



Fairfax County Green Bank Ordinance Framework

Recommendation

John Morrill
Office of Environmental and Energy Coordination

July 18, 2023

Timeline

Past and Current Activity

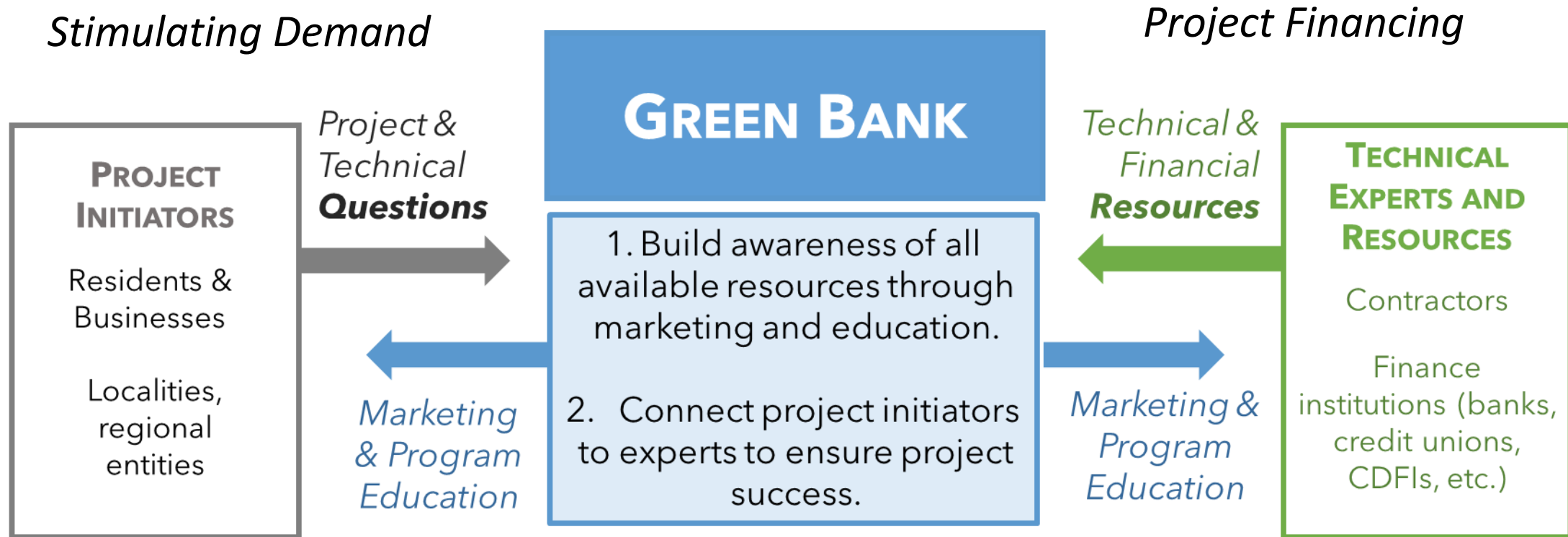
July 2020	Green Initiatives # 2 launches consideration of green bank
July 2021	Enabling legislation for localities to establish green banks becomes effective
August 2022	Consultant green bank feasibility study completed for technical potential
July 2023	Draft ordinance and supporting corporation documents
On-going	Engagement with lenders, community organizations, service providers, other green banks and potential collaborators

Projected Future Development

Oct/Nov 2023	Public hearing on proposed ordinance. If adopted, ordinance would authorize filing of articles of incorporation and appointment of initial GB Board of Directors
Mid 2024	Green bank Board of Directors hires executive director
Mid 2024	Execute MOU between county and green bank entity
Mid- Late-2024	Green bank activity begins in earnest with marketing, relationship-building, program development, and identification of funding from other sources

What is a green bank?

A public, quasi-public, or nonprofit financing entity that leverages public and private capital to implement clean energy projects that reduce carbon emissions.



