourcing Servicing of C-PACE Payments to the Capital Providers who have total discretion over the fee charged to the Property Owner. Alternatively, if a Capital Provider is not able to service the C-PACE Payments, then the Program Administrator will act in this capacity and charge a market rate fee based on a percentage of the C-PACE Payments paid annually.

The Property Owner will pay the C-PACE Payment to the Capital Provider, the amount of which is included in the Assessment Payment Schedule of the C-PACE Program Agreement.

#### **5.1.4 Out of Scope Expenses**

Closing and Servicing Fees cover the regular costs of the administration of the Program. These costs and expenses do not include any specialized optional professional services that may be necessary for a particular Project either prior or post-closing. Examples include but are not limited to:

- Requesting substantial assistance in developing the Project scope
- Obtaining Lender Consent on behalf of the Property Owner or Capital Provider
- Time-intensive negotiation of any Program documents
- Extensive review of a Project beyond the Program Administrator's standard scope of work
- Review of non-standardized Program documents
- Obtaining a legal opinion for the Capital Provider
- Assistance in amending a C-PACE Payment on behalf of a Capital Provider
- Assistance related to curing a delinquency on behalf of the Capital Provider

Expenses incurred prior to the closing of the C-PACE Loan can be added to the C-PACE Lien Amount if desired. Like the Closing Fee, these expenses can be paid out of proceeds at closing. Fees may be modified from time to time at the sole discretion of the Program Administrator.

## **5.2 Locality Fees**

Although not typical, some Localities may charge fees to process the C-PACE Loan. Please contact the Program Administrator for more information.

## **5.3 Capital Provider Fee**

Capital Providers and Project Developers may charge an origination fee to cover the costs of arranging the C-PACE Loan, which is agreed upon in the Financing Agreement. This is in addition to any fees for servicing the C-PACE Loan.

## 5.4 Sample Project Costs

Eligible Project Costs vary based on a number of factors such as the asset type, complexity of the Eligible Improvements, market, Locality requirements, and ownership structure. This sample Project provides an example of how the total C-PACE Lien Amount and annual C-PACE Payments are calculated based on typical Loan terms such as interest rate, amortization period, term and capitalized interest period.

<b>Project Costs and Fees</b>	
Hard Costs	\$3,000,000
Project analysis	\$7,000
Appraisal, other 3rd party	\$5,000
Related A/E costs	\$210,000
Title report, credit check	\$200
Other lender expenses	\$4,000
Owner legal	<u>\$10,000</u>
<b>Hard and Soft Project Costs</b>	<b>\$3,236,200</b>
Recording fee (estimated)	\$115
Capital provider fee	\$53,780
Program Admin fee	\$37,646
Prepaid Capitalized interest	<u>\$257,695</u>
<b>Total financing and admin fees</b>	<b>\$349,236</b>
<b>TOTAL LIEN AMOUNT</b>	<b>\$3,585,436</b>

<b>Loan Assumptions</b>			
Interest rate	5.75%	Program admin fee	1.05%
Term (yrs.)	20	Cap Provider fee	1.50%
Amortization	20		
<b>Fee and Capitalized Interest Calculations</b>			
Closing day	6/30/22	Admin fee	\$37,646
First payment	9/30/23	Capital Provider fee	\$53,780
Days	450	Est. Lien Amount	\$3,585,321
Daily rate	0.016%	Capitalized interest	\$257,695
Contingency	7.19%		
<b>Annual Lien Payments</b>			
C-PACE Payment	<b>\$306,280</b>		

## 6.0 Loan Application Process

The application process includes application management, approval, and completion of the Project. Repayment of the C-PACE Loan is described in [Section 7.0 C-PACE Loan Administration](#). To proceed with funding a C-PACE Project, a Property Owner must complete the application process, which has two phases, Pre-Application and Final Application.

### 6.1 Determine Eligibility and Complete Pre-Application

The applicant should review the VA C-PACE Checklist to understand the documentation requirement of obtaining a C-PACE Loan, found in [Appendix D](#).

The Pre-Application gives an applicant the opportunity to establish project eligibility before investing in significant project development. The information collected in this step of the process will be used by the Program Administrator to verify that the property is qualified, and that the proposed Project falls generally within the parameters established in this Program Guidelines.

To begin the process, a Property Owner completes the online Pre-Application form available in the [Project Center](#). The Project Center contains all documents, applications, and instructions required for a project to be approved for a C-PACE Loan. An applicant will be prompted to establish a username and password which will be used to submit information to the Project Center. The information collected on the Pre-Application includes:

- Property address (including jurisdiction with taxing authority)
- Property tax Identification number
- Point of contact for the Application
- Name of the Property Owner
- Approximate value of the Property
- Approximate C-PACE Loan Amount

Once a Pre-Application is submitted, the Program Administrator will conduct a preliminary review to determine if the project is eligible for enrollment in the Program. This review will typically be completed within 1-2 business days after receipt of a completed Pre-Application. The Program Administrator's approval of a Pre-Application is required prior to submitting the Final Application.

### 6.2 Select Capital Provider and Develop Project

If the Pre-Application is approved, the Property Owner moves forward with the project development phase.

### **6.2.1 Project Analysis**

The Property Owner must complete a project analysis, as described in [Section 4.0 Project Analysis Process and Requirements](#). Following the project analysis, a Property Owner or their representatives will develop the final scope, Project Costs, and schedule in conjunction with a Registered Contractor and/or Project Developer.

### **6.2.2 Lender Consent**

If the Eligible Property has existing deeds of trust and/or mortgages, the Property Owner must obtain the written consent of all existing lienholders as a condition of closing the C-PACE Loan. Given that this process can take some time, the Program Administrator recommends that the Property Owner contact these lienholders early in the scoping process to gauge the likelihood that consent will be granted (See [Section 8.0 Lender Consent](#)).

During this phase, the Property Owner should also contact Capital Providers to secure acceptable C-PACE Loan terms and conditions. For more information, see [Section 3.8 Capital Providers](#). The Capital Provider may conduct its own underwriting review of the Project.

## **6.3 Submit Final Application with Supporting Documentation**

When the pre-development work for the project is complete, a Property Owner will complete the Final Application. The Final Application can be started upon approval of the Pre-Application and is accessible through the [Project Center](#). The Property Owner will also receive an email with a link to the Final Application within the Project Center. The Program Administrator's approval of the Final Application is a requirement to closing the C-PACE Loan.

The Final Application contains a section available to the Property Owner to upload all supporting documents. The Program Administrator will only accept documents uploaded to the Project Center. At a minimum, the following supporting documentation must be provided:

1. Final Application completed and signed by the Property Owner
2. Owner tax history: Documents must be provided verifying the Property Owner is current on property taxes
3. Project Analysis
4. Installation contract(s) from the Registered Contractor(s) for the Project that includes the cost of the work, the scope of work, specifications for the equipment, and the schedule for the installation of the Eligible Improvement(s) identified in the Project Analysis
5. Capital Provider's offer to fund/term sheet. The Property Owner must provide documentation that indicates that a Capital Provider has offered to provide a C-PACE Loan for the Project. Such documentation may be evidenced by a signed term sheet, commitment letter, or other documentation satisfactory to the Program Administrator
6. Title Report or Commitment prepared by a Title Insurance company disclosing all current lienholders on the Eligible Property and confirming that there are no involuntary liens on the



Eligible Property. The title report should be issued no more than 30 days prior to recording the Lien in the Land Records to avoid any intervening title matters appearing of record. The Property Owner and Capital Provider are responsible for obtaining the title report

7. Property value determination. The Property value must be determined for both taxable and tax-exempt properties using either the assessed value or an appraisal. The appraisal or real estate evaluation completed within 18 months of the submission of Final Application and prepared by an independent real estate appraisal firm. The appraisal or other acceptable forms of valuation must be completed within 18 months of the submission of the Final Application; however, exceptions can be granted at the discretion of the Program Administrator. Please note that the Capital Provider may have different and/or more stringent appraisal requirements than the Program
8. Lender Consent. Executed Lender Consent and Subordination to C-PACE Special Assessment and Lien agreement for the proposed Project from each existing lienholder that has a deed of trust on the Eligible Property, if applicable. Requests for Lender Consent should be delivered to lienholders well in advance (e.g., 30 days) of the anticipated C-PACE Loan closing date. This is signed by an existing lender
9. Documentation of Mortgage release(s) (if applicable)
10. Mortgage balance or commitment or other loan balance(s) (if applicable). Copies of the most recent mortgage loan statement(s) for all loans outstanding or commitment for mortgage on the Eligible Property must be included to determine the current loan-to-value ratio
11. Capital Provider and VPA Disclosures & Risks: This document link can be found in [Appendix E](#) under the Transactional Documents folder. It is signed by the Property Owner
12. Property Owner Affidavit: Signed by the Property Owner
13. Project Information Request: Property Owner grants permission to the VA C-PACE Program to market publicly certain project specific information at Loan closing or in the future.

Once a complete Final Application is received, the Program Administrator will review it for completeness, accuracy, and compliance with this Program Guidelines. The Program Administrator may provide exceptions to a Final Application and allow certain documents to be provided prior to closing versus prior to project approval, which is communicated via a letter of Conditional Approval. The Program Administrator will provide the Property Owner a Conditional Approval Letter or request more information within five business days after submission of a completed Final Application. A letter of Final Approval will be issued once all of the documents known as the Transactional Documents have been reviewed by the Program Administrator typically within five business days and ten business days, respectively of receipt. A Capital Provider may require additional documentation as part of its financing due diligence and closing requirements.

## 6.4 Close C-PACE Loan and Initiate Project Construction

### 6.4.1 Overview

Upon the Final Approval letter has been submitted to the parties, the Property Owner may proceed with closing the C-PACE Loan. The Property Owner must submit to the Program Administrator:

- Executable copy of the C-PACE Program Agreement
- Executive copy of the C-PACE Lien Certificate
- Executable copy of the Financing Agreement

A form of the C-PACE Program Agreement is included in this Program Guidelines in [Appendix E](#). The Program Administrator will send the C-PACE Program Agreement, C-PACE Lien Certificate, Financing Agreement, and the Final Approval Letter to the Locality for review. Following the execution of these documents, payment of all applicable fees, and consummation of the C-PACE Loan closing, the Capital Provider will record the fully executed C-PACE Lien Certificate with exhibits in the Land Records. If required, the Capital Provider will obtain all wet signatures from the jurisdiction, the Property Owner, and the Capital Provider and appropriate checks/wiring information for jurisdictions that may charge fees. The Program Administrator will assist the Capital Provider in this process as needed. Upon receipt of recorded documents, the Capital Provider will send copies to the Program Administrator. Per the terms of the Financing Agreement, the first C-PACE Payment due may not be the year that the C-PACE Loan closes. The C-PACE Loan proceeds will be disbursed by the Capital Provider according to mutually agreeable terms between the Capital Provider and Property Owner in accordance with the Financing Agreement.

#### **6.4.2 Simultaneous Close of C-PACE and Transfer of Property Owner**

If C-PACE financing is closing alongside a transfer of property ownership, then the Program Administrator must receive a substantively final copy of the deed or similar instrument that will be recorded at close as part of the application package. On the day of recording, the deed or similar instrument must be submitted to the Land Records office prior to submission of the C-PACE Lien Certificate.

#### **6.4.3 Simultaneous Close of C-PACE and Mortgage or Deed of Trust**

If C-PACE financing is closing alongside a mortgage or deed of trust or other similar instrument, then the Program Administrator must receive a substantively final copy of the mortgage or deed of trust or similar instrument that will be recorded at close as part of the application package. On the day of recording, the mortgage or deed of trust or similar instrument must be submitted to the Land Records Office prior to submission of the C-PACE Lien Certificate.

#### **6.4.4 Simultaneous Close of C-PACE and Mortgage Release**

If C-PACE financing is closing alongside a mortgage release instrument, then the Program Administrator must receive a substantively final copy of the mortgage release instrument that will be recorded at close as part of the application package. On the day of recording, the mortgage release instrument must be submitted to the Land Records office prior to submission of the C-PACE Lien Certificate. In this situation, Lender Consent is not required for the mortgage being released at close.

#### **6.4.5 Closing and Lender Consent**

In cases where existing secured lienholder(s) will not be lienholders on the Eligible Property as of financial close of the C-PACE Loan and/or when the Eligible Property will have new senior lender(s) as of financial close of the C-PACE Loan (e.g., a simultaneous acquisition and refinancing of the

Property), the Property Owner must provide the Program Administrator with a letter prior to the closing that describes any and all mortgage transactions taking place on the property prior to or simultaneous with closing the C-PACE Loan. All parties that have a mortgage on the property as of the close of the C-PACE Loan must provide consent in accordance with the C-PACE Act. Secured lienholder(s) not providing consent must provide a letter stating agreement to being paid out in full. The Property Owner must attach the applicable consents, copies of payoff letter(s) from existing mortgage provider(s), and a closing letter containing instructions for fund distribution as of financial close.

On the day of close, the Property Owner must provide confirmation of the escrow agent's receipt of funds and request that the Program Administrator authorize the release of signatures simultaneous to all other parties to the transaction releasing their signatures. Upon the release of signatures by other parties, the title company must follow the list of instructions outlined in the closing letter (including releasing funds to the appropriate parties and recording documents in the order outlined in the closing letter).

## 6.5 Project Completion

When the Project is complete, the Property Owner will forward evidence of completion to the C-PACE Program Administrator by submittal of a C-PACE Program Completion Certificate, which can be found in [Appendix E](#). It is the responsibility of the Property Owner to ensure that the Project has been successfully completed, including completion and compliance with any necessary approvals of local building codes or standards as issued by Locality building officials or other Locality agencies.

## 7.0 C-PACE Loan Administration

### 7.1 C-PACE Lien

The C-PACE Payments that are due, and any interest or penalties accrued thereon, constitute a first and prior lien against the Eligible Property from the date that the C-PACE Lien Certificate is recorded with the Locality until the C-PACE Loan and all interest and penalties are paid in full and the Lien has been released of record.

The Lien is attached to the land and no portion of the C-PACE Loan shall be eliminated by a foreclosure sale. The C-PACE Loan cannot be accelerated, and the Lien cannot be extinguished until the C-PACE Loan is fully repaid. The Lien will be enforced by the Locality or the Capital Provider in a similar manner as the Locality enforces delinquent real estate taxes, as specifically provided in the Ordinance and the C-PACE Lien Certificate. A C-PACE Loan transfers to the new property owner upon a sale or transfer of the Eligible Property during the Term.

