



C-PACE FINANCING

COUNCIL OF DEVELOPMENT FINANCE AGENCIES

FLORIDA CONFERENCE MAY 5, 2016 – TAMPA, FL

TOPICS – HAPPY CINCO DE MAYO!

- ✓ How PACE Works
- ✓ Why Building Owners Like PACE
- ✓ Market Overview
- ✓ Examples

Let's Hear from You!

OLD CONCEPT – NEW APPLICATION

Local Government Financing – Public Purpose Goal



1736 – First Assessment District in Philadelphia

Today – 37,000 Assessment Districts nationwide

- ✓ Water & Sewer Service
- ✓ Parks
- ✓ Sidewalks
- ✓ Lighting
- ✓ Downtown renewal
- ✓ Energy Efficiency (PACE)

How PACE WORKS?

Building owner, contractor, funding, servicing



Building owner



Private sector funding



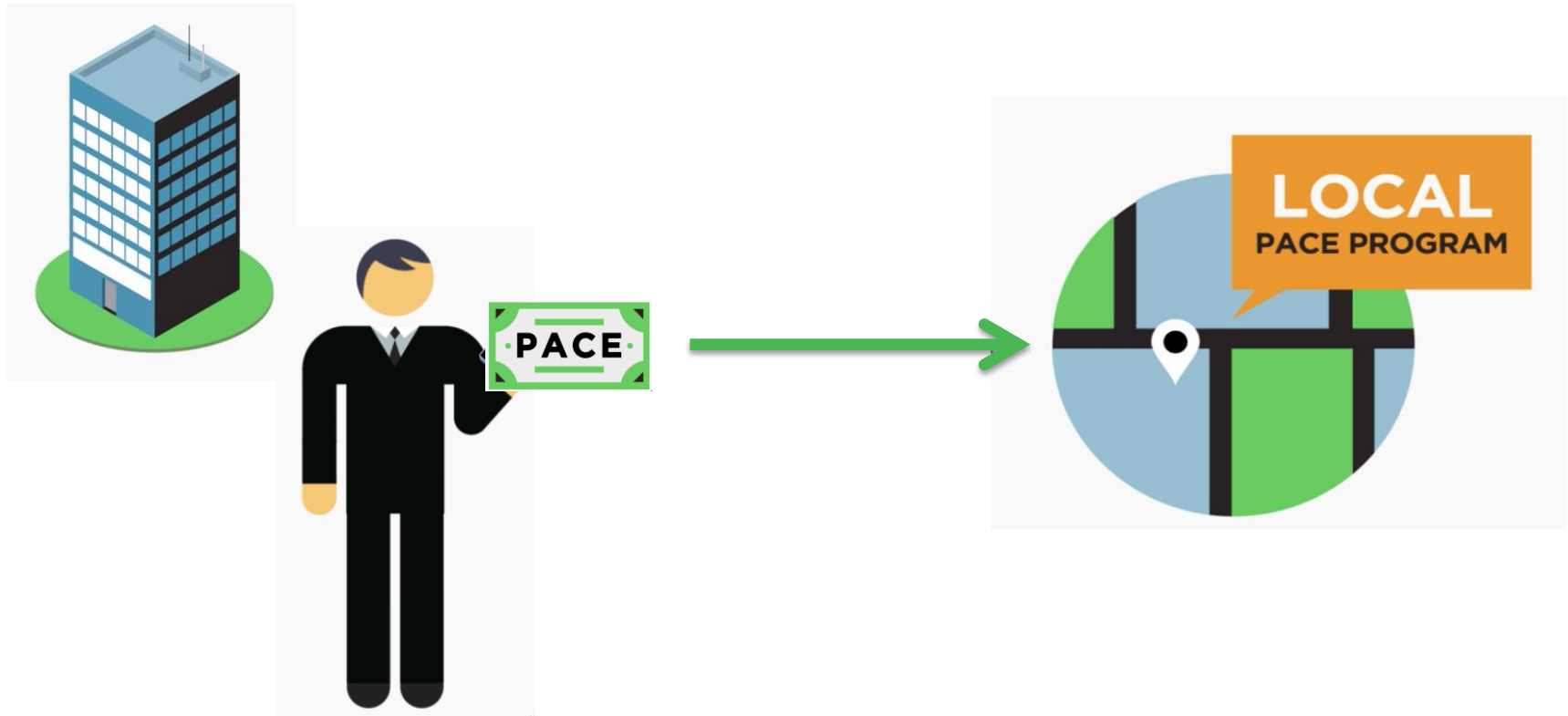
Program Administration



Local Contractors

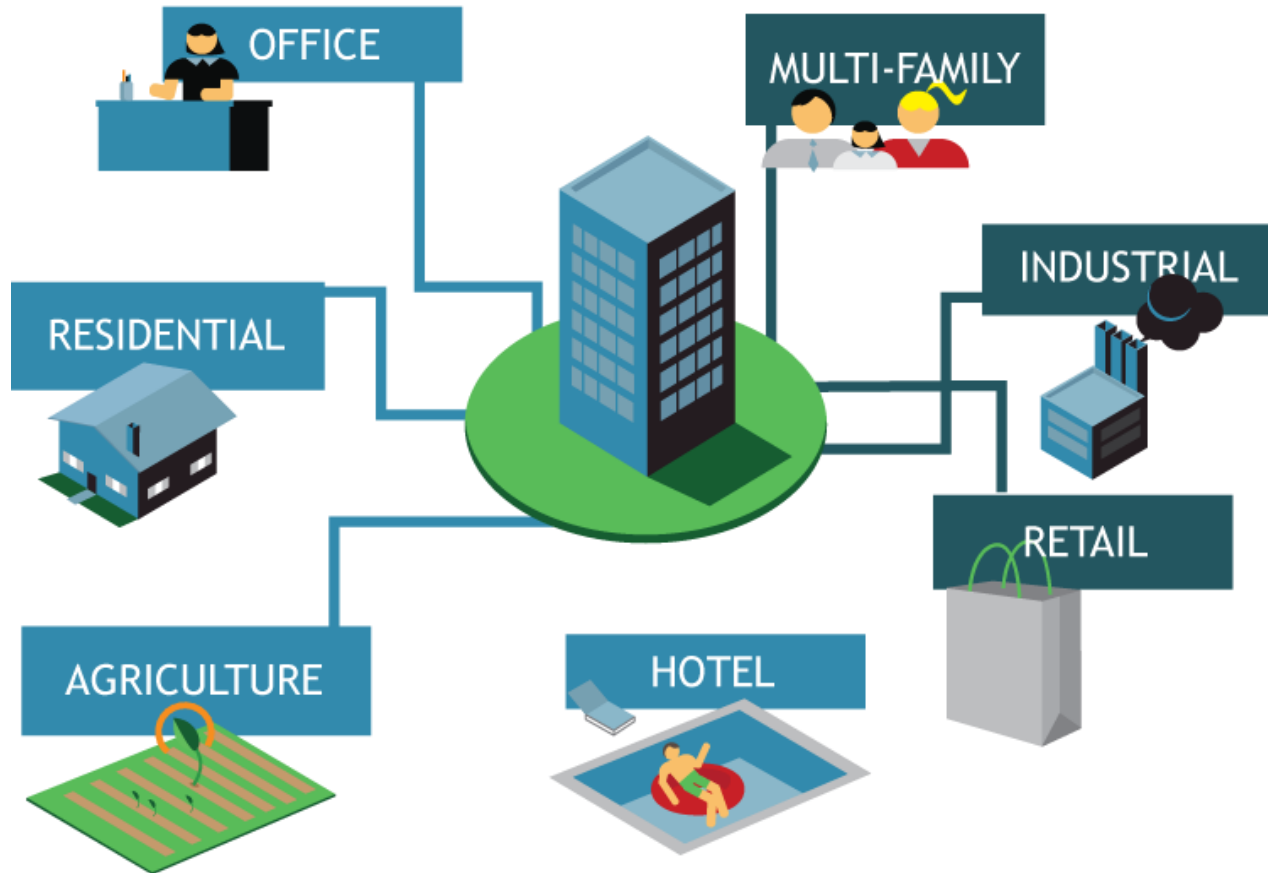
WHAT MAKES A PACE DEAL?

