



## Louisville Energy Project Assessment District (EPAD) INITIAL ELIGIBILITY FORM

Please complete the following information and return this form to the Louisville Metro Office of Advanced Planning and Sustainability at [sustainability@louisvilleky.gov](mailto:sustainability@louisvilleky.gov).

### General Information

Property Owner Contact:		Position:	
Company:		Email:	
Work Phone:		Mobile Phone:	
Mailing Address:			
City:	State:	Zip Code:	
Project type: <input type="checkbox"/> Existing building retrofit <input type="checkbox"/> New construction			

### Property Information

Owner(s) of record of the subject property – If there is more than one legal owner listed on the property, please provide the names, addresses, phone numbers and email addresses of all owners of record as Attachment A.

<b>Owner 1</b>	Name:		
	Mailing Address:		
	City:	State:	Zip Code:
	Phone:	Email:	
Owner EIN:		<a href="#">NAICS/SIC Code:</a>	
Property Type: <input type="checkbox"/> Office <input type="checkbox"/> Multifamily housing <input type="checkbox"/> Retail <input type="checkbox"/> Warehouse <input type="checkbox"/> Industrial <input type="checkbox"/> Educational Building <input type="checkbox"/> Hospital <input type="checkbox"/> Other:			
Are there any residential units on the property? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, how many?			
Building name (if applicable):			
Property Parcel ID(s) as listed with Property Valuation Authority (PVA):			
Property Address:			
County:	Municipality:	State:	Zip Code:
Square Footage:		Year Built:	Year Purchased:
Type of Business:			
Ownership Structure: <input type="checkbox"/> Corporation <input type="checkbox"/> 501(c)(3) Non-profit <input type="checkbox"/> Joint tenants <input type="checkbox"/> Trust <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Corporation <input type="checkbox"/> Government <input type="checkbox"/> Other:			



List any related ownership partners/subsidiaries/proprietors:

Is the building subject to a mortgage or secured interest? <input type="checkbox"/> Yes <input type="checkbox"/> No	Has the mortgage been securitized? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown
Mortgage holder:	Outstanding principal:
Does the property have any involuntary liens placed on it? <input type="checkbox"/> Yes <input type="checkbox"/> No	Is the property current on all taxes and assessments? <input type="checkbox"/> Yes <input type="checkbox"/> No
Has the property owner, or any corporate parent of the property owner if the property owner is a single-purpose entity, filed for or been subject to bankruptcy protection in the past three years? <input type="checkbox"/> Yes <input type="checkbox"/> No	

### Project Information

Has an energy audit been completed? (Audit is optional.) <input type="checkbox"/> Yes <input type="checkbox"/> No	Date audit completed:
Name of company that completed energy audit:	
Please check the energy efficiency improvements that are being considering for EPAD:	
<input type="checkbox"/> Building Envelope	<input type="checkbox"/> Windows or Doors
<input type="checkbox"/> Lighting	<input type="checkbox"/> HVAC Units
<input type="checkbox"/> Controls	<input type="checkbox"/> Elevator Upgrades
<input type="checkbox"/> Solar	<input type="checkbox"/> Other:
Will the expected life of the equipment be at least five (5) years? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Estimated project cost: \$	Requested financing amount: \$

### Lender Information

Has a lender been selected to finance the project? <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name of financial institution:

### Appraisal

Most recent market value appraisal: \$	When was the appraisal conducted?
For whom was the appraisal done?	

Property Owner Signature:

Date:

Property Owner Name:

NOTE: Submission of this Initial Eligibility Form does not constitute a commitment on the part of the applicant or the EPAD Program to enter into an EPAD Financing Agreement.

NOTE: See additional information on page 3 of this document regarding Mortgage Lien Holder Consent.

### Contact Us

Office of Advanced Planning and Sustainability, [sustainability@louisvilleky.gov](mailto:sustainability@louisvilleky.gov), 502-574-6285



## EPAD

EPAD (Energy Project Assessment District) is an alternative financing option that may provide up to 100%, long-term funding to eligible property owners for energy efficiency and renewable energy improvements. EPAD financing is repaid through a voluntary special assessment administered similar to property taxes. Like property taxes and other assessments, current or past due EPAD assessments constitute a first and prior lien.

### Project and Participant Eligibility

It is the responsibility of the property owner to ensure that all property owners meet the eligibility requirements listed in Section 3 of the [EPAD Program Manual](#).

### EPAD Program Requirements

The EPAD program requires that each existing real property mortgage lien holder of record execute a "Mortgage Lien Holder Consent to Special Assessment". The EPAD Program Administrator recommends that property owners advise other creditors of their intention to use EPAD financing in order to make certain that the property owner's use of EPAD will not violate the terms of any other active loans or credit facilities.

### Why should mortgage lenders allow an EPAD assessment?

According to the non-profit organization, PACE-Now, many reasons explain why over 100 mortgage lien holders have provided written approval for EPAD financed projects. These reasons include:

- EPAD requires no funds from the existing mortgage holder(s). (Note: An existing mortgage holder can provide the capital for EPAD financing if they so choose)
- EPAD improvements may reduce energy expenses and increase cash flow of the property owner.
- EPAD improvements have been demonstrated to increase the value of the property.
- EPAD assessments are small in comparison to the property value and mortgaged amount and may have a minimal effect on overall economics. EPAD assessments generally do not exceed 35% of the total assessed property value. Therefore, if a project is financed over a term of 20 years or greater, the EPAD exposure in any given year is typically no more than 1% of the property value.
- EPAD assessments do NOT accelerate in the event of a loan default or tax foreclosure. ONLY the EPAD assessment amount plus any interest, fees, and penalties that is in arrears becomes due. The remaining EPAD assessment balance continues with the property until the term end date.
- EPAD capital comes from private sources. This enables property owners to reserve other lines of credit for working capital or non-energy related improvements.
- EPAD capital does not rely on government funds.
- EPAD financing repayment process is secured using a special assessment structure administered by the Sheriff's Office in the same manner as property tax assessments.
- EPAD assessment stays with property upon sale or transfer.
- EPAD assessment may be prepaid before the term end date (penalties may apply).
- For Commercial Real Estate (CRE) property owners with tenants, EPAD improvements can increase the Net Operating Income (NOI).

### Commercial Mortgage-Backed Securities (CMBS)

Commercial real estate first mortgage debt is generally broken down into two basic categories: (1) portfolio loans and (2) loans to be securitized ("CMBS loans"). Portfolio loans are originated by a lender and held on the lender's balance sheet through maturity. A securitized or CMBS loan occurs when mortgage loans of varying sizes, property types, and locations are pooled together and transferred to a trust. The trust issues a series of bonds that may vary in yield, duration, and payment priority. In many cases, property owners are not aware that their mortgage has been securitized. This can make it difficult to obtain Lender Consent because the name of the trust entity may not be known to the property owner.<sup>1</sup>

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<sup>1</sup> Description provided by the Kentucky State Government.