## 7.2 Repayment of the C-PACE Loan

Repayment of the C-PACE Loan will commence according to the terms of the C-PACE Documents. The first repayment date for the C-PACE Loan will be due in accordance with the Assessment Payment Schedule. Although not a statutory or programmatic requirement, it is recommended that the Assessment Payment Schedule for the proposed C-PACE financing must match the applicant's property tax schedule: e.g., if the Property Owner owes property tax payments in semi-annual installments, then the C-PACE Payments would be due in semi-annual installments. Interest only periods are determined by the terms dictated in the Financing Agreement. Capitalized Interest is capped at 36 months unless an exception is made at the discretion of the Program Administrator.

C-PACE Payments will be billed and collected by the Capital Provider. Pursuant to the C-PACE Lien Certificate, C-PACE Program Agreement, and the Financing Agreement, each C-PACE Payment must be paid in full by the relevant due date reflected on the Assessment Payment Schedule, or the C-PACE Payment will be considered delinquent. Further discussion is under Section 5.1.3 Servicing fees and in Section 7.5 Servicing of C-PACE Payments.

Pre-payment of a C-PACE Loan is permissible per the terms and conditions laid out in the Financing Agreement. Nothing in the Program Guidelines may supersede or alter the terms and conditions contained in the C-PACE Lien Certificate, C-PACE Program Agreement, and the Financing Agreement.

## 7.3 Delinquent Payments and Enforcement Remedy

If the Property Owner defaults for failing to pay the C-PACE Payments on time, then the Lien will be enforced by the Locality in a similar manner as the Locality enforces delinquent real estate taxes, including enforcement through a tax lien sale or assignment of these rights to the Capital Provider. If the Locality elects to not enforce the C-PACE Lien, the Locality must relinquish and assign its right to enforce the C-PACE Lien to the Capital Provider, substantially in the form attached as Addendum 1 to the C-PACE Lien Certificate found in Appendix E. It should be noted that the outstanding balance of the C-PACE Loan will not be accelerated, and the Lien will not be extinguished by any collection remedies.

**Delinquent Payments** are subject to interest, penalties, and/or other fees in accordance with the executed documents with the Capital Provider and the applicable Locality.

Localities are entitled to recover costs and expenses, including attorneys' fees, in a suit to collect Delinquent Payments, in a similar manner as in a suit to collect delinquent real estate taxes, including utilizing any administrative remedies provided by Virginia law. The costs and expenses recovered by the Locality would be in addition to any costs, expenses, interest, or other amounts due and owing to Capital Provider in accordance with the executed documents.

## 7.4 Amendment of Lien and Payment Schedule

### 7.4.1 Overview

The Capital Provider can amend the Lien and/or Payment Schedule per the C-PACE Documents during the Term of the C-PACE Loan. This process could be to amend the Assessment Payment Schedule to reflect interest charges related to late payments, or to amend and restate the C-PACE Lien Certificate to increase the C-PACE Loan proceeds if the project qualifies. Please see [Appendix E](#) for a form of C-PACE Amendment.

### 7.4.2 Process

The Capital Provider must use the form of C-PACE Amendment linked in [Exhibit E](#) and submit to the Program Administrator for review. Once reviewed, the Capital Provider will submit this Amendment to the Locality that reflects the adjustment and file the Amendment in the Land Records. The Locality will sign the C-PACE Amendment and the Capital Provider will record the C-PACE Amendment in the Land Records. The Capital Provider will provide advance notification of the pending amendment and a copy of the executed C-PACE Amendment to the Program Administrator.

In all scenarios, the Capital Provider should communicate the reasons for the Amendment to the Program Administrator to understand the process and any associated incremental costs for the facilitation of this process.

## 7.5 Release of the C-PACE Lien

Once the C-PACE Loan is repaid in full according to the terms of the C-PACE Documents, the Capital Provider will record a release of the C-PACE Lien in the Land Records.

## 7.6 Servicing of C-PACE Payments

The Capital Provider will bill and collect the C-PACE Payments. The Capital Provider will also provide the C-PACE Program Administrator with information on an annual basis to confirm payment, prepayment, delinquent payment, etc. of C-PACE Payments. The Capital Provider will notify the C-PACE Program Administrator and the Locality immediately of any delinquencies, repayments, or lien releases, and related actions required of the local government, as applicable.

If the Capital Provider is not able to service the loan, the Program Administrator will service it, upon request. The Program Administrator will issue a bill to the Property Owner instructing that payment be made to the Capital Provider. The Capital Provider will confirm receipt of the payment with the Program Administrator immediately, pursuant to the terms of the C-PACE Loan Documents and any other Project servicing agreement that is required by the Program Administrator. Each C-PACE

Payment that is serviced by the Program Administrator will include a Servicing Fee, as described in [Section 5.3 Servicing Fee](#).

## 8.0 Lender Consent

Per the C-PACE Act, a Property Owner must obtain the written consent of all existing mortgage or deed of trust lienholders of record encumbering the Eligible Property prior to closing the C-PACE Loan. Lender Consent must be in the form approved by each existing lienholder. The purpose of Lender Consent is for all existing secured lienholders with interest in the Eligible Property to consent to the due and unpaid C-PACE Payments having a lien status senior to their position. When an existing secured lienholder will not consent to C-PACE, the mortgage or deed of trust must be prepaid in full prior to or simultaneous to the closing of the C-PACE Loan.

The Lender Consent document will achieve the following:

- Request confirmation from the secured lienholder(s) that the levy of the Lien, subject to the C-PACE Documents will not trigger an event of default nor the exercise of any remedies under the mortgage loan documents or other security documents held by the lienholder
- Advise the secured lienholder(s) that the C-PACE Lien will be repaid in installments collected pursuant to the terms of the C-PACE Documents and subject to the same penalties, remedies, and lien priorities as a special assessment. Additionally, provide notification that the secured lienholder's lien will be junior to the payments of the C-PACE Lien as they come due and that the C-PACE Lien does not accelerate
- Advise the secured lienholder(s) of the terms of the C-PACE Loan that describe the maximum Lien Amount, the maximum Term based on the Weighted Average EUL, and the amount financed cannot exceed the Eligible Project
- Advise the secured lienholder(s) that the Locality will enforce the Lien in the same manner as property taxes and other special assessment charges or assign rights of enforcement to the Capital Provider.

The Capital Provider may provide financing for up to 110% of the financing amount requested without obtaining additional Lender Consent. In addition, the amounts of the individual components of the total C-PACE Loan requested may change from the amounts listed above, if the C-PACE Loan requested will not increase by more than 10% of the total C-PACE Loan amount.

The Program Administrator recommends that the Property Owner consult with its chosen Capital Provider or Project Developer before approaching any existing lienholders of the Eligible Property. Many traditional lenders are not familiar with C-PACE and may not understand how the Program works. In seeking consent, the Property Owner may find it helpful to inform secured lienholders that if there is a C-PACE Loan default and tax foreclosure, the C-PACE Loan will not accelerate, and only current and Delinquent Payments enjoy senior lien status over existing secured liens. Further, a

Property Owner should emphasize that a C-PACE Loan typically increases the value of the lienholder's collateral.

A form of the Lender Consent agreement is provided in [Appendix E](#) in the Transactional Documents folder.

## 9.0 Change Orders

All change orders that result in an alteration of the anticipated savings attributed to the Project must be pre-approved by the Program Administrator to ensure that the changes to the Project remain consistent with the Program requirements. The Property Owner must provide documentation of the following:

- Any substantive change in Project scope with a description of the changes
- Revised Project budget to account for changes in Project Costs
- Revised Project Analysis documentation confirming new savings estimates
- Approval of the change by the Capital Provider.

A Property Owner who requires a change order is required to complete a summary of the above changes and submit the same to the Program Administrator for approval.

## 10.0 Marketing and Outreach

The VA C-PACE Program provides stakeholders with a variety of resources that can be used to promote the Program. Resources such as fact sheets for different stakeholders and case studies by property type. The majority of these resources can be found on the Program's website at [www.virginiapace.org](http://www.virginiapace.org).

Marketing, Outreach and Training (MOT) is key to successfully launching and sustaining an accelerated growth of C-PACE in the Virginia marketplace. MOT leverages the Program brand utilizing various channels including the website, public relations, email communications, and outreach efforts to educate stakeholders and channel partners. Providing the benefits of C-PACE with a focus on energy and equity goals provides economic development tools to promote Virginia Localities.

C-PACE is a complex program to implement because of the different stakeholder groups that are part of the customer acquisition process. There are five major groups of C-PACE stakeholders that the Program targets through direct outreach or through channel partnerships including:

- Property owners of existing properties
- Developers of new projects

- Contractors and service providers with focus on small, minority and veteran businesses
- Localities
- National and community-based capital providers and lending institutions

The Program Administrator conducts education and outreach programming tailored to each stakeholder group around the benefits of C-PACE financing and posts online training modules to assist contractors and Capital Providers on the benefits and mechanics of utilizing C-PACE. The Program Administrator also establishes specific marketing channels to conduct outreach and education to minority, women, and veteran partners.

C-PACE has evolved from being primarily a small retrofit financing tool to a gap financing product that replaces equity or mezzanine debt in the capital stack. The market has shifted because the Capital Providers – who originate most of the transactions nationwide – recognized the need to generate a minimal level of fee income and to increase the certainty of close. Continued outreach and marketing to lenders to register and participate in the Virginia C-PACE Program is a key strategy in bringing new construction and retrofit Improvements.



## Appendix A: Glossary of Terms

**Ancillary Costs** - Costs necessary to install an Eligible Improvement. Examples include roof structural improvements necessary to support a roof-mounted solar PV array or building electrical upgrades necessary to support an energy efficient HVAC system.

**Assessment Payment Schedule** - Schedule of C-PACE Payments necessary to repay the C-PACE Loan over the C-PACE Term, which is attached to and incorporated into the C-PACE Program Agreement and certain other C-PACE Documents, including the C-PACE Lien Certificate. C-PACE Loans must be fully amortized. Interest only periods are not limited but the Term of the C-PACE Loan begins upon receipt of the Certificate of Occupancy or other evidence that the Eligible Improvements comply substantially with the plans and specifications previously approved by the Locality.

**Capital Provider** - 1) Private lending institution that has been approved by the Program Administrator in accordance with the Program Guidelines to originate a C-PACE Loan and its successors and assigns or 2) Current holder of a C-PACE Loan.

**Capital Provider and VPA Disclosures and Risks** - Property Owner written acknowledgement of the disclosures and risks associated with the Property Owner's obtaining a C-PACE Loan through the VA C-PACE Program.

**Capital Provider - VPA Agreement** - Document executed by the Program Administrator and Capital Provider that defines the terms in which the Program Administrator designates the private lender or financial institution as a Capital Provider qualified to lend in the Program.

**Clerk's Office** - The Clerk's Office of the Circuit Court of State of Virginia.

**Closing Fee** - One-time fee paid to the Program Administrator at loan closing.

**Combined Loan to Value (LTV)** - All secured debt like mortgages plus all C-PACE assessments.

**Commonwealth** - The state of Virginia.

**Conditional Approval** - Letter provided to the Property Owner or Capital Provider by the Program Administrator indicating that the documents associated with the Pre- and Final-Application have been completed.

**C-PACE** - Commercial Property Assessed Clean Energy.

**C-PACE Act** - Virginia's Commercial Property Assessed Clean Energy (C-PACE) financing program, codified in [§15.2-958.3](#).

**C-PACE Amendment** - Amendment to the C-PACE Lien Certificate executed by the local government, Capital Provider, and Property Owner, which is recorded in the Land Records against the Property by the Capital Provider to evidence each amendment to the C-PACE Loan and C-PACE Lien.

**C-PACE Assignment (CP to CP)** - Written assignment by one Capital Provider to another Capital Provider of the C-PACE Payments and/or C-PACE Lien pursuant to the terms of the assignment document.

**C-PACE Assignment (Locality)** - Written assignment by the Locality to the Capital Provider to whom the C-PACE Loan is then due, wherein the Locality relinquishes and assigns its right to enforce the C-PACE Lien to the Capital Provider, substantially in the form attached as Addendum 1 to the C-PACE Lien Certificate.

**C-PACE Documents** - C-PACE Program Agreement, Financing Agreement, C-PACE Lien Certificate, C-PACE Assignment (CP to CP) (if any), C-PACE Assignment (Locality) (if any), C-PACE Amendment (if any), and any other document, agreement, or instrument executed in connection with a C-PACE Loan.

**C-PACE Lien or Lien** - Charge levied by the Locality against the Eligible Property and for the benefit of the Eligible Property at the request of the Property Owner.

**C-PACE Lien Certificate** - Voluntary special assessment document signed by the Capital Provider, Property Owner and the Locality that is recorded in the Land Records against an Eligible Property to secure the C-PACE Loan.

**C-PACE Loan** - Loan from a Capital Provider to a Property Owner to finance a Project in accordance with the Program Guidelines. Per the C-PACE Act, a C-PACE Loan is available for commercial buildings. Residential properties with fewer than five (5) single family dwelling units are not eligible.

**C-PACE Loan Amount** - Total amount of the loan principal, plus all interest, penalties, fees, costs, and other amounts accrued as outlined in the C-PACE Documents and resulting Lien levied against the Eligible Property.

**C-PACE Model Ordinance or Ordinance** - Piece of legislation enacted by a locality establishing C-PACE in that jurisdiction.

**C-PACE Payment** - Periodic installment payments of the C-PACE Loan by a Property Owner, due and payable to the Capital Provider as permitted by the C-PACE Act in such amounts and at such times as described in the C-PACE Lien Certificate, C-PACE Program Agreement, and Financing Agreement.

**C-PACE Program Administrator** - Virginia PACE Authority, Inc. (VPA) which has a contract with Virginia Energy to provide program administrative services for the Virginia C-PACE Program.

**C-PACE Program Agreement** - Agreement between the Property Owner, Locality, and Capital Provider, and their respective successors and assigns, which includes the terms and conditions for participation in the Program; the Property Owner's acknowledgment and consent for the Locality to impose a voluntary special assessment and record a C-PACE Lien Certificate against the Property Owner's Eligible Property; and a summary of the terms of the C-PACE Loan.

**C-PACE Program Completion Certificate** - Certificate of completion completed by the Property Owner and signed by the Property Owner and the Capital Provider.

**Delinquent Payment** - Any C-PACE Payment that was not paid by the Property Owner in accordance with the C-PACE Documents.