Building Owner Repays with an Assessment



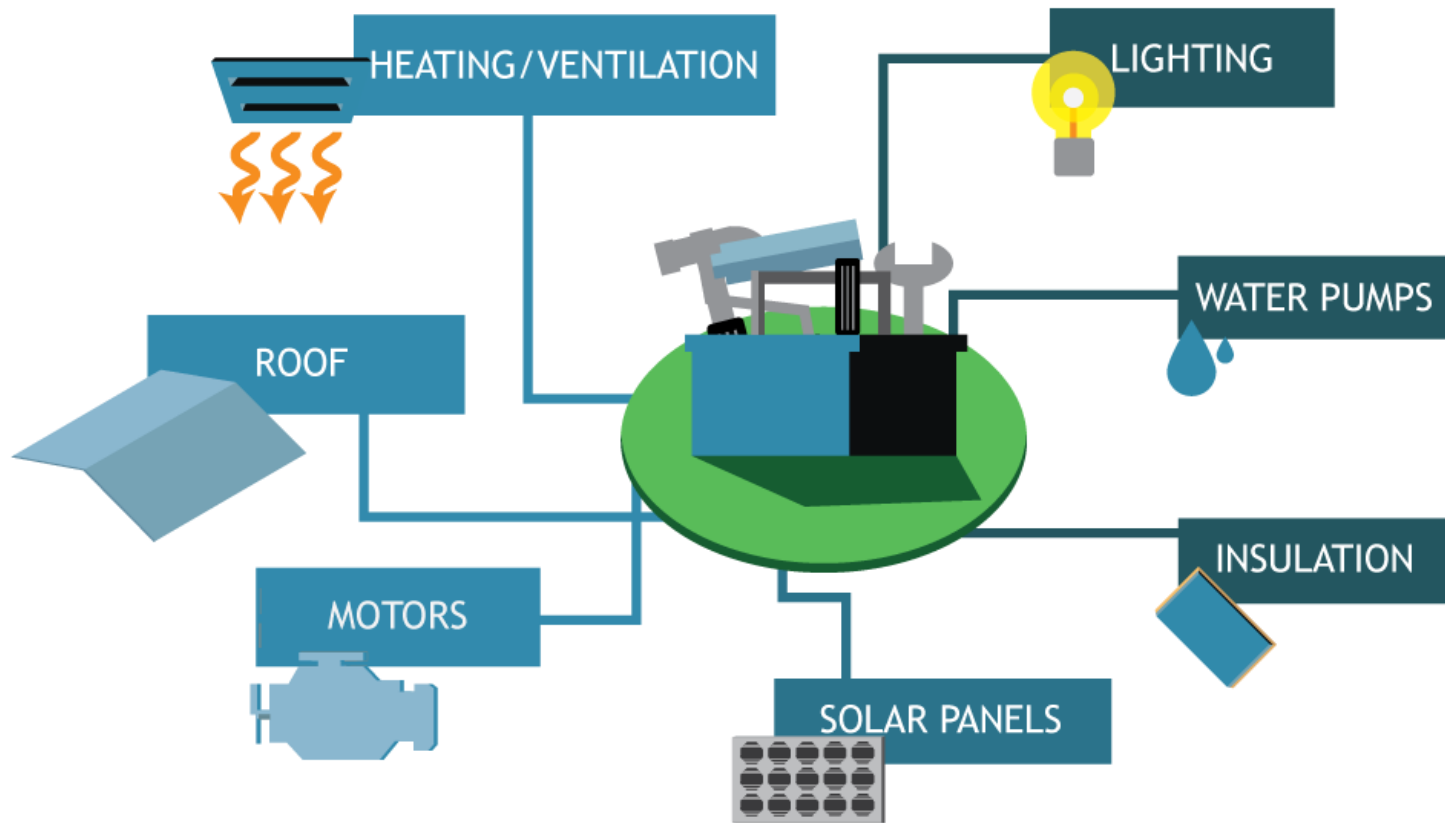
WHO CAN USE PACE?

Almost Any Building – Including Non-Profits



WHAT FOR?

Projects that Save or Generate Energy



WHY BRING PACE TO SOUTH CAROLINA?

