

..Number

130410

..Version

PROPOSED SUBSTITUTE

..Reference

100007, 100770, 110140, 110368, 111490

..Sponsor

ALD. KOVAC

..Title

Substitute resolution amending agreements with the Wisconsin Energy Conservation Corporation relating to energy efficiency grants.

..Analysis

This resolution amends the budget for the Milwaukee Energy Efficiency Program, Me2, grant-funded project to redirect up to \$1,000,000 of grant funds currently available to support residential and business loans from Summit Credit Union for use as direct financial incentives offered to businesses through Milwaukee Economic Development Corporation.

The current Me2 budget authorized \$1,000,000 in loan loss reserves to Summit Credit Union to support residential loans, supporting a portfolio of up to \$20,000,000 in loans, with a maximum value per loan of \$15,000. An additional \$500,000 in loan loss reserves at Summit Credit Union can support up to \$10,000,000 in small business loans, with a maximum loan value of each loan of \$20,000. To date, Summit Credit Union has approved and disbursed 211 residential loans (estimated total value of \$1.8 million) and 2 commercial loans (estimated total value of \$40,000).

Common Council Resolution File Number 111490 authorized an agreement between the Wisconsin Energy Conservation Corporation and the Milwaukee Economic Development Corporation (MEDC) for MEDC to administer up to \$3,350,000 in commercial credit enhancements. The U.S. Department of Energy authorized funds to be used as direct incentives to businesses from this pool of resources. Since Me2 began publicly advertising incentives, the program has approved approximately \$4,300,000 worth of business rebates and credit enhancements for projects that are complete or nearing completion.

This resolution authorizes the Wisconsin Energy Conservation Corporation to transfer up to \$1,000,000 from loan loss reserves at Summit Credit Union to MEDC to cover approved projects through that agency.

..Body

Whereas, Common Council Resolution File Number 100007, adopted on July 27, 2010, authorized a Cooperation Agreement Between the Wisconsin Energy Conservation Corporation and the City of Milwaukee regarding the Milwaukee Energy Efficiency Project, Me2 program ("Cooperation Agreement"), and Common Council Resolution File Numbers 100770, 110140, 110368 and 111490 adopted November 23, 2010, July 6,

2011, July 26, 2011 and March 20, 2012, respectively, authorized amendments of this agreement; and

Whereas, Various financing credit enhancements offered to businesses through this grant have been substantially underutilized; and

Whereas, The City Office of Environmental Sustainability and Wisconsin Energy Conservation Corporation agree redirecting grant funds from the Summit Credit Union Loan Loss reserves to direct financial incentives approved by Common Council Resolution File Number 111490 is necessary to cover costs associated with approved Me2 projects; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the budget for the Milwaukee Energy Efficiency Program, Me2, shall be revised to move up to \$1,000,000 in funds from Summit Credit Union Loan Loss Reserves to the Milwaukee Economic Development Corporation for business incentives and credit enhancements; and, be it

Further Resolved, That the proper City officials are authorized and directed to prepare and execute an amendment to the Cooperation Agreement, to be approved by the City Attorney, to revise the Me2 budget; and, be it

Further Resolved, Consistent with the City's authority under the Cooperation Agreement, that the Department of Administration – Office of Environmental Sustainability is authorized to direct the Wisconsin Energy Conservation Corporation to execute this reallocation of Me2 grand funds.

..Requestor

DOA-Office of Environmental Sustainability

..Drafter

Erick Shambarger

LRB147873-3

Teodros W. Medhin:lp

7/16/2013