**Eligible Improvement(s)** - A specific improvement or multiple improvements installed as part of an Eligible Project on an Eligible Property including the following categories:

- Energy efficiency improvements
- Water efficiency and safe drinking water improvements
- Renewable energy improvements
- Resiliency improvements
- Stormwater management improvement
- Environmental remediation improvements, and
- Electric vehicle infrastructure improvements

**Eligible Project Cost or Project Cost** - A cost necessary to install an Eligible Improvement to complete an Eligible Project which consists of Hard, Soft and Ancillary Costs.

**Eligible Project or Project** - A project that is approved by the Program Administrator containing Eligible Improvements.

**Eligible Property** - All assessable commercial real estate located within the Commonwealth, with all buildings located or to be located thereon, whether vacant or occupied, whether improved or unimproved, and regardless of whether such real estate is currently subject to taxation by the locality, other than a residential dwelling with fewer than five (5) dwelling units or a condominium as defined in § 55.1-2000 used for residential purposes. Common areas of real estate owned by a cooperative or a property owners' association described in Subtitle IV (§ 55.1-1800 et seq.) of Title 55.1 that have a separate real property tax identification number are eligible properties.

**Expected Useful Life (EUL)** - Estimated lifespan of an asset during which it is in good enough condition to function properly and be used.

**Final Application** - Full application to participate in the Program and receive the C-PACE Loan that is approved by the Program Administrator and that confirms that the Property Owner has met all the

requirements set forth in the Program Guidelines. Approval of the Final Application by the Program Administrator is a condition to closing the C-PACE Loan.

**Final Approval** - Letter provided by the Program Administrator that signifies that the Final Application is complete and has been approved. Following receipt of this notice, the Property Owner may close the C-PACE Loan.

**Financing Agreement** - Document executed by the Property Owner and Capital Provider that defines the terms of the C-PACE Loan, which comply with the requirements of the Program, and which are mutually agreed upon by the Property Owner and Capital Provider.

**Hard Costs** - All direct installation/construction contract costs (materials, labor, and overhead) associated with the Project.

**Land Records** - Means the land records of the Clerk of the local jurisdiction of Virginia Circuit Court.

**Lender Consent** - Written consent and subordination agreement executed by the holder of each existing lien, mortgage, or deed of trust on an Eligible Property that is the subject of a C-PACE Loan, which allows the C-PACE Lien to have senior priority over any existing lien, mortgage, or deed of trust, other than real property taxes.

**Locality** - Means all Cities, Counties, and Incorporated Towns within the Commonwealth of Virginia.

**Pre-Application** - Initial application completed by a Property Owner by which the Program Administrator can determine whether the proposed Project is located on an Eligible Property and that the prospective Property Owner is aware of the Program requirements. Approval of a Pre-Application is required prior to submittal of the Final Application.

**Program Administrator** - Virginia PACE Authority (VPA).

**Program Manager** - The Locality Point of Contact or such person designated in writing by the Locality to supervise the Program and act as liaison with the Program Administrator.

**Program Sponsor** - Virginia Energy (VE).

**Programmatic Documents** - Documents that are not specific to a specific transaction including the C-PACE Program Model Ordinance, Capital Provider-VPA Agreement, VA C-PACE Program Guidelines, and Virginia Energy-Locality C-PACE Agreement.

**Project Analysis** - an analysis of the Eligible Improvements proposed for the Project conducted by the Registered Contractor or Qualified Professional in compliance with Section 4.0 Energy and Resiliency Analysis Requirements.

**Project Center** - A web portal containing all documents, applications, and instructions required to be approved for C-PACE Loans offered through the Program Administrator.

**Project Developer** - An individual or company that assists the Property owner in developing the scope of the Project and/or assisting in arranging C-PACE Loans.

**Property Owner** - Owner of Eligible Property who obtains a C-PACE Loan from a Capital Provider under the Program in accordance with the Program Guidelines or the successor in title to the original Property Owner.

**Property Owner Affidavit or Property Owner Certification** - Notarized certificate from Property Owner, certifying that (1) Property Owner is current on payments on loans secured by a mortgage or deed of trust lien on the Property and on real estate tax payments, (2) that the Property Owner is not insolvent or in bankruptcy proceedings, and (3) that the title of the Property is not in dispute, as evidenced by a title report or title insurance commitment from a title insurance company acceptable to the Program Administrator and Capital Provider

**Qualified Professional** - A professional meeting the criteria to perform the Energy and/or Resiliency Analysis and that has registered as Contractor in the Virginia PACE Program.

**Real Property** - One or more defined interests, benefits, or rights inherent in the ownership of real estate.

**Registered Contractor** - A business or organization that has registered with the Program to provide services to Property Owners. Examples of Registered Contractors include general contractors, HVAC installers, lighting contractors, solar developers and installers, energy engineering firms, commissioning agents, and licensed engineers and architects.

**Retroactive C-PACE** - Completed installations of certain C-PACE Projects are eligible for Retroactive C-PACE financing. Retroactive C-PACE are C-PACE Loans that close after the Property Owner completes the installation of the Eligible Improvements. Retroactive C-PACE must occur within 24 months of the time elapsed between the completion of the installation and approval of the application for a C-PACE Loan. Retroactive C-PACE Projects must satisfy the same requirements as other C-PACE Projects in terms of eligibility.

**RFQ** - Request for Qualifications provided to lenders who want to be Capital Providers in the Program.

**Servicing Fee** - Fee that is collected annually with the C-PACE Payment over the term of the C-PACE Loan if the C-PACE Program Administrator services the C-PACE Payments. (See [Section 5.0 Program Fees](#) for further details).

**Soft Costs** - Indirect costs that are not considered direct construction costs but are necessary to complete the Project.

**Term** - Period beginning on the effective date of the C-PACE Documents and ending on the date on which the C-PACE Loan and any other amounts owed pursuant to the C-PACE Documents have been repaid in full in accordance with the C-PACE Documents and Assessment Payment Schedule.

**Transactional Documents** - Suite of documents and forms necessary to apply for and close a C-PACE Loan.

**VA C-PACE Checklist** - List of documents and information required for each C-PACE transaction.

**Virginia C-PACE Program or VA C-PACE** - C-PACE financing program established in the State of Virginia which facilitates the financing of Eligible Improvements and provides for a C-PACE Lien to be levied and recorded against the Property to secure the C-PACE Loan.

**VA C-PACE Program Guidelines or Program Guidelines** - Document that outlines the requirements of the VA C-PACE Program.

**Virginia Code** - The Code of Virginia Annotated (1950), as amended.

**Virginia Energy** - The state energy department sponsoring the VA C-PACE Program.

**Virginia Energy-Locality C-PACE Agreement** - Agreement between Virginia Energy and the Locality to which the Locality elects to participate in the Virginia C-PACE Program.

**Virginia C-PACE Program** - The VA C-PACE Program.

**Virginia PACE Authority, LLC ("VPA")** - Tax-exempt 501(c)3 nonprofit entity that administers the VA C-PACE Program on behalf of Virginia Energy and for Localities that sponsor a local C-PACE program.

**Weighted Average Expected Useful Life (EUL)** - Weighted average of the estimated lifespan of the Eligible Improvements.

## Appendix B: Common Eligible Improvements

Eligible Improvements for the expanded VA C-PACE Program include energy efficiency, water efficiency and safe drinking water, renewable energy, resiliency, stormwater management, EV infrastructure, and environmental remediation measures installed as part of an Eligible Project. Any deviations from these Eligible Improvements legislated through local C-PACE programs are delineated in the Existing Local Program Matrix in [Appendix F: Supplemental information](#).

### Energy Efficient Improvements

The following list of predominant, long-standing, proven energy efficiency technologies, water conservation technologies, and renewable energy generation systems is intended as a reference list and can change at any time. If not included on this list, the Program Administrator will review proposed Eligible Improvements and accept them on a case-by-case basis.

- High efficiency lighting
- Heating ventilation air conditioning (HVAC) upgrades
- New automated building and HVAC controls
- Variable speed drives (VSDs) on motors fans and pumps
- High efficiency chillers
- High efficiency boilers and furnaces
- High efficiency hot water heating systems
- Combustion and burner upgrades
- Fuel switching resulting in an overall reduction in the number of BTUs required to achieve a given end use
- Heat recovery, including air, water, or steam condensate heat or energy recovery
- Steam traps
- Building enclosure/envelope improvements
- Building automation (energy management) systems

The following end-use savings technologies are more applicable to industrial facilities:

- New automated process controls
- Heat recovery from process air and water
- Cogeneration used for peak shaving
- Process equipment upgrades
- Process changes

Shown below are key aspects of some of the most applied technologies listed above, with their typical simple payback range. These payback ranges are only provided for informational purposes and should not be construed as a guarantee of performance or requirement for C-PACE Financing eligibility.

### **Automated Building and HVAC Controls**

- New electronic controls which are more precise and reliable when compared to old controls that may still be pneumatic systems based on compressed air
- Automated lighting, chiller, boiler, and HVAC operation including
  - Load management, including load shedding, scheduling, and other building-to-grid interactive features;
  - Optimal start/stop/warm up
  - Ventilation control
- Whole-building energy management systems, which may come with other advanced control technologies, such as:
  - Security, fire, and life safety
  - Alarm monitoring and report generation
  - Preventive maintenance scheduling
- Remote monitoring/metering capabilities
- Plug-load controls

### **Boilers**

- Replacement of steam with hot water boilers for hot water heating loads; including heat pump water heaters
- Improved maintenance
- Optimized operation/staging in multiple boiler plants
- Optimized boiler controls
- Tuning or replacement of burners
- Addition of small “pony” boilers for low loads, which result in
  - Reduced fuel consumption/energy costs
  - Reduced emissions
  - Reduced maintenance costs
  - Higher reliability

### **Building Shell and Fenestration**

- Roof insulation, which, when combined with reflective roof coatings in warm climates, reduces energy consumption
- R review of building pressurization for proper ventilation
  - Balance exhaust and intake air quantities
  - Add weather-stripping on doors and windows
  - Seal cracks and unnecessary openings
- Window films to reduce solar heat gain and/or heat loss
- Replacement windows with more energy efficient glazing
- Present value of the embodied energy in the building envelope



## Chillers

- New chiller models, which can be up to 30-40 percent more efficient than existing equipment
- Upgrades of lead chiller(s) (base load) to high efficiency
- Management of chiller and condenser settings to minimize compressor energy
- Optimization of pumping energy for the distribution of chilled water
- Optimization of HVAC operation to
  - Improve temperature/humidity control
  - Eliminate unnecessary cooling loads
- CFC reclamation program/inventory
  - Chiller replacement may achieve both CFC management and energy efficiency objectives

## Heat Recovery

- Heat recovery devices to capture waste heat from water, process heat and exhaust air to re-use it for preheating of
  - Building intake air, including energy recovery units, heat pipes, enthalpy wheels or similar
  - Boiler combustion air
  - Boiler feedwater
  - Inlet water for domestic hot water

## HVAC

- New packaged units for increased efficiency and indoor comfort
- Heat pumps
- Proper sizing of HVAC equipment
  - Full-load operation is more efficient than part load operation
  - consider fan capacity reduction or staging of two (2) smaller units rather than partial loading of one large unit
- Installation of VSDs on HVAC motors
- The balancing of air and water supply systems (by installing economizers and direct digital controls) which removes trouble spots demanding inefficient system operation
- Improves maintenance and eliminates simultaneous heating and cooling
- Variable air volume conversions, which differ significantly from constant air flow
- Ventilation reduction (when possible and not below ventilation rates required by USBC)
- Unoccupied shutdown or temperature setback/setup (controls)
- Combined heat and power

## Lighting

- Daylight controls and natural daylighting designed to reduce energy and improve visual comfort
- Upgrades for existing fluorescent fixtures including electronic ballasts, T8 lamps, reflectors, and the installation of LED bulbs and fixtures
- Timers and occupancy sensors for meeting rooms and other intermittently occupied spaces
- Smaller impact opportunities including security lighting, stairwell lighting, exterior night-time security lighting, and exit signs

### **Motors**

- High efficiency electric motor replacements
  - The cost premium over standard motors normally can be recovered in less than two (2) years
- Motor sizing to the actual load profile to improve efficiency and control electrical power factor

### **Refrigeration**

- Improvements to refrigerated cases and walk-in coolers to improve efficiency and decrease waste
  - Additional insulation, anti-sweat heater controls, auto-closers for cooler/freezer doors, case-lighting controls, improved defrost controls, suction line insulation, etc.
- Thermal Storage Systems (for load shifting)
- Compressors (VFD and controls, heat recovery, mechanical sub-cooling, evaporative condensers)

### **Variable Speed Drives**

- VSDs applied to motors, pumps, and fans
  - Matches motor use to variable operating load
  - Can save up to 40 percent in power consumption
  - Can be packaged with controls
  - Extends motor life

## **Water Efficiency and Safe Drinking Water Improvements**

- Replacement of toilets, urinals, and other bathroom fixtures which can greatly impact domestic water use
- Replacement of pre-rinse valves, dishwashers, and icemakers in commercial kitchens, which can save water
- Upgraded laundry equipment in commercial properties and Laundromats
- Installation of cooling towers, condensers, and steam boilers HVAC systems, which can reduce water consumption
- Installation of new equipment in car washes to achieve 80-100% recycled water use or utilization of applicable gray water sources, film and x-ray processing, and high-tech manufacturing which can reduce industrial water consumption
- Replacement of lead pipes that serve potable water supply

## **Renewable Energy Improvements**

- Solar photovoltaic power
- Solar thermal
- Wind power
- Geothermal energy
- Fuel cell

- Green Hydrogen (hydrogen produced by splitting water into hydrogen and oxygen using renewable electricity)
- Combined heat and power
- Solar battery storage
- Voltage optimization devices: Savings may be achieved by reducing energy lost during the transmission and transformation processes