Win, Win, Win, Win

- ✓ PACE improved buildings are more valuable and comfortable for owners (and tenants)
- ✓ PACE drives economic activity, creating local jobs
- ✓ PACE is 100% voluntary
- ✓ PACE has no impact on other taxpayers

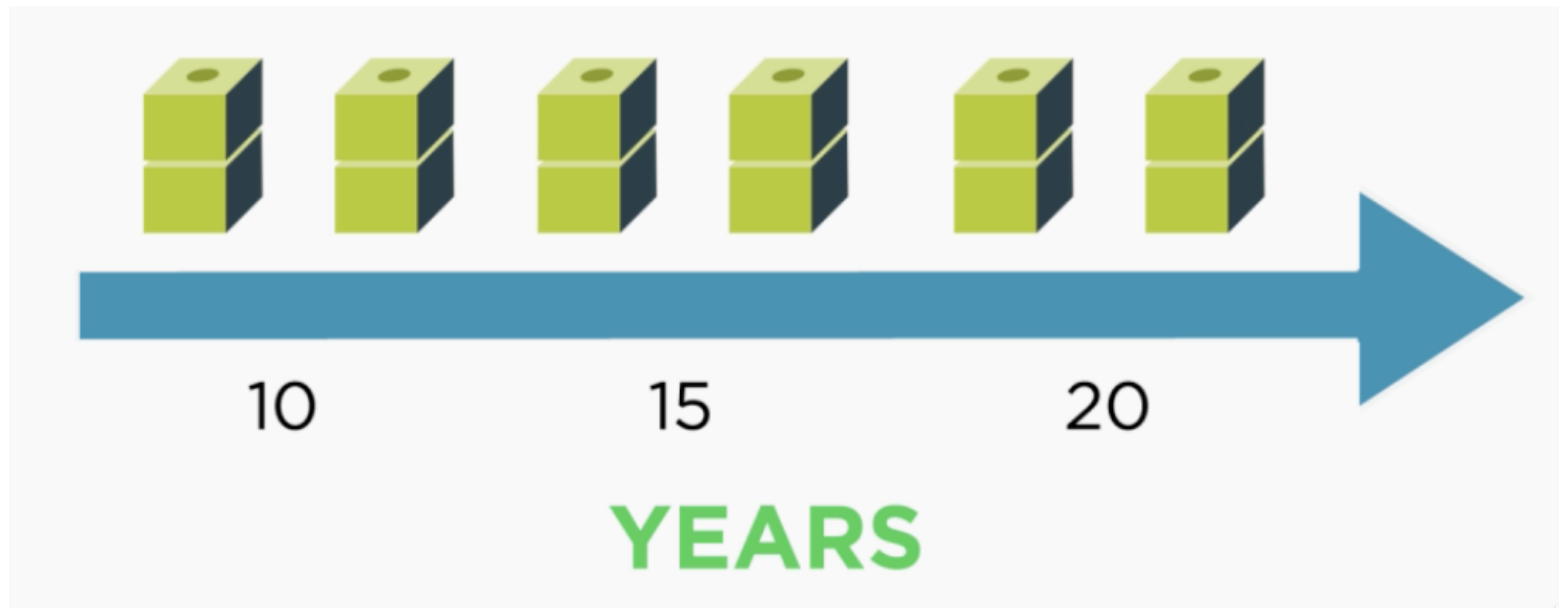
WHY BUILDING OWNERS LOVE PACE?

No \$ out of pocket – Hard and Soft costs



WHY PACE?

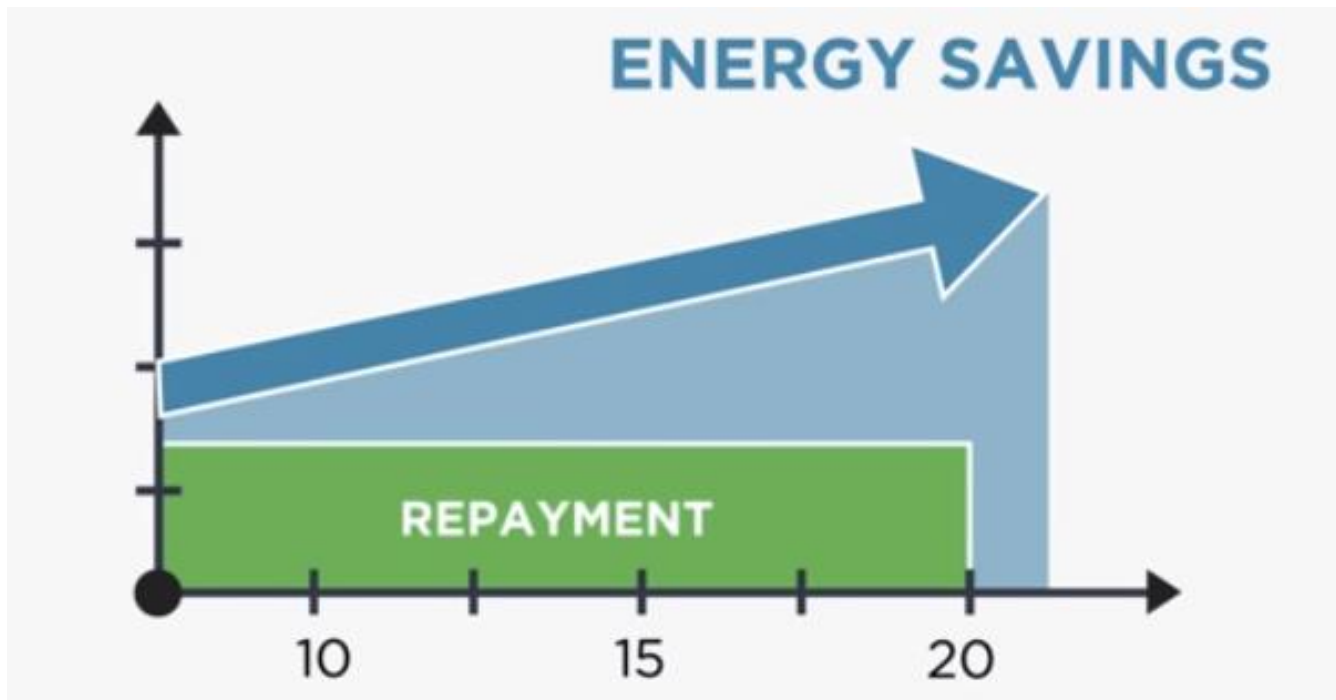
Long-Term Payback



Standard commercial lending rarely exceeds 5 to 7 years

WHY PACE?

Makes Long Payback Projects Work

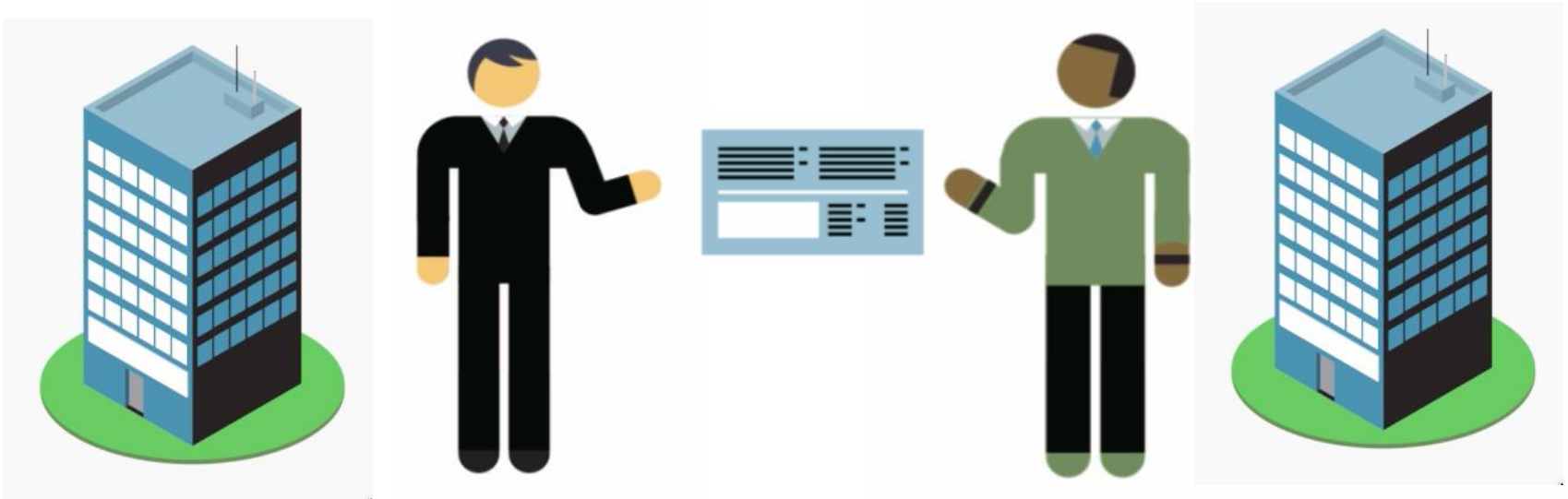


The secure nature of PACE enables up to 20-yr funding: projects with simple paybacks as long as 12 years can be implemented on a positive cash flow basis

- ✓ Increases NOI
- ✓ Increases Property Value

WHY PACE?

PACE Transfers on Sale



No payoff on sale – PACE automatically transfers to the new owner, like any other real estate tax

- ✓ No residual encumbrance and easy exit.
- ✓ Takes the risk away from investing in needed CAPEX.

WHY PACE?

Share Benefits and Costs with Tenants

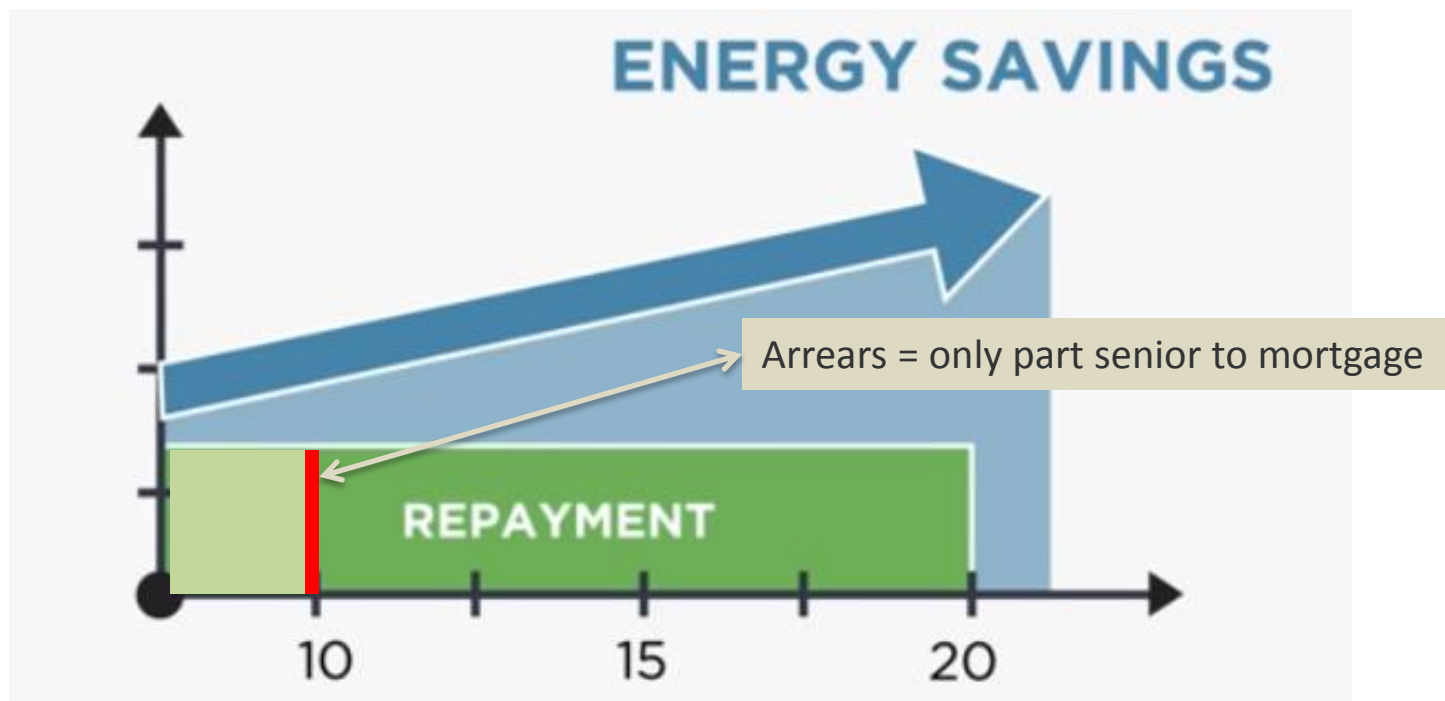


The real estate tax assessment can be passed on to tenants under most lease forms

- ✓ Tenants save on energy costs and pay their fair share of costs

WHY ARE CRE MORTGAGE LENDERS GIVING CONSENT?

Over 150 Different Lenders to Date, Nationwide