Green Bank Mission

Leverage:

- Relationships, innovative ventures and private capital

Promote:

- Development of a clean energy economy
- Access to Clean Energy Technologies for all:
 - ✓ Renewable energy and infrastructure
 - ✓ Energy efficiency and energy storage
 - ✓ Alternative fuel vehicles and related infrastructure
 - ✓ Not involve combustion of fossil fuels

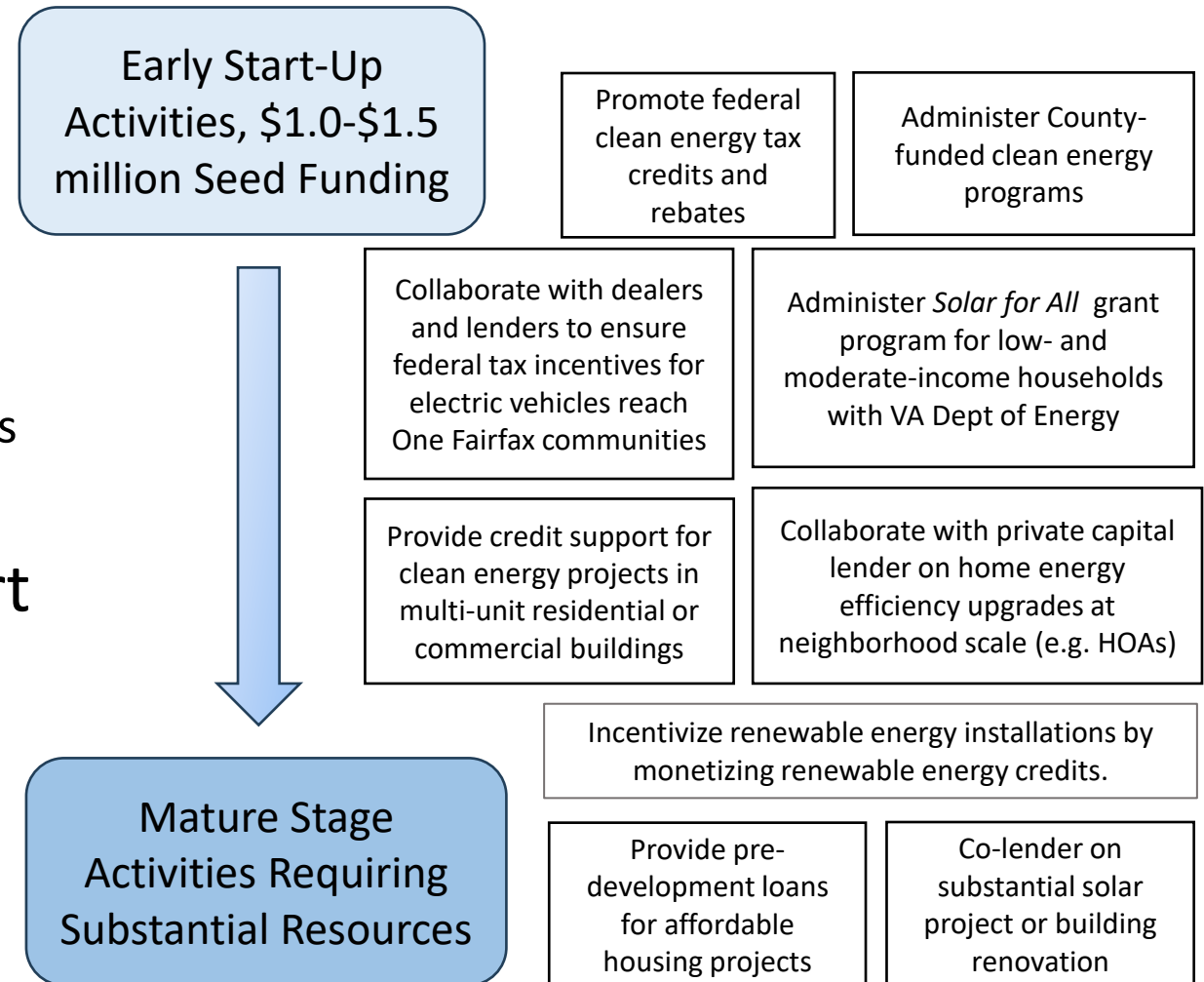
Green Bank Activities (with illustrative examples)

Stimulate Demand

- Marketing and advertising
- Educational efforts and programming
- Workforce training
- Intentional engagement through equity lens

Financial Investment and Support

- Consumer protection standards
- Provide funding; incentives
- Involve private lending firms in programs
- Loans; guarantees



Green Bank Start-up Documents

Ordinance conforms to enabling legislation; initiates program delivery

This discussion: *Draft Ordinance, Draft Articles of Incorporation, Draft By-laws*