## Resiliency Improvements

- Stormwater management systems
  - Green roofs
  - Blue roofs
  - Pervious pavement/pavers
  - French drains
  - Rainwater capturing systems and other stormwater management systems as approved by the Virginia Best Management Practices (BMP) Clearinghouse, or the Chesapeake Bay Basin wide BMP Verification Program
- Wind
  - Wind resistant felt underlayment
  - Existing roof-structural-framing-member-to-wall connections (e.g., hurricane straps)
  - Commercial doors including roll-up, overhead, and sectionals
  - Reinforced gutters and downspouts
  - Hurricane shutters
  - Wind resistant shingles
  - Secondary water barrier
- Flood mitigation/inundation adaptation
  - Relocation of HVAC, plumbing, servers, electrical rooms, backup generators, and other critical infrastructure above the height of expected flood levels
  - Dry flood protection such as flood gates, walls, or doors, inflatable barriers
  - Direct Costs to build > 3 feet above base flood elevation
  - Infrastructure to raise equipment above 3-foot freeboard
  - Site Perimeter floodproofing
  - Flood vents
  - Floating foundations
  - Thermal protection/insulation
  - Sump Pumps (permanent)
  - Backwater Valves
  - Waterproof or water-resistant materials for flooring, foundation etc.
  - Windows and doors on ground level to be watertight
  - Elevators to include water detectors that stop the elevator above flood inundation levels;
  - Elevating sites
  - Sea walls

- Energy Storage systems
- Stormwater management project
  - green roofs
  - blue roofs
  - pervious pavement/pavers
  - rainwater capturing systems

## **Environmental Remediation Improvements**

- Soil and groundwater remediation
- Asbestos remediation in tiles, ceilings, and other interior building areas
- Mold remediation of walls and ceilings
- Removal of lead paint in building interiors
- Protect water piping from contamination due to flooding
- Ultra-violet lamp systems in air handling units or hospital rooms

## **Electric Vehicle Infrastructure**

- Electric vehicle charging stations
- Electrical upgrades necessary to install EV charging stations

## **Non-Eligible Improvements**

- Improvements that are not permanently installed and can be easily removed
- Any measure that cannot be explained in terms of industry-standard engineering or scientific principles

## Appendix C: Program Fees

### Closing Fee

- 1.05% of Lien Amount
- Minimum Fee: \$3,300

### Servicing Fee (if provided by Program Administrator)

- 1.5% of Annual Loan Amount
- Minimum Fee: \$300
- Maximum Fee: \$2,000

## Appendix D: VA C-PACE Checklist

APPLICATION	
Pre-Application for C-PACE financing	Create credentials in <u>Project Portal</u> . Pre-approval will be confirmed via email and logged into system. Program Administrator (PA) will contact Property Owner if there are issues with Pre-Application
Final Application for C-PACE financing	Complete in Project Portal. Documentation must be uploaded at this time.
Property information detail	PA will confirm property information detail including verification of property address.
Property Owner tax history (3 years)	Documents verifying Property Owner is current on property taxes.
Project Analysis	Project Analysis report with supporting documentation and calculations
Signed installation contract(s)	Must include estimated costs
Capital Provider (CP) offer to fund	Term sheet or similar
Title Report or Commitment	Must be current within 30 days of project approval
Property value determination	Appraisal, assessed value, other as listed in Program Guidelines
Lender Consent	Obtain written Lender Consent from all lienholders, if applicable
Documentation of Mortgage Release	Evidence that existing mortgage(s) has been released, if applicable
Documentation of Mortgage Balance(s)	Copies of most recent mortgage loan statement(s) for all existing loans or mortgage commitment on Property to determine LTV ratio
CP and PA Disclosures and Risks	Property Owner signs
Property Owner Affidavit	Property Owner and Capital Provider sign
Project Information Request	Property Owner signs
PA Conditional Approval Letter	PA indicates that Final Application is complete, and CP can initiate closing
CLOSING	
Capital Provider-VPA Agreement	CP executes with PA if first project in Program.
C-PACE Program Agreement and C-PACE Lien Certificate	CP sends documents to PA for review; PA sends back if modifications required
PA Final Approval Letter	Indicates Project is ready to close. PA sends Letter to Locality with CP and Property Owner signatures on Program Agreement, Financing Agreement, and C-PACE Lien Certificate.
C-PACE Program Agreement and C-PACE Lien Certificate	PA sends Program Agreement and C-PACE Lien Certificate to Locality. Locality executes and returns to all parties. CP closes and disburses funds.
Closing Fee Paid to PA and any other fees	Wire addressed to Virginia PACE Authority. Payment and wiring information will be provided in an invoice/notification from VPA.
C-PACE Lien recordation	CP records C-PACE Lien Certificate in Land Records and provides copy to PA
POST-CLOSING	
C-PACE Program Completion Certificate	Property Owner or CP provides to PA at Project completion

## Appendix E: VA C-PACE Program Documents

To access the documents, either click the links below or go to <http://virginiapace.org>

[Programmatic Documents](#)

[Transactional Documents](#)

# Appendix F: Supplemental Information

- [State Statute](#)
- [Resiliency Compendium](#)
- [Existing Local Program Matrix](#)



# Section III

## Power Point

# Commercial Property Assessed Clean Energy (C-PACE)

Overview of C-PACE and the new  
VA C-PACE Program

November 2022

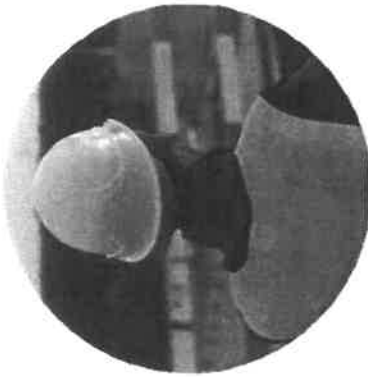


# Virginia PACE Authority (VPA)

- Organized as a 501(c)(3) nonprofit
- Key staff have 10 years of experience in C-PACE around the country and in Virginia since 2014
- Program administrator for the VA C-PACE Program sponsored by the Virginia Department of Energy
- Administer 10 legacy C-PACE programs



# C-PACE 101 *Commercial Property Assessed Clean Energy*



## **Economic Development**

Infused \$4.2 billion nationally into local economies in 2,900 projects, creating over 52,000 jobs.



## **Clean energy and resiliency**

Funds clean energy, water efficiency, and resiliency projects, reducing GHG and energy usage, improving air and water quality.

# C-PACE 101 *Innovative Clean Energy Financing Solution*

100% upfront financing for eligible projects and properties

Eligible projects: energy efficiency, renewable energy, resiliency environmental remediation, and EV infrastructure

Eligible properties: private and nonprofit commercial, multifamily and agricultural -only residential 1-4 units excluded

Competitive fixed-rate, fully amortizing loans for up to 30+ years

No personal or corporate guarantees

Refinance eligible improvements two years after completion



# C-PACE 101 *Innovative Clean Energy Financing Solution*

Private lenders known as Capital Providers structure financing terms directly with borrowers

Secured by a voluntary special assessment lien placed on the property

As a special assessment, stays with property upon sale or refinance

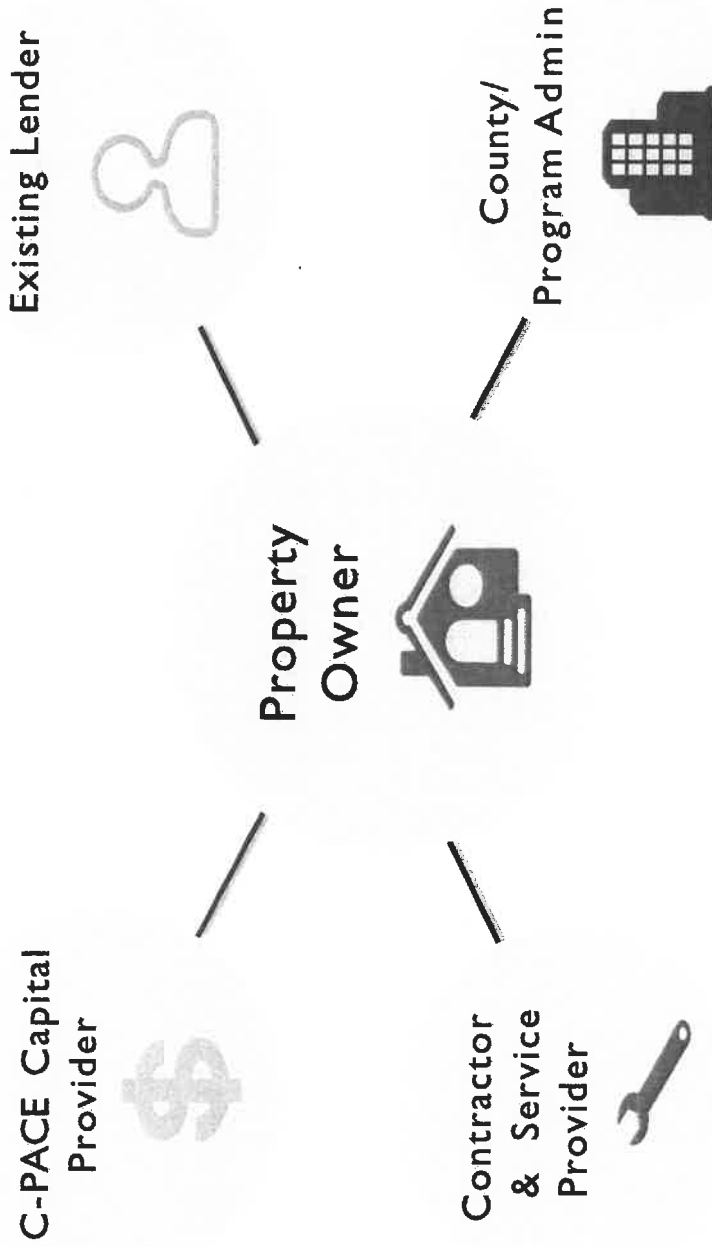
As a special assessment, lien is enforced by the locality or Capital Provider (per 2022 statutory changes)

C-PACE loans are prepayable per agreement with Capital Provider



# C-PACE 101

## Project Stakeholders



# Statewide Update

- New documentation is now available to localities:
  - Legal: C-PACE ordinance, program agreement, recording documents, etc.
  - Technical: Program Guide centralized application and approval process
- For existing C-PACE programs, a simple amendment is needed to update prior documentation
- Statewide program allows new localities to join using one set of standardized documents and guidelines
- VPA will work with localities for marketing/outreach. New updates are being made to the website, marketing collateral, tutorials and training.





# VA C-PACE Opt-in Process

## Localities



Locality staff review Ordinance and program documents. VPA answers any questions



VPA works with staff and elected officials to present C-PACE at public hearing, if necessary



Staff issues public notice that Ordinance will be on docket of next Council/BOS meeting



Locality adopts Ordinance and executes Virginia Energy-Locality Agreement



Locality designates Point of Contact and Program Manager



VPA markets, vets and approves projects and facilitates loan closings with Locality

*Note: Existing programs remain operational in interim*



## § 15.2-958.3: 2022 Amendments

- Addition of safe drinking water, environmental remediation and EV infrastructure as eligible improvements
- Common areas of cooperatives and POAs eligible
- Locality can delegate billing, collection (including enforcement), and remittance of C-PACE Loan payments to third-party
- Specific locality opt-in language for statewide program



## § 15.2-958.3: 2022 Amendments

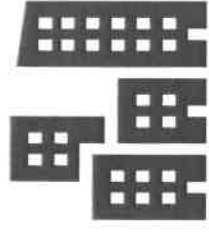
Resiliency improvement: an improvement that increases the capacity of a structure or infrastructure to withstand or recover from natural disasters, the effects of climate change, and attacks and accidents, including, but not limited to:

1. Flood mitigation or the mitigation of the impacts of flooding
2. Inundation adaptation
3. Natural or nature-based features and living shorelines
4. Enhancement of fire or wind resistance
5. Microgrids
6. Energy storage and
7. Enhancement of the resilience capacity of a natural system, structure, or infrastructure



# C-PACE Potential Benefits for Virginia

- Powerful economic development tool:
- If 15% of buildings in VA were financed with C-PACE:
  - 250,000 jobs would be created
  - \$32 Billion economic impact
  - 17 million metric tons of reduced carbon



Source: From PACENation's A PACE Enabled World, January 20, 2022



# Opportunities of VA C-PACE Program

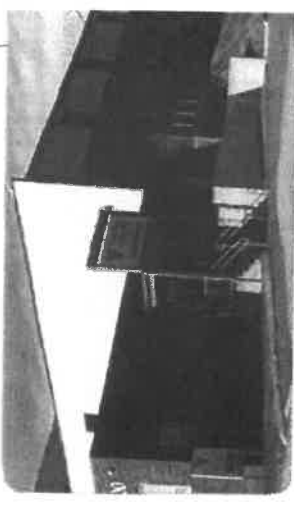
## *Building Owners and Developers*

- Install high performing improvements with no upfront costs
- Pays for wide range of hard and soft costs in both existing buildings and new construction
- Lowers cost of new construction or gut rehab
- Addresses value engineering issues in high performing buildings
- Helps meet ESG Targets



# Building Retrofit

- Pay for building upgrades with C-PACE and use cash instead for operations or other purposes
- Enhance building value by upgrading building with highly efficient improvements
- Install high-efficiency improvements that lower utility and maintenance costs, making C-PACE cash flow neutral or even positive
- Off-balance sheet potential
- Pass through to tenants depending on lease type

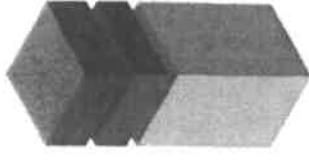


20-year, \$785K C-PACE loan for nonprofit



# New development or gut rehab

- Fund up to 25% of hard and soft construction costs
- Gap financing that replaces equity or more expensive “mezz” debt
- Lowers overall cost of capital on development projects, improves ROI
- Defer payments for multiple years
- Interest only financing available
- Funding soft costs in loan can improve construction cash flow



EQUITY

PACE FINANCING

SENIOR DEBT



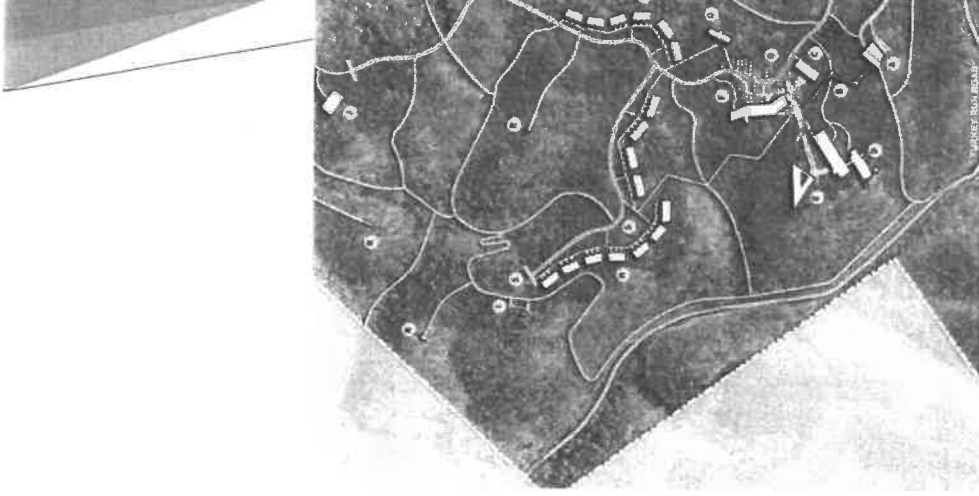
20-year, \$1.93MM C-PACE loan on new hotel



14

# Select Projects in pipeline

- Large mixed use tourism project in Shenandoah County
- New senior housing project in Winchester County
- Upgraded warehouse facility in Suffolk
- Several Multifamily projects in Richmond
- Senior housing/assisted living in Prince William County
- Ground up multifamily in Newport News





# Opportunities of VA C-PACE Program

## *Localities*

- Free Economic development tool
- Meet Sustainability and/or resiliency goals
- Attract or retain new businesses
- Help small and underserved communities and businesses that cannot access affordable capital easily
- Building values increase over time
- Create new jobs



**THANK YOU!**

**For More Information:**

**Abby Johnson, Executive Director**

**[abby@virginiapace.com](mailto:abby@virginiapace.com)**

**Andy Friedman, Business Development**

**[andy@virginiapace.org](mailto:andy@virginiapace.org)**

**Ellen Dickson, Operations & Outreach**

**[ellen@virginiapace.com](mailto:ellen@virginiapace.com)**

**<http://www.virginiapace.com>**



# Section IV

## Sample Ordinance



# THE COMMON COUNCIL

Rouss City Hall  
15 North Cameron Street  
Winchester, VA 22601  
540-667-1815  
TDD 540-722-0782  
www.winchesterva.gov

*I, Kerri A. Mellott, Deputy Clerk of the Common Council, hereby certify on this 09 day of June 2021 that the following Ordinance is a true and exact copy of one and the same adopted by the Common Council of the City of Winchester, assembled in regular session on the 08 day of June 2021.*

## **AN ORDINANCE ENACTING CHAPTER 25.1 OF THE CITY CODE FOR THE CITY OF WINCHESTER CITY, VIRGINIA.**

**NOW, THEREFORE, BE IT ORDAINED** by the Common Council of the City of Winchester, Virginia that Chapter 25.1, Commercial Property Assessed Clean Energy (C-PACE) Financing and Resiliency Program of the City Code of the City of Winchester, Virginia is hereby enacted as follows:

### **CHAPTER 25.1 - COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (C-PACE) FINANCING AND RESILIENCY PROGRAM**

#### **Article I. - In General**

##### **Sec. 25.1-1. Purpose.**

The purpose of this Chapter is to create a “The City of Winchester Commercial Property Assessed Clean Energy (C-PACE) Financing Program,” in accordance with the Commonwealth of Virginia’s Clean Energy Financing Law, § 15.2-958.3 of the Code of Virginia of 1950, as amended (hereinafter the “C-PACE Act”). The C-PACE Program will facilitate loans made by Capital Providers to Borrowers to finance renewable energy production and distribution facilities, energy efficiency improvements, water usage efficiency, resiliency and stormwater management improvements. Subject to the limitations set forth in this Chapter, the C-PACE Act, or other applicable law, each C-PACE Loan, inclusive of principal, interest, and any financed fees, costs, or expenses, will be secured by a voluntary special assessment lien on the property that is the subject of such Loan.

##### **Sec. 25.1-2. – Definitions.**

*Borrower* means (i) the owner(s) of Eligible Property who voluntarily obtain(s) a C-PACE Loan from a Capital Provider in accordance with the Program Guide; or (ii) a successor in title to the Borrower.

*Borrower Certification* means a notarized certificate from Borrower, certifying that (i) Borrower is current on payments on loans secured by a mortgage or deed of trust lien on the Property and on Real Estate Tax payments, (ii) that the Borrower is not insolvent or in bankruptcy proceedings, and (iii) that the title of the

*C-PACE Program* or *Program* means the program established by the City through this chapter, in accordance with the C-PACE Act, that facilitates the financing of Eligible Improvements and provides for a C-PACE Lien to be levied and recorded against the Property to secure the C-PACE Loan.

*C-PACE Program Agreement* means the Agreement executed between the Borrower, City, and Capital Provider, and their respective successors and assigns, which includes the terms and conditions for participation in the C-PACE Program; the Borrower's acknowledgment and consent for the City to impose a voluntary special assessment and record a C-PACE Lien Certificate against the Borrower's Eligible Property; and a summary of the terms of the C-PACE Loan. A copy of the draft C-PACE Program Agreement is included herein as Appendix A-1.

*Clerk's Office* means the Clerk's Office of the City of Winchester, Virginia.

*Delinquent Payment* means any C-PACE Payment that was not paid by a Borrower in accordance with the C-PACE Documents.

*Eligible Improvement* means the initial acquisition and installation of clean energy, energy efficiency, water efficiency, resiliency or stormwater management improvements for both existing properties and new construction, as further prescribed in this Chapter and the Program Guide.

*Eligible Property* or *Property* means real property located within the City, with all buildings located or to be located thereon whether vacant or occupied, improved or unimproved, and regardless of whether such real estate is currently subject to taxation by the City, excluding i) a residential dwelling with fewer than five (5) units, and (ii) a condominium project as defined in Virginia Code § 55.1-2000. Exclusion of condominium projects will be limited to residential condominium projects as defined in the 2021 amendment to the C-PACE Act effective July 1, 2021.

*Financing Agreement* means the written agreement, as may be amended, modified, or supplemented from time to time, between a Borrower and a Capital Provider, regarding matters related to the extension and repayment of a C-PACE Loan to finance Eligible Improvements.

*Land Records* means the land records of the Clerk of the City of Winchester Circuit Court.

*Lender Consent* means a written subordination agreement executed by each mortgage or deed of trust lienholder with a lien on the Property that is the subject of a C-PACE Loan, which allows the C-PACE Lien to have senior priority over the mortgage or deed of trust liens.

*Loan Amount* means the aggregate amount of a C-PACE Loan, inclusive of principal, interest, and any financed fees, costs, and/or expenses, as provided for in the C-PACE Documents.

*Program* means the City C-PACE financing program established to provide C-PACE Loans to Borrowers in accordance with the C-PACE Act, this Chapter, the C-PACE Documents, and the Program Guide.

*Program Administrator* means the person or entity retained by the City to administer the Program in accordance with the requirements of the C-PACE Act, this Chapter, and the Program Guide.

- (3) Water usage efficiency improvements (e.g., recovery, purification, recycling, and other forms of water conservation);
  - (4) Resiliency improvements may include mitigation of flooding or the impacts of flooding or stormwater management improvements with a preference for natural or nature-based features and living shorelines as defined in Virginia Code § 28.2-104.1.
  - (5) Construction, renovation, or retrofitting of a Property directly related to the accomplishment of any purpose listed in subsections (1), (2), (3) or (4) above, whether such Eligible Improvement was erected or installed in or on a building or on the ground; it being the express intention of the City to allow Eligible Improvements that constitute, or are a part of, the construction of a new structure or building to be financed with a C-PACE Loan; or,
    - (i) Any other category of improvement approved by the Program Administrator with the consent of the Program Manager as qualifying for financing under the C-PACE Act and the Program.
- (b) *Use of C-PACE Loan Proceeds.* The proceeds of a C-PACE Loan may be used to pay for the construction, development, and consulting costs directly related to Eligible Improvements, including without limitation, the cost of labor, materials, machinery, equipment, plans, specifications, due diligence studies, consulting services (e.g., engineering, energy, financial, and legal), Program Fees, C-PACE Loan fees, capitalized interest, interest reserves, and C-PACE transaction underwriting and closing costs.
- (c) *Program Applications; Prioritization.* The Program Administrator will develop a Program application process that allows for the review and approval of proposed Eligible Improvements and C-PACE Documents. Program applications will be processed on a first come, first serve basis; provided, however, that the applicant meets eligibility requirements as set forth in the Program Guide.

**Sec. 25.1-5. - C-PACE Loan Requirements; Program Fees; Reporting; Program Administrator; Program Guide.**

- (a) *Source of Loans.* C-PACE Loans shall be originated by Capital Providers. The City and/or its respective governmental entities shall have no obligation to originate or guarantee any C-PACE Loans.
- (b) *C-PACE Loan Amount Thresholds.* The minimum Loan Amount that may be financed for each Project is fifty thousand dollars (\$50,000). Effective July 1, 2021, there is no

shall be responsible, subject to and in accordance with the terms of the C-PACE Program Agreement and other C-PACE Documents, for the servicing of the C-PACE Loans and the collection of C-PACE Payments. In the alternative, C-PACE Loans may be serviced by the Program Administrator. Nothing herein shall prevent the Capital Provider from directly billing and collecting the C-PACE Payments from the Borrower to the extent permitted by the C-PACE Act or other applicable law.

- (j) *C-PACE Loan Assumed.* The Borrower shall assume the obligation to repay all remaining unpaid C-PACE Payments, whether it obtained ownership of the Property voluntarily or involuntarily, which are due upon acquisition of the Property, if any, and which accrue during Borrower's period of ownership. Only the current C-PACE Payment and any Delinquent Payments, together with any costs of collection, shall be payable at the settlement of a Property upon sale or transfer, unless otherwise agreed to by the Capital Provider.
- (k) *Transfer of C-PACE Loans.* C-PACE Loans may be transferred, assigned, or sold by a Capital Provider to another Capital Provider at any time until the C-PACE Loan is paid in full provided that Capital Provider shall (i) notify the Borrower and Program Administrator prior to the billing date of the next C-PACE Payment due, (ii) record a C-PACE Loan Assignment among the Land Records, and (iii) deliver a copy of the recorded C-PACE Assignment to the Borrower, City, and Program Administrator as set forth in the C-PACE Program Agreement and Program Guide. Recordation of the C-PACE Assignment shall constitute an assumption by the new Capital Provider of the rights and obligations of the original Capital Provider contained in the C-PACE Documents.
- (l) *Program Fees.* The Program will be self-financed through Program Fees charged to participating Borrowers. The Program Fees are established to cover the actual and reasonable costs to design and administer the Program, including the compensation of a third-party Program Administrator. Program Fees will be assessed as a percentage fee of the C-PACE Loan paid at closing. The amount(s) of the Program Fees shall be set forth in the Program Guide. Program Fees may be changed by the Program Manager from time to time and shall only apply to C-PACE Loans executed after the date the revised Fees are adopted.
- (m) *Notification of Proposed Loan and Closing.* The Program Guide will set forth the C-PACE Loan notification requirements and Loan closing process.
- (n) *Reporting.* The City may require the Capital Provider and/or the Program Administrator

Office.

- (b) *Recordation of C-PACE Lien Certificate.* Each C-PACE Loan shall be secured by a C-PACE Lien as evidenced by the recordation of the C-PACE Lien Certificate among the Land Records. The Program Manager, on behalf of the City, is hereby authorized to execute the C-PACE Lien Certificate prior to recordation. Upon complete execution of the C-PACE Documents and funding of the C-PACE Loan, Capital Provider or the Program Administrator shall record the C-PACE Certificate in the Clerk's Office.
- (c) *Priority.* The C-PACE Lien, together with any penalties and interest thereon, shall have the same priority as a real property tax lien against real property, except that it shall have priority over any previously recorded mortgage or deed of trust lien only if prior to the recording of the C-PACE Lien, i) Borrower has obtained a written subordination agreement, in a form and substance acceptable to each prior lienholder in its sole and exclusive discretion, executed by the holder of each mortgage or deed of trust lien on the Property and recorded with the C-PACE Lien in the Land Records; and ii) prior to the recording of the C-PACE Lien, Borrower has delivered an executed Borrower Certification to the City in connection with the C-PACE Loan closing. Only the current C-PACE Payment and any Delinquent Payments shall constitute a first lien on the Property. The C-PACE Lien shall run with the land, and any portion of the C-PACE Lien under the C-PACE Program Agreement that has not yet become due shall not be eliminated by foreclosure of: (1) a City property tax lien, or (2) the lien for any past due portion of the C-PACE Loan. In the event of a sale or transfer of the Property by Borrower, the obligation for the C-PACE Lien and Borrower's obligations under the Loan Documents will be transferred to the succeeding owner.
- (d) *Amendment of Lien.* Upon written request by a Capital Provider in accordance with the Program Guide, the Program Manager may execute an amendment of the C-PACE Lien after the closing of a C-PACE Loan. The Amendment will be recorded in the Land Records.
- (e) *Enforcement and Collection Costs.* In the event of Borrower's default under the terms of the C-PACE Documents, the City shall enforce the C-PACE Lien for the amount of the Delinquent C-PACE Payments, penalties, interest due, and any costs and expenses of collection, including without limitation, attorneys' fees, as set forth in the C-PACE Documents, in the same manner that a property tax lien against real property may be enforced. The Capital Provider agrees to cooperate with the City in its enforcement of the C-PACE Lien by providing all necessary documents, information, and testimony



Borrower, Capital Provider, or other participant under the Program, shall comply with all applicable requirements of the Program Guide.

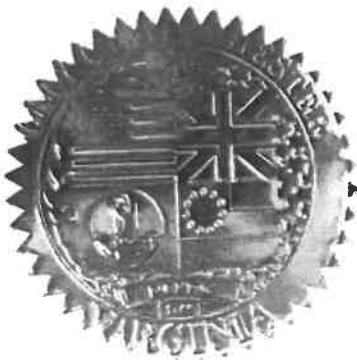
**Sec. 25.1-8. – Severability.**

The provisions of this Chapter are severable. If a court of competent jurisdiction determines that a word, phrase, clause, sentence, paragraph, subsection, section, or other provision is invalid, or that the application of any part of the chapter or provision to any person or circumstance is invalid, the remaining provisions of this Chapter shall not be affected by that decision and continue in full force and effect.

**Ordinance No. O-2021-21**

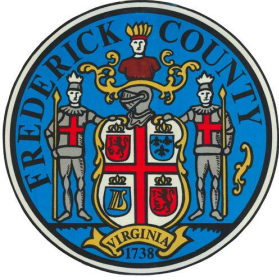
**ADOPTED** by the Common Council of the City of Winchester on this 08 day of June 2021.

*Witness my hand and the seal of the City of Winchester, Virginia.*



A handwritten signature in black ink that reads "Kerri A. Mellott".

**Kerri A. Mellott**  
**Deputy Clerk of the Common Council**



Finance Committee  
Agenda Item Detail  
Meeting Date: November 15, 2023  
Agenda Section: Items For Information Only

---

**Title:** The Finance Director provides financial statements ending September 30, 2023.

**Attachments:**

[FinStmtsSept23.pdf](#)

County of Frederick  
General Fund  
September 30, 2023

ASSETS	FY24 <u>9/30/23</u>	FY23 <u>9/30/22</u>	Increase <u>(Decrease)</u>
Cash and Cash Equivalents	84,163,463.95	84,227,490.00	(64,026.05) *A
Petty Cash	1,555.00	1,555.00	0.00
Receivables:			
Receivable Arrears Pay Deferred	337,221.65	388,927.35	(51,705.70)
Taxes, Commonwealth, Reimb.P/P	76,166,244.69	74,701,395.47	1,464,849.22
Streetlights	11,965.56	11,477.79	487.77
Miscellaneous Charges	46,936.18	38,397.55	8,538.63
Prepaid Postage	3,095.71	3,150.85	(55.14)
GL controls (est.rev / est. exp)	<u>912,402.00</u>	<u>(2,851,038.00)</u>	<u>3,763,440.00</u> (1) Attached
<b>TOTAL ASSETS</b>	<u>161,642,884.74</u>	<u>156,521,356.01</u>	<u>5,121,528.73</u>
LIABILITIES			
Accrued Wages Payable	1,774,175.66	1,611,803.87	162,371.79
Performance Bonds Payable	1,358,268.59	1,484,394.13	(126,125.54)
Taxes Collected in Advance	178,448.09	232,253.15	(53,805.06) *B
Deferred Revenue	<u>76,117,140.22</u>	<u>74,823,236.72</u>	<u>1,293,903.50</u> *C
<b>TOTAL LIABILITIES</b>	79,428,032.56	78,151,687.87	1,276,344.69
EQUITY			
Fund Balance			
Reserved:			
Encumbrance General Fund	6,938,687.65	1,885,076.39	5,053,611.26 (2) Attached
Conservation Easement	4,779.85	4,779.85	0.00
Peg Grant	568,708.44	539,942.25	28,766.19
Prepaid Items	949.63	949.63	0.00
Advances	657,083.23	657,083.23	0.00
Opoid Settlement	380,655.34	0.00	380,655.34
Courthouse Fees	569,633.56	539,188.28	30,445.28
Animal Shelter	1,412,401.98	1,341,126.42	71,275.56
Sheriff's Reserve	1,000.00	1,000.00	0.00
Proffers	9,432,140.01	7,600,900.67	1,831,239.34 (3) Attached
Parks Reserve	192,036.04	132,668.69	59,367.35
E-Summons Funds	210,512.29	216,272.75	(5,760.46)
VDOT Revenue Sharing	0.00	436,270.00	(436,270.00)
Undesignated Adjusted Fund Balance	<u>61,846,264.16</u>	<u>65,014,409.98</u>	<u>(3,168,145.82)</u> (4) Attached
<b>TOTAL EQUITY</b>	<u>82,214,852.18</u>	<u>78,369,668.14</u>	<u>3,845,184.04</u>
<b>TOTAL LIAB. &amp; EQUITY</b>	<u>161,642,884.74</u>	<u>156,521,356.01</u>	<u>5,121,528.73</u>

**NOTES:**

\*A Cash decrease includes an increase in revenue, expenditures, transfers, and a decrease in fund balance (refer to the comparative statement of revenue, expenditures, transfers, and fund balance)

\*B Prepayment of taxes.

\*C Deferred revenue includes taxes receivable, street lights, misc. charges, dog tags, and motor vehicle registration fees.

**BALANCE SHEET**

(1) GL Controls	FY24	FY23	Inc/(Decrease)
Estimated Revenue	244,028,617	232,701,925	11,326,691
Appropriations	(117,776,609)	(107,050,740)	(10,725,870)
Est. Transfers to Other Funds	(132,278,293)	(130,387,300)	(1,890,993)
Encumbrances	6,938,688	1,885,076	5,053,611
<b>Total</b>	<b>912,402</b>	<b>(2,851,038)</b>	<b>3,763,440</b>

**(2) General Fund Purchase Orders 9/30/23**

	Amount	
County Office Buildings	7,350.00	Pole Service Installation Aylor Fuel Station
Fire and Rescue	19,661.44	Lifepak Accessories
	46,542.13	Uniforms and Boots
	174,315.04	(4) F-150 Crew Cabs
	1,083,868.00	(2) All Poly 3,000 Gallon Tankers
	34,752.32	Emergency Lighting
	800,482.00	(2) 2023 Horton Ambulances F-550
	26,345.60	Stabilization Struts for Vehicle Extraction
	125,100.26	Stryker Items
Inspections	509,796.00	(51) Diesel Exhaust Filtration Systems
IT	66,089.32	(2) 2024 Ford Broncos
	849,490.00	PC Refresh for the Sheriff's office.
	9,183.52	SQL License for CAMA
	6,497.45	Kent Street Camera Replacement
	7,200.00	Upgrade Adaptive Security Appliance Firewalls for the Kent Building
Parks and Recreation	17,070.71	Camera System Install DSS
	45,763.36	Toro Multi Pro Spray Rig
	138,983.46	(2) Turbo Wide Area Mowers(Clearbrook &Sherando Park)
	39,324.72	Uniforms and Shirts
	276,953.00	Main Playground Replacement Clearbrook Park
	28,490.50	Sherando Park Field Leveling
	86,324.83	Sherando Park Abex Playground Replacement Installed
	19,346.18	New Hanwha Camera System for Sherando Park
	3,215.00	Storywalk Sign Pedestals for Bowman Library Trail
	10,050.00	Finisher Medals for Battlefield and Thanksgiving Races
	110,000.00	Mason Water Slides for Clearbrook and Sherando Pools
	26,800.00	Underground Irrigation System
	59,681.00	Sherando Pickleball Courts
Public Safety	45,530.00	Emergency Radio Equipment Replacement Relocation
	43,508.00	CX300 ComXpert Communications Service Monitor
	40,617.75	2023 Silverado
Sheriff	50,928.76	Ford 4WD 250 Super Duty
	44,395.13	Body Armour and Carriers
	21,705.06	Ammunition
	6,448.00	Dry Suits for Diving
	93,805.80	ALLERRT Kits
	446,261.50	(13) Vehicles
	218,333.74	Uplifting New Vehicles with Equipment
	1,263,222.67	(29 ) Vehicles
	35,255.40	(15) Laptop&Printer Mounting Package
<b>Total</b>	<b>6,938,687.65</b>	<b>0</b>

(3) Proffer Information	SCHOOLS	PARKS	FIRE & RESCUE	Designated Other Projects	TOTAL
Balance 9/30/23	6,988,931.74	511,861.11	247,364.02	1,683,983.14	9,432,140.01
Administration	43,380.82				
Bridges	17,014.32				
Historic Preservation	129,000.00				
Library	481,556.00				
Sheriff	146,172.00				
Solid Waste	12,000.00				
Stop Lights	52,445.00				
Road Imp.&Transportation	802,415.00				
<b>Total Other Proffers</b>	<b>1,683,983.14</b>				

(4) Fund Balance Adjusted	
Beginning Balance 9/30/23	64,719,216.11
Revenue 9/23	28,871,817.27
Expenditures 9/23	(28,047,753.54)
Transfers 9/23	(3,697,015.68)
<b>Ending Balance 9/30/23</b>	<b>61,846,264.16</b>

County of Frederick  
 Comparative Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 September 30, 2023

<b>REVENUES:</b>	<u>Appropriated</u>	<u>FY24 9/30/23 Actual</u>	<u>FY23 9/30/22 Actual</u>	<u>YTD Actual Variance</u>
General Property Taxes	160,510,000.00	7,818,502.94	8,164,287.93	(345,784.99) <b>(1)</b>
Other local taxes	52,354,691.00	5,149,544.59	5,195,213.57	(45,668.98) <b>(2)</b>
Permits & Privilege fees	2,425,205.00	713,536.62	922,808.31	(209,271.69) <b>(3)</b>
Revenue from use of money and property	2,820,066.00	3,097,389.51	1,061,130.62	2,036,258.89 <b>(4)</b>
Charges for Services	4,749,694.00	860,792.47	800,639.88	60,152.59
Miscellaneous	520,157.95	212,148.70	151,009.12	61,139.58
Recovered Costs	2,122,704.00	248,566.38	349,287.49	(100,721.11) <b>(5)</b>
Proffers	0.00	994,061.94	410,288.29	583,773.65 <b>(5)</b>
Intergovernmental:				
Commonwealth	13,841,226.00	5,578,046.60	5,325,245.45	252,801.15 <b>(6)</b>
Federal	490,118.00	4,472.73	3,656.64	816.09 <b>(7)</b>
Transferred from County Capital	4,194,754.79	4,194,754.79	0.00	4,194,754.79
<b>TOTAL REVENUES</b>	<u>244,028,616.74</u>	<u>28,871,817.27</u>	<u>22,383,567.30</u>	<u>6,488,249.97</u>
<b>EXPENDITURES:</b>				
General Administration	19,230,815.62	6,445,514.86	6,015,433.98	430,080.88
Judicial Administration	3,839,342.09	847,598.55	784,941.28	62,657.27
Public Safety	63,777,023.11	13,756,132.61	12,738,991.09	1,017,141.52
Public Works	7,534,431.64	1,444,656.85	1,214,567.44	230,089.41
Health and Welfare	13,135,658.00	2,652,893.38	2,511,547.69	141,345.69
Education	55,000.00	0.00	0.00	0.00
Parks, Recreation, Culture	12,046,042.54	2,472,522.35	2,128,435.38	344,086.97
Community Development	2,696,350.62	428,434.94	382,506.99	45,927.95
<b>TOTAL EXPENDITURES</b>	<u>122,314,663.62</u>	<u>28,047,753.54</u>	<u>25,776,423.85</u>	<u>2,271,329.69 <b>(8)</b></u>
<b>OTHER FINANCING SOURCES ( USES):</b>				
Operating transfers from / to	127,740,238.77	3,697,015.68	2,343,135.45	1,353,880.23 <b>(9)</b>
<b>Excess (deficiency)of revenues &amp; other sources over expenditures &amp; other uses</b>	(6,026,285.65)	(2,872,951.95)	(5,735,992.00)	(2,863,040.05)
<b>Fund Balance per General Ledger</b>		<u>64,719,216.11</u>	<u>70,750,401.98</u>	<u>(6,031,185.87)</u>
<b>Fund Balance Adjusted to reflect Income Statement 9/30/23</b>		61,846,264.16	65,014,409.98	(3,168,145.82)

(1)General Property Taxes	FY24	FY23	Increase/Decrease
Real Estate Taxes	2,641,405	2,448,052	193,353
Public Services	(1,502)	475,658	(477,160)
Personal Property	4,748,152	4,772,165	(24,012)
Penalties and Interest	360,908	297,151	63,757
Credit Card Chgs./Delinq.Advertising	(28,366)	(18,818)	(9,548)
Adm.Fees For Liens&Distress	97,905	190,081	(92,175)
	7,818,503	8,164,288	(345,785)

**(2) Other Local Taxes**

Local Sales and Use Tax	1,796,399.82	1,718,240.88	78,158.94
Communications Sales Tax	68,749.01	80,432.90	(11,683.89)
Utility Taxes	505,085.61	566,029.92	(60,944.31)
Business Licenses	902,695.87	664,483.76	238,212.11
Auto Rental Tax	51,989.34	40,002.79	11,986.55
Motor Vehicle Licenses Fees	92,056.18	97,094.72	(5,038.54)
Recordation Taxes	578,080.88	778,581.31	(200,500.43)
Meals Tax	947,164.87	1,002,732.66	(55,567.79)
Lodging Tax	206,936.84	247,370.56	(40,433.72)
Street Lights	308.28	214.75	93.53
Star Fort Fees	77.89	29.32	48.57
<b>Total</b>	<b>5,149,544.59</b>	<b>5,195,213.57</b>	<b>(45,668.98)</b>

**(3)Permits&Privileges**

Dog Licenses	6,598.00	9,451.00	(2,853.00)
Land Use Application Fees	-	400.00	(400.00)
Transfer Fees	965.47	1,003.50	(38.03)
Development Review Fees	185,491.50	208,636.00	(23,144.50)
Building Permits	305,435.03	407,274.47	(101,839.44)
2% State Fees	7,410.62	9,396.40	(1,985.78)
Electrical Permits	41,485.00	37,509.00	3,976.00
Plumbing Permits	6,130.00	8,261.94	(2,131.94)
Mechanical Permits	22,683.00	22,477.00	206.00
Sign Permits	1,775.00	1,300.00	475.00
Land Disturbance Permits	131,513.00	213,999.00	(82,486.00)
Institutional Inspections Permit	2,350.00	1,700.00	650.00
Sewage Installation License	300.00	-	300.00
Transfer Development Rights	1,400.00	1,400.00	-
<b>Total</b>	<b>713,536.62</b>	<b>922,808.31</b>	<b>(209,271.69)</b>

**(4) Revenue from use of**

Money	2,779,059.01	1,028,682.75	1,750,376.26
Property	318,330.50	32,447.87	285,882.63
<b>Total</b>	<b>3,097,389.51</b>	<b>1,061,130.62</b>	<b>2,036,258.89</b>

(5) Recovered Costs	FY24	FY23	Increase/Decrease
	9/30/2023	9/30/2022	
Recovered Costs Treasurer's Office	816.00	74,376.00	(73,560.00)
Recovered Costs Social Services	11,650.50	15,299.86	(3,649.36)
Recovered Cost Fire Companies	74,999.00	74,999.00	-
Recovered Costs Sheriff	16,350.00	29,520.00	(13,170.00)
Recovered Cost FOIA	284.25	-	284.25
Reimbursement Circuit Court	2,186.05	2,097.09	88.96
Reimbursement Public Works	-	154.52	(154.52)
Clarke County Container Fees	18,469.23	21,931.83	(3,462.60)
City of Winchester Container Fees	14,824.53	19,648.80	(4,824.27)
Refuse Disposal Fees	31,168.45	43,597.16	(12,428.71)
Recycling Revenue	16,240.00	2,528.96	13,711.04
Container Fees Bowman Library	489.96	645.36	(155.40)
Restitution Other	1,130.00	455.51	674.49
Litter-Thon/Keep VA Beautiful Grant	-	1,000.00	(1,000.00)
Reimb.of Expenses Gen.District Court	5,805.41	4,555.96	1,249.45
Gasoline Tax Refund-VPA	3,996.90	8,094.67	(4,097.77)
Reimb.Task Force	19,390.93	19,899.70	(508.77)
Comcast PEG Grant	17,040.50	19,241.00	(2,200.50)
Fire School Programs	3,500.00	4,100.00	(600.00)
Clerks Reimbursement to County	1,480.92	1,678.14	(197.22)
Reimb. Sheriff	8,743.75	5,463.93	3,279.82
Subtotal Recovered Costs	248,566.38	349,287.49	(100,721.11)
Proffers Fire Department	37,383.40	-	37,383.40
Proffer Snowden Bridge	197,442.50	213,237.90	(15,795.40)
Proffer Madison Village	104,496.00	176,888.40	(72,392.40)
Proffer Freedom Manor	-	2,500.00	(2,500.00)
Proffer The Village at Middletown	81,204.04	17,661.99	63,542.05
Proffer Senseny Village	478,000.00	-	478,000.00
Proffer Winchester Landing	95,536.00	-	95,536.00
Subtotal Proffers	994,061.94	410,288.29	583,773.65
Grand Total	1,242,628.32	759,575.78	483,052.54

(6) Commonwealth Revenue	FY24	FY23	
	9/30/23	9/30/22	Increase/Decrease
Motor Vehicle Carriers Tax	42,978.82	39,898.80	3,080.02
Mobile Home Titling Tax	22,527.00	40,344.73	(17,817.73)
P/P State Reimbursement	2,610,611.27	2,610,611.27	-
Shared Expenses Comm.Atty.	59,550.60	99,367.86	(39,817.26)
Shared Expenses Sheriff	599,695.16	455,084.97	144,610.19
Shared Expenses Comm.of Rev.	50,776.08	44,274.16	6,501.92
Shared Expenses Treasurer	39,963.00	33,629.85	6,333.15
Shared Expenses Clerk	94,531.78	82,090.85	12,440.93
Public Assistance Grants	1,377,837.39	1,282,709.25	95,128.14
Emergency Services Fire Program	396,432.00	353,258.00	43,174.00
Other Revenue From The Commonwealth	452.31	544.40	(92.09)
DMV Grant Funding	8,550.68	2,372.02	6,178.66
State Grant Emergency Services	86,209.77	67,512.21	18,697.56
Parks State Grants	12,937.50	-	12,937.50
JJC Grant Juvenile Justice	32,090.00	34,340.00	(2,250.00)
Rent/Lease Payments	41,376.76	67,015.92	(25,639.16)
Wireless 911 Grant	58,450.49	55,687.80	2,762.69
State Forfeited Asset Funds	1,171.14	4,155.89	(2,984.75)
Victim Witness-Commonwealth Office	41,904.85	52,347.47	(10,442.62)
Total	5,578,046.60	5,325,245.45	252,801.15



**County of Frederick**

**General Fund**

September 30, 2023

	FY24	FY23	Increase/Decrease
<b>(7) Federal Revenue</b>			
Federal Funds Sheriff	4,472.73	3,656.64	816.09
Total	4,472.73	3,656.64	816.09

**(8) Expenditures**

Expenditures increased \$2.3 million. **General Administration** increased \$430,080.88 and includes an increase of \$167,531 to CSA over the previous year. **Public Safety** increased \$1 million and includes an increase of \$382,061 in salaries and fringes for the Sheriff's office and \$504,235 for Fire and Rescue. Transfers Increased \$1,353,880.23. See chart below:

<b>Transfers Increased \$1,353,880.23</b>	FY24	FY23	Increase/Decrease
Transfer to School Operating Fund	2,184,109.24	836,679.21	1,347,430.03
Transfer to Debt Service County	1,467,133.74	1,434,402.91	32,730.83
Operational Transfers	45,622.58	71,550.04	(25,927.46)
Reserve for Merit/COLA Increases	150.12	503.29	(353.17)
TOTAL	3,697,015.68	2,343,135.45	1,353,880.23

\*1

\*2

\*1 C/F School Encumbrances FY24(\$2,184,109.24). FY23 C/F School Encumbrances (\$836,679.21)

\*2 Payments include City of Winchester for Courtroom, Roof, and HVAC Projects, Millwood and Roundhill F.D. , Public Safety Building and Animal Shelter.

County of Frederick  
 FUND 11 NORTHWESTERN REGIONAL ADULT DETENTION CENTER  
 September 30, 2023

ASSETS	FY24 <u>9/30/23</u>	FY23 <u>9/30/22</u>	Increase <u>(Decrease)</u>
Cash	12,719,308.89	10,484,103.92	2,235,204.97 *1
Receivable Arrears Pay Deferred	95,697.59	104,237.32	(8,539.73)
GL controls(est.rev/est.exp)	<u>(1,052,549.85)</u>	<u>(1,080,251.89)</u>	<u>27,702.04</u>
<b>TOTAL ASSETS</b>	<b><u>11,762,456.63</u></b>	<b><u>9,508,089.35</u></b>	<b><u>2,254,367.28</u></b>
LIABILITIES			
Unclaimed Property	0.00	5.00	(5.00)
Accrued Wages Payable	511,249.96	442,389.90	68,860.06
Accrued Operating Reserve Costs	<u>3,217,072.54</u>	<u>3,048,824.76</u>	<u>168,247.78</u>
<b>TOTAL LIABILITIES</b>	<b><u>3,728,322.50</u></b>	<b><u>3,491,219.66</u></b>	<b><u>237,107.84</u></b>
EQUITY			
Fund Balance Reserved			
Encumbrances Undesignated	1,299,966.26	340,970.45	958,995.81
Fund Balance	<u>6,734,167.87</u>	<u>5,675,899.24</u>	<u>1,058,268.63</u> *2
<b>TOTAL EQUITY</b>	<b><u>8,034,134.13</u></b>	<b><u>6,016,869.69</u></b>	<b><u>2,017,264.44</u></b>
<b>TOTAL LIABILITY &amp; EQUITY</b>	<b><u>11,762,456.63</u></b>	<b><u>9,508,089.35</u></b>	<b><u>2,254,367.28</u></b>

**NOTES:**

\*1 Cash increased \$2,235,204.97. Refer to the following page for comparative statement of revenue expenditures and changes in fund balance.

\*2 Fund balance increased \$1,058,268.63. The beginning balance was \$8,232,884.88 and includes adjusting entries, budget controls(\$1,911,500), and the year to date revenue less expenditures of \$412,782.99.

<b>Current Unrecorded Accounts Receivable-</b>	<u>FY24</u>
Prisoner Billing:	26,382.59
Compensation Board Reimbursement 9/23	<u>419,239.76</u>
<b>Total</b>	<b>445,622.35</b>

County of Frederick  
Comparative Statement of Revenues, Expenditures  
and Changes in Fund Balance  
September 30, 2023

**FUND 11 NORTHWESTERN REGIONAL ADULT DETENTION CENTER**

<b>REVENUES:</b>	<u>Appropriated</u>	FY24 9/30/23 <u>Actual</u>	FY23 9/30/22 <u>Actual</u>	YTD Actual <u>Variance</u>
Credit Card Probation	-	102.33	133.72	(31.39)
Interest	10,000.00	54.79	54.78	0.01
Salvage and Surplus	10,300.00	10,300.00	-	10,300.00
Supervision Fees	42,974.00	5,320.00	6,023.62	(703.62)
Drug Testing Fees	-	30.00	60.00	(30.00)
Work Release Fees	328,000.00	51,758.68	63,451.53	(11,692.85)
Federal Bureau Of Prisons	0.00	220.00	385.00	(165.00)
Local Contributions	8,367,458.00	4,183,729.00	4,550,422.50	(366,693.50)
Miscellaneous	18,000.00	5,697.97	5,179.45	518.52
Phone Commissions	555,000.00	76,433.20	76,433.20	0.00
Food & Staff Reimbursement	68,000.00	20,587.87	9,618.55	10,969.32
Elec.Monitoring Part.Fees	40,000.00	6,757.09	1,219.72	5,537.37
Share of Jail Cost Commonwealth	1,379,774.00	0.00	0.00	0.00
Medical & Health Reimb.	40,000.00	6,712.34	9,058.62	(2,346.28)
Shared Expenses CFW Jail	7,795,344.00	1,318,700.42	806,106.24	512,594.18
State Grants	252,827.00	0.00	0.00	0.00
DOC Medical Reimb.	0.00	0.00	0.00	0.00
Local Offender Probation	411,727.00	0.00	0.00	0.00
Pretrial Expansion Grant	349,350.00	0.00	0.00	0.00
Transfer Funds/CARES/ARPA	0.00	0.00	0.00	0.00
Transfer From General Fund	7,110,636.00	1,777,659.00	1,814,688.25	(37,029.25)
<b>TOTAL REVENUES</b>	<b>26,779,390.00</b>	<b>7,464,062.69</b>	<b>7,342,835.18</b>	<b>121,227.51</b>
<b>EXPENDITURES:</b>	<b>29,131,906.11</b>	<b>7,051,279.70</b>	<b>5,947,223.01</b>	<b>1,104,056.69</b>
<b>Excess(Deficiency)of revenues over expenditures</b>	<b>(2,352,516.11)</b>	<b>412,782.99</b>	<b>1,395,612.17</b>	<b>(982,829.18)</b>
<b>FUND BALANCE PER GENERAL LEDGER</b>		<b><u>6,321,384.88</u></b>	<b><u>4,280,287.07</u></b>	<b><u>2,041,097.81</u></b>
<b>Fund Balance Adjusted To Reflect Income Statement 9/30/23</b>		<b>6,734,167.87</b>	<b>5,675,899.24</b>	<b>1,058,268.63</b>

County of Frederick  
Fund 12 Landfill  
September 30, 2023

ASSETS	FY24 <u>9/30/23</u>	FY23 <u>9/30/2022</u>	Increase <u>(Decrease)</u>
Cash	42,183,607.46	40,189,810.24	1,993,797.22
Receivables:			
Accounts Receivable	6,520.50	10,889.99	(4,369.49)
Fees	850,014.33	1,063,849.85	(213,835.52) *1
Receivable Arrears Pay Deferred	15,314.30	16,814.14	(1,499.84)
Allow.Uncollectible Fees	(84,000.00)	(84,000.00)	0.00
Fixed Assets	64,477,807.18	64,477,807.18	0.00
Accumulated Depreciation	(41,291,783.00)	(41,291,783.00)	0.00
GL controls(est.rev/est.exp)	<u>(583,247.00)</u>	<u>(6,315,300.42)</u>	<u>5,732,053.42</u>
TOTAL ASSETS	<u>65,574,233.77</u>	<u>58,068,087.98</u>	<u>7,506,145.79</u>
LIABILITIES			
Accounts Payable	-	-	
Accrued VAC.Pay and Comp TimePay	191,812.45	187,340.08	4,472.37
Accrued Remediation Costs	16,173,021.80	14,993,148.59	1,179,873.21 *2
Deferred Revenue Misc.Charges	6,520.50	10,889.99	(4,369.49)
Accrued Wages Payable	<u>64,353.42</u>	<u>57,194.70</u>	<u>7,158.72</u>
TOTAL LIABILITIES	<u>16,435,708.17</u>	<u>15,248,573.36</u>	<u>1,179,976.09</u>
EQUITY			
Fund Balance			
Reserved:			
Encumbrances	0.00	745,400.00	(745,400.00)
Land Acquisition	1,048,000.00	1,048,000.00	0.00
New Development Costs	3,812,000.00	3,812,000.00	0.00
Environmental Project Costs	1,948,442.00	1,948,442.00	0.00
Equipment	3,050,000.00	3,050,000.00	0.00
Undesignated			
Fund Balance	<u>39,280,083.60</u>	<u>32,215,672.62</u>	<u>7,064,410.98</u> *3
TOTAL EQUITY	<u>49,138,525.60</u>	<u>42,819,514.62</u>	<u>7,064,410.98</u>
TOTAL LIABILITY AND EQUITY	<u>65,574,233.77</u>	<u>58,068,087.98</u>	<u>7,506,145.79</u>

**NOTES:**

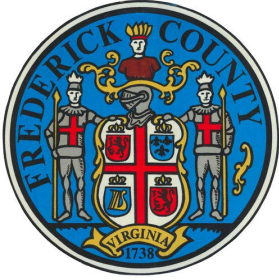
\*1 Landfill receivables decreased \$213,835.52. Landfill fees at 9/23 were \$753,415.46 compared to \$797,875.08 at 9/22 for a decrease of \$44,459.62. Delinquent fees at 9/23 were \$143,730.53 compared to \$314,019.78 at 9/22 for a decrease of \$170,289.25.

\*2 Remediation increased \$1,179,873.21 and includes \$705,604.00 for post closure and \$474,269.21 Interest.

\*3 Fund balance increased \$7,064,410.98. The beginning balance was \$38,676,291.32 and includes adjusting entries, budget controls for FY24(\$583,247.00), and \$1,187,039.28 year to date revenue less expenses.

