



# THE LAKEWOOD OBSERVER

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## City Of Lakewood Introduces Legislation To Establish Advanced Energy Special Improvement District

by Melissa Garrett

At the June 7 Lakewood City Council meeting, Mayor FitzGerald and Councilman Tom Bullock introduced legislation to create the Ohio's First Advanced Energy Special Improvement District (AESID). An AESID has been called "pay as you go for energy improvements," because it will establish a mechanism to finance energy improvements and all but eliminate up front installation costs. By participating in an AESID, participating property owners finance energy improvements taxes at special rates and repay the cost of the improvements via through their property taxes using the savings yielded through the savings in energy efficiency improvements.

"We intend to create a mechanism that goes beyond an ordinary incentive. Establishing the state's first ever Advanced Energy Special Improvement District initiates a financing tool that virtually eliminates the up-front project costs and makes these improvements a reality for ordinary property owners. The savings from property owners' lower utility bills will more than cover the costs of the energy efficiency improvement," said Lakewood Mayor Ed FitzGerald. "The SID will cost the city almost nothing, while improving participating property values and making it easier to modernize older residential and commercial properties."

The AESID is a growing collaboration among the City of Lakewood, the City of Cleveland, the Cleveland-Cuyahoga Port Authority and other first-ring suburbs. The legislation helps establish the multi-city special improvement district, and authorizes Lakewood's participation in the new

organization. Local leaders believe this is the first ever multi-city collaboration in the country.

The goal of the AESID is to enable property owners to cut their utility bills and benefit from renewable energy. It is a self-financing program where the energy cost savings will be greater than costs of the solar improvements. Without the AESID, energy efficiency projects have significant up-front costs; it takes a property owner several years to recoup their investment in energy efficiency. The Solar Energy Special Improvement District

changes that.

"This financing option will help more businesses and homeowners afford clean energy projects and invest in their properties—at little or no cost to the city" said Councilman Tom Bullock. "Our community intends to be a leader in sustainability and clean energy, and taking this step makes us one of the first municipalities in Ohio to pursue this innovative new strategy."

In October 2009, Ohio House Bill 1 became effective, enacting changes to Ohio law allowing municipalities to create such SIDs for "special energy

improvement projects" in their communities. Just last Friday, that legislation was expanded to include other energy efficiency improvements, including geothermal and wind—energy efficiency applications that are better suited for residential use in Lakewood.

Lakewood City Council will consider the legislation over the coming weeks. Mayor FitzGerald expects other communities to adopt similar legislation in the coming months. Property owners will be invited to participate in a pilot program in autumn 2010, with full scale implementation expected in 2011.