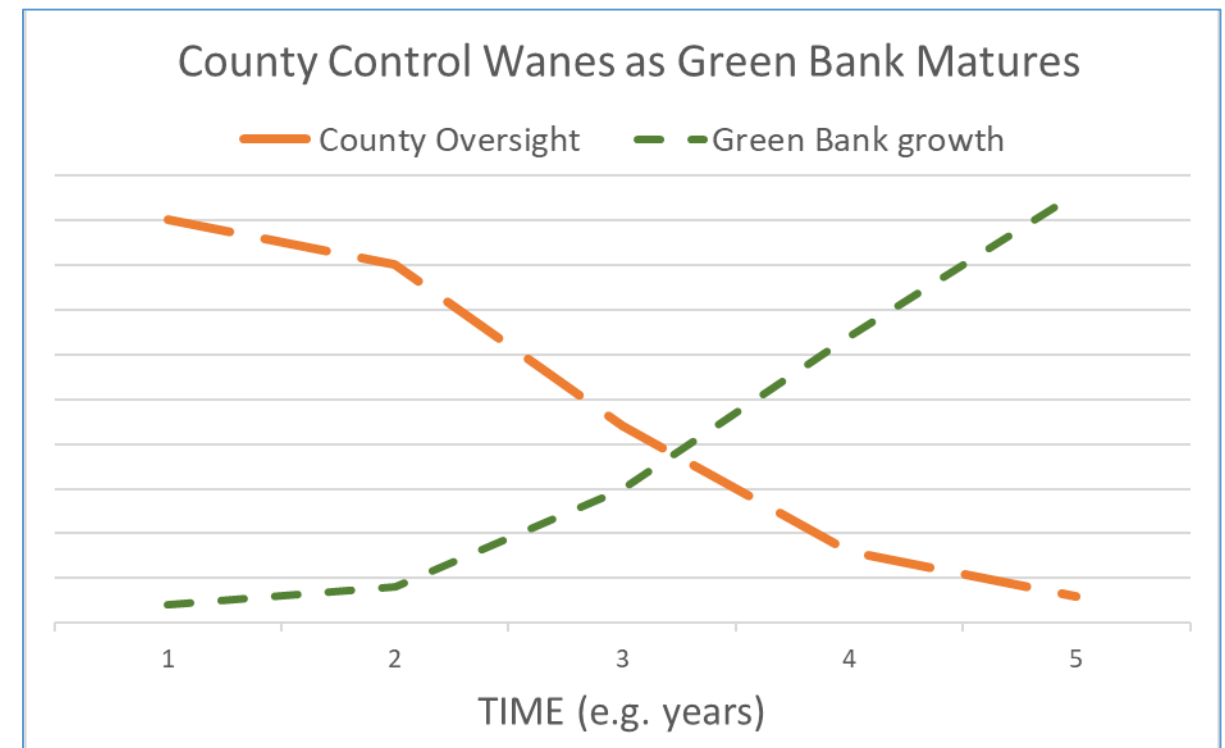
In addition, a Memorandum of Understanding agreement will contain additional details

Summary:

- Independent 501(c)(3) entity
- Established to benefit Fairfax County, without preventing future regional activity
- Minimizes legal and financial risk to Fairfax County government; loans provided from future lender(s), not the County
- Legal name cannot use 'bank'
- A public body for some purposes like VFOIA
- Annual reporting to the Board of Supervisors

Start-up Documents Address Risk Through County Control

- County funding required initially while seeking outside / federal funding; long-term goal is to become truly independent
- County control presents risks, real and perceived
- Long-term county control presents corporate governance questions
- County branding and control offers credibility but may inhibit regional participation



BOS guidance sought on several questions (1 of 2)

1. Role in selection of Board of Directors?

Recommendation: Initial appointments made by County Executive; voting members of Board of Directors are self-perpetuating thereafter, non-voting members always appointed by County Executive.

2. Board composition?

Recommendation: Minimum of 5 voting members, maximum of 9 voting members, diverse expertise. Two (or more) county staff (e.g. from Finance and Environmental Depts) are non-voting members.

3. Require “Fairfax County” in legal name of entity?

Recommendation: Do not require entity to have Fairfax County in name when incorporated; Board of Directors may amend organization name.

BOS guidance sought on several questions (2 of 2)

4. Role regarding review or approval of amendments to articles of incorporation or by-laws?

Recommendation: BOS (or County Executive) receive advance notification of amendments sixty (60) days prior to occurrence.

5. Extent of BOS review of lending activity?

Recommendation: Require entity to obtain authorizing resolution from BOS prior to purchasing, guaranteeing or incurring any indebtedness.

6. BOS ability to remove a member of the Board of Directors?

Recommendation: The Board of Directors is independent. After initial appointment, the election and removal of voting Directors is by the Board of Directors itself. The County will retain at least two non-voting directors (County employees) on the Board of Directors.

Framework Ordinance

Staff welcome guidance on these recommendations to help move the start-up documents forward.