County of Frederick  
Comparative Statement of Revenue, Expenditures  
and Changes in Fund Balance  
September 30, 2023

FUND 12 LANDFILL REVENUES		FY24	FY23	YTD
	Appropriated	9/30/23 Actual	9/30/22 Actual	Actual Variance
Credit Card Charges	0.00	3,428.22	1,281.09	2,147.13
Interest on Bank Deposits	300,000.00	137,068.76	21,362.85	115,705.91
Salvage and Surplus	140,000.00	62,009.95	52,982.02	9,027.93
Sanitary Landfill Fees	8,182,000.00	2,049,230.84	2,101,065.92	(51,835.08)
Charges to County	0.00	162,262.28	180,047.37	(17,785.09)
Charges to Winchester	0.00	53,817.64	56,581.26	(2,763.62)
Tire Recycling	262,400.00	81,795.11	84,298.96	(2,503.85)
Reg. Recycling Electronics	80,000.00	9,670.00	12,080.00	(2,410.00)
Greenhouse Gas Credit Sales	10,000.00	0.00	64.00	(64.00)
Miscellaneous	0.00	825.00	0.00	825.00
Refunds Other	0.00	0.00	0.00	0.00
Renewable Energy Credits	189,216.00	28,020.00	28,680.00	(660.00)
Landfill Gas To Electricity	504,576.00	68,034.11	164,480.25	(96,446.14)
			0.00	
<b>TOTAL REVENUES</b>	<b>9,668,192.00</b>	<b>2,656,161.91</b>	<b>2,702,923.72</b>	<b>(46,761.81)</b>
Operating Expenditures	7,216,439.00	1,097,737.60	902,917.26	194,820.34
Capital Expenditures	3,035,000.00	371,385.03	360,375.00	11,010.03
<b>TOTAL Expenditures</b>	<b>10,251,439.00</b>	<b>1,469,122.63</b>	<b>1,263,292.26</b>	<b>205,830.37</b>
<b>Excess(deficiency)of revenue over expenditures</b>	<b>(583,247.00)</b>	<b>1,187,039.28</b>	<b>1,439,631.46</b>	<b>(252,592.18)</b>
<b>Fund Balance Per General Ledger</b>		<b>38,093,044.32</b>	<b>30,776,041.16</b>	<b>7,317,003.16</b>
<b>FUND BALANCE ADJUSTED</b>		<b>39,280,083.60</b>	<b>32,215,672.62</b>	<b>7,064,410.98</b>



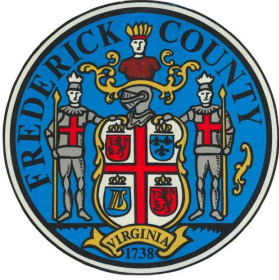
Finance Committee  
Agenda Item Detail  
Meeting Date: November 15, 2023  
Agenda Section: Items For Information Only

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**Title:** The Finance Director provides a General Fund transfer report for October 2023.

**Attachments:**  
[Oct2023Txfs.pdf](#)

DATE	BUDGET TRANSFERS OCTOBER 2023 DEPARTMENT/GENERAL FUND	REASON FOR TRANSFER	FROM	TO	ACCT	CODE	AMOUNT
10/3/2023	HUMAN RESOURCES	PROMOTIONS 9/23	1203	1001	000	036	(9,138.00)
	HUMAN RESOURCES		1203	1001	000	044	9,138.00
	SHERIFF		3102	1002	000	022	(6,316.00)
	SHERIFF		3102	1002	000	031	6,316.00
	SHERIFF		3102	1002	000	022	(5,619.00)
	SHERIFF		3102	1001	000	026	5,619.00
	FIRE AND RESCUE		3505	1007	000	001	(4,943.00)
	FIRE AND RESCUE		3505	1001	000	147	4,943.00
	FIRE AND RESCUE		3505	1007	000	001	(4,967.00)
	FIRE AND RESCUE		3505	1001	000	029	4,967.00
	FIRE AND RESCUE		3505	1007	000	001	(4,967.00)
	FIRE AND RESCUE		3505	1001	000	046	4,967.00
	FIRE AND RESCUE		3505	1007	000	001	(4,196.00)
	FIRE AND RESCUE		3505	1001	000	082	4,196.00
10/5/2023	REFUSE COLLECTION	PAY INVOICE FOR GORE PROJECT	4203	3004	000	001	(5,000.00)
	REFUSE COLLECTION		4203	8900	000	000	5,000.00
10/5/2023	COMMONWEALTH'S ATTORNEY	TO FUND UNIFORMS	2201	5401	000	000	(500.00)
	COMMONWEALTH'S ATTORNEY		2201	5410	000	000	500.00
10/11/2023	ANIMAL SHELTER	TO PURCHASE WASHING MACHINE	4305	5413	000	000	(1,500.00)
	ANIMAL SHELTER		4305	5405	000	000	1,500.00
10/13/2023	ANIMAL SHELTER	TO SUPPLEMENT LINE ITEM FOR REMAINDER OF FY24	4305	5413	000	000	(1,500.00)
	ANIMAL SHELTER		4305	5402	000	000	1,500.00
10/13/2023	REFUSE COLLECTION	COVER INVOICE ON GORE PROJECT	4203	3004	000	001	(100.00)
	REFUSE COLLECTION		4203	8900	000	000	100.00
10/13/2023	COUNTY OFFICE BUILDINGS	DEFICIT FIRE INSURANCE	4304	5101	000	090	(1,254.74)
	COUNTY OFFICE BUILDINGS		4304	5302	000	090	1,254.74
10/23/2023	PLANNING	CAPITAL IMPACT MODEL UPGRADE	8101	3002	000	000	15,270.00
	TRANSFERS/CONTINGENCY		9301	5890	000	000	(15,270.00)
10/23/2023	AGRICULTURE	FUNDING NEEDED FOR DUES	8301	5401	000	000	(55.00)
	AGRICULTURE		8301	5801	000	999	55.00
10/23/2023	AGRICULTURE	FUNDS NEEDED FOR SUBSCRIPTIONS	8301	5401	000	000	(55.50)
	AGRICULTURE		8301	5411	000	000	55.50
10/23/2023	PARKS MAINTENANCE	WINTER Wonderland Merchandise	7103	5414	000	000	4,065.00
	RECREATION CENTERS AND PLAYGROUNDS		7104	3010	000	000	(4,065.00)
10/25/2023	HUMAN RESOURCES	HR RETIREMENTS & PROMOTIONS	1203	1001	000	036	11,016.00
	HUMAN RESOURCES		1203	1001	000	045	(7,000.00)
	HUMAN RESOURCES		1203	1003	000	000	7,000.00
	TRANSFERS/CONTINGENCY		9301	5890	000	000	(11,016.00)
10/25/2023	SHERIFF	PROMTIONS 10/23	3102	1002	000	022	(1,290.00)
	SHERIFF		3102	1001	000	049	1,290.00
10/30/2023	GENERAL ENGINEERING/ADMINISTRATION	NEW COPIER LEASE	4201	5506	000	000	(1,500.00)
	GENERAL ENGINEERING/ADMINISTRATION		4201	9001	000	000	1,500.00
11/1/2023	SHERIFF	AQUAEVE HANDHELD SONAR	3102	5409	000	001	(5,995.00)
	SHERIFF		3102	8001	000	000	5,995.00
11/1/2023	CLEARBROOK PARK	TO COMPLETE VEHICLE PURCHASE	7109	3004	000	002	(1,456.30)
	CLEARBROOK PARK		7109	8005	000	000	1,456.30



Finance Committee  
Agenda Item Detail  
Meeting Date: November 15, 2023  
Agenda Section: Items For Information Only

---

**Title:** The Finance Director provides the General Fund Unreserved Fund Balance report for October 2023.

**Attachments:**  
[FundBalanceOct23.pdf](#)



**County of Frederick, VA**  
**Report on Unreserved Fund Balance**  
**Ending October 30, 2023**

**Unreserved Fund Balance, Beginning of Year, July 1, 2023** **66,222,292**

**Prior Year Funding & Carryforward Amounts**

Correct PEG fund reserve	41,195	
C/F COR CAMA project	(168,160)	
C/F Fire Company Capital	(190,365)	
C/F forfeited asset funds	(163,446)	
VJCCA return upsent FY22 funds	(30,440)	
C/F COR ChangeFinder project	(20,500)	
C/F Abrams Creek project	(1,040,687)	
C/F Pickleball courts project	(130,510)	
C/F Maintenance projects	(11,684)	
C/F School restricted funds	(178,784)	
C/F School Operating for fire alarms	(877,282)	
C/F Old Charlestown Rd Park	(150,311)	
C/F Sheriff vehicle routers & antennas	(34,876)	
C/F Animal Shelter restitution	(3,248)	
VJCCA return upsent FY23 funds	(11,009)	
C/F Sheriff impound lot building funds	(90,877)	
		<b>(3,060,982)</b>

**Other Funding / Adjustments**

COR refund - R&R Reinforcing Inc.	(12,712)	
VDEM grant unbudgeted revenue	57,868	
SRO grant unbudgeted revenue	53,628	
Reduce NRADC budget local portion	112,737	
Adjust unclaimed property	1,229	
Sheriff sale of surplus funds received FY23	(15,204)	
Transfer to County Capital Fund (F/B above 20%)	(16,800,000) * pending	
		<b>(16,602,455)</b>

**Fund Balance, October 30, 2023** **46,558,854**



Finance Committee  
Agenda Item Detail  
Meeting Date: November 15, 2023  
Agenda Section: Items For Information Only

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**Title:** The Government Finance Officers Association (GFOA) has awarded the County the Certificate of Achievement for Excellence in Financial Reporting for the June 30, 2022 Annual Comprehensive Financial Report (ACFR). This is the 37th consecutive year that Frederick County has received this achievement.

**Attachments:**

[2022ACFRAward.pdf](#)



**Government Finance Officers Association**  
203 North LaSalle Street, Suite 2700  
Chicago, Illinois 60601-1210  
312.977.9700 fax: 312.977.4806

10/13/2023

Cheryl Shiffler  
Finance Director  
County of Frederick, Virginia

Dear Cheryl:

Congratulations!

We are pleased to notify you that your annual comprehensive financial report for the fiscal year ended June 30, 2022 has met the requirements to be awarded GFOA's Certificate of Achievement for Excellence in Financial Reporting. The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (Certificate Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. Congratulations, again, for having satisfied the high standards of the program.

Your electronic award packet contains the following:

- **A "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements.** We strongly encourage you to implement the recommended improvements in your next report. Certificate of Achievement Program policy requires that written responses to these comments and suggestions for improvement be included with your 2023 fiscal year end submission. If a comment is unclear or there appears to be a discrepancy, please contact the Technical Services Center at (312) 977-9700 and ask to speak with a Certificate of Achievement Program in-house reviewer.
- **Certificate of Achievement.** A Certificate of Achievement is valid for a period of one year. A current holder of a Certificate of Achievement may reproduce the Certificate in its immediately subsequent annual comprehensive financial report. Please refer to the instructions for reproducing your Certificate in your next report.
- **Award of Financial Reporting Achievement.** When GFOA awards a government the Certificate of Achievement for Excellence in Financial Reporting, we also present an Award of Financial Reporting Achievement (AFRA) to the department identified in the application as primarily responsible for achievement of the Certificate.
- **Sample press release.** Attaining this award is a significant accomplishment. Attached is a sample news release that you may use to give appropriate publicity to this notable achievement.

In addition, award recipients will receive via mail either a plaque (if first-time recipients or if the government has received the Certificate ten times since it received its last plaque) or a brass medallion to affix to the plaque (if the government currently has a plaque with space to affix the medallion). Plaques and medallions will be mailed separately.

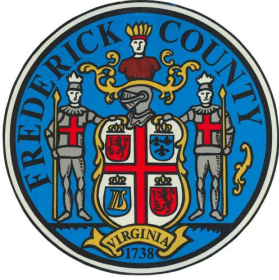
As an award-winning government, we would like to invite one or more appropriate members of the team that put together your annual comprehensive financial report to apply to join the Special Review Committee. As members of the Special Review Committee, peer reviewers get exposure to a variety of reports from around the country; gain insight into how to improve their own reports; achieve professional recognition; and provide valuable input that helps other local governments improve their reports. Please see our website for [eligibility requirements](#) and [information on completing an application](#).

Thank you for participating in and supporting the Certificate of Achievement Program. If we may be of any further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive, flowing style.

Michele Mark Levine  
Director, Technical Services



Finance Committee  
Agenda Item Detail  
Meeting Date: November 15, 2023  
Agenda Section: Items For Information Only

---

**Title:** The Government Finance Officers Association (GFOA) has awarded the County the Distinguished Budget Presentation Award for the 2024 fiscal year. This is the 37th consecutive year that Frederick County has received this award.

**Attachments:**  
[2024BudgetAward.pdf](#)

September 15, 2023

Jennifer Place  
Risk Manager/Budget Analyst  
Frederick County  
107 North Kent Street  
Winchester, VA 22601

Dear Ms. Place:

We are pleased to inform you, based on the examination of your budget by a panel of independent reviewers, that your budget document has been awarded the Distinguished Budget Presentation Award from Government Finance Officers Association (GFOA) for the current fiscal period. This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant achievement by your organization.

The Distinguished Budget Presentation Award is valid for one year. To continue your participation in the program, it will be necessary to submit your next annual budget document to GFOA within 90 days of the proposed budget's submission to the legislature or within 90 days of the budget's final adoption. Information about how to submit an application for the Distinguished Budget Program application is posted on GFOA's website.

Each program participant is provided with confidential comments and suggestions for possible improvements to the budget document. Your comments are enclosed. We urge you to carefully consider the suggestions offered by our reviewers as you prepare your next budget.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for its having achieved the award. Enclosed is a Certificate of Recognition for Budget Preparation for:

#### **Finance Department**

Continuing participants will receive a brass medallion that will be mailed separately. First-time recipients will receive an award plaque within eight to ten weeks. Enclosed is a camera-ready reproduction of the award for inclusion in your next budget. If you reproduce the camera-ready image in your next budget, it should be accompanied by a statement indicating continued compliance with program criteria. The following standardized text should be used:

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Frederick County, Virginia**, for its Annual Budget for the fiscal year beginning **July 01, 2023**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

A press release is enclosed.

We appreciate your participation in this program, and we sincerely hope that your example will encourage others in their efforts to achieve and maintain excellence in governmental budgeting. The most current list of award recipients can be found on GFOA's website at [www.gfoa.org](http://www.gfoa.org). If we can be of further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive style with a large initial "M".

Michele Mark Levine  
Director, Technical Services Center

Enclosure

## FOR IMMEDIATE RELEASE

September 15, 2023

**For more information, contact:**

**Technical Services Center**  
**Phone: (312) 977-9700**  
**Fax: (312) 977-4806**  
**E-mail: [budgetawards@gfoa.org](mailto:budgetawards@gfoa.org)**

(Chicago, Illinois)--Government Finance Officers Association is pleased to announce that **Frederick County, Virginia**, has received GFOA's Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- a policy document
- a financial plan
- an operations guide
- a communications device

Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories, to receive the award.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for having achieved the award. This has been presented to **Finance Department**.

There are over 1,700 participants in the Budget Awards Program. The most recent Budget Award recipients, along with their corresponding budget documents, are posted quarterly on GFOA's website. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

*Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources and practical research for more than 22,500 members and the communities they serve.*





**The Government Finance Officers Association  
of the United States and Canada**

*presents this*

**CERTIFICATE OF RECOGNITION FOR BUDGET PREPARATION**

*to*

**Finance Department  
Frederick County, Virginia**



*The Certificate of Recognition for Budget Preparation is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award, which is the highest award in governmental budgeting, is presented to those government units whose budgets are judged to adhere to program standards*

Executive Director

*Christopher P. Morill*

Date: **September 15, 2023**