



City of San Leandro Business Incentives Energy Efficiency Program



Energy Efficiency Program Overview

The City of San Leandro (City) Energy Efficiency Program (Program) is designed to facilitate energy efficiency improvements to facilities and operations in the City of San Leandro. The Program serves to stimulate investment in energy projects in order to increase the economic viability of industrial activity in the City by achieving energy cost reductions. Additionally, the Program will help to reduce greenhouse gas emissions that result from industrial processes, furthering an adopted City goal to reduce greenhouse gas emissions in the City to 25% below 2005 levels by 2020.

The Energy Efficiency Program will provide incentives to improve energy efficiency by providing access to capital through forgivable loans of up to \$50,000. The City will pay up to half of the out of pocket costs of an improvement project. Participants in the program may either be property or business owners. Funding for approved projects will be awarded in the form of a one-year forgivable loan secured through an Owner Participation Agreement. Upon completion of the loan term, the loan amount will be forgiven if the participant has maintained the improvements in compliance with the Agreement. The funds can be used for any energy-efficiency improvements consistent with the Zoning Code, and other applicable city, state, and federal regulations.

Evaluation Criteria

Applications to the Program will be evaluated and ranked by the following four criteria: projected energy reduction and energy cost savings, payback period, likelihood to strengthen the long-term viability of the business venture, and project design. These criteria are explained further on the back of the Program application. Projects will be accepted on a “first come, first serve” basis; however, priority will be given to those projects that best meet the criteria. Based on demand, the City may specify a certain time period during which applications are received and evaluated, although no such time limitations exist at this time.

Application and Intake Process

Upon receipt of a complete application, staff will perform a preliminary project evaluation. During this process the participant may be asked to meet with staff to answer questions and provide additional information.

Once a project is selected to receive Program funding, the applicant will be required to enter into an Owner Participation Agreement which must be approved by the City.

Eligibility

Applicants must own the industrial property to be improved, be tenants of the industrial property or hold a master lease for the industrial property. The property must be located within the City of San Leandro.

Tenants must include a copy of the lease agreement and an affidavit from the property owner allowing them to make the proposed building and site modifications. Tenants will also be required to verify that they have at least a five-year lease on the property. The property owner will be required to co-sign the Owner Participation Agreement

Financing

All Program funding will be awarded as a reimbursement upon project completion, although applicable Agreement documents can be executed prior to initiation of the project.

Funds will be awarded in the form of a forgivable loan. Loans are structured as an interest bearing, forgivable one-year loan. The improvement project will be evaluated after one year by City staff to determine if it continues to meet the terms of the Agreement with the City. If no default occurs within the term of the Agreement, the loan is forgiven and the Participant will have no further obligation. If a default occurs as defined in the Agreement, the loan becomes due and payable immediately. City staff has the discretion to work with the Participant to cure the default and structure a repayment schedule.

Upon notice of a change in ownership of the Project during the term of the Agreement, the loan may be assigned to the new participant at the sole discretion of City staff.

Prevailing Wage: To the extent applicable to the project, all contractors and agents hired by the Participant shall comply with California Labor Code Section 1720 *et seq.* (“Prevailing Wage Laws”) and shall be responsible for carrying out the requirements of the law. Participants in the ICG Program are solely responsible for determining whether Prevailing Wage Laws apply to the project.

For more information, please contact Katie Bowman in the City of San Leandro’s Office of Business Development at 510.577.3327 or kbowman@sanleandro.org.



City of San Leandro Business Incentives Energy Efficiency Program

Applicant/Business Name (Borrower): _____

Property Owner Name: _____

Site Address: _____ San Leandro, CA 94577

Mailing Address (if different): _____

APN #: _____ Daytime Phone: _____

E-mail: _____ Business Tax ID#: _____

Description of project; please see attached evaluation criteria on back of application
(attach additional sheet if necessary):

Estimated total project cost: _____

Requested City loan amount*: _____

* Cannot exceed half of exterior improvement's total cost

Applicant Statement: I have read this application and I understand the program guidelines.

Borrower Signature: _____ Date: _____

Print Borrower Name: _____

Property owner signature: _____ Date: _____

(If applicant is a business tenant, the property owner must sign to authorize the application)

Print Owner Name: _____

Please attach the following before submitting application:

- An itemized Contractor's cost estimate or invoice of all desired energy efficiency improvements;
- Estimates of the energy use reduction and the cost savings resulting from the project;
- Insurance Verification (see Insurance Checklist);
- Drawing/ sketches of improvements, if appropriate.

Return complete applications to the Office of Business Development, City Hall, 835 E. 14th Street, San Leandro, CA 94577. Call 510-577-3327 with any questions about completing the application or the program in general. Good luck with your project!

Evaluation Criteria

The following criteria will be used to rank, evaluate and select project applications for forgivable loans through the Energy Efficiency Program. Projects will be accepted on a “first come, first serve” basis; however, priority will be given to those projects that meet the greatest number of the criteria.

Energy Reduction and Cost Savings:

Will the project yield significant energy cost savings? Will the energy savings result in a significant decrease in greenhouse gas emissions? For new businesses or facilities, how will the energy-efficient materials or design reduce usage relative to industry-standard approaches?

Payback Period:

Is the improvement project cost effective? Will the cumulative energy cost savings outweigh the cost of the improvement within a reasonable period of time? The intent of this criterion is to give preference to improvements that are most cost-effective.

Likelihood to Strengthen the Long-term Viability of the Business Venture:

How will the reduction in energy costs benefit the business? What share of total business expenditures have been devoted to energy usage and how will that share change as a result of the project?

Project Design:

Are improvements of a high quality? Is the chosen project the most effective way to achieve the desired energy reduction? Do the improvements use quality materials and provide a long-term, lasting benefit? Design assistance may be available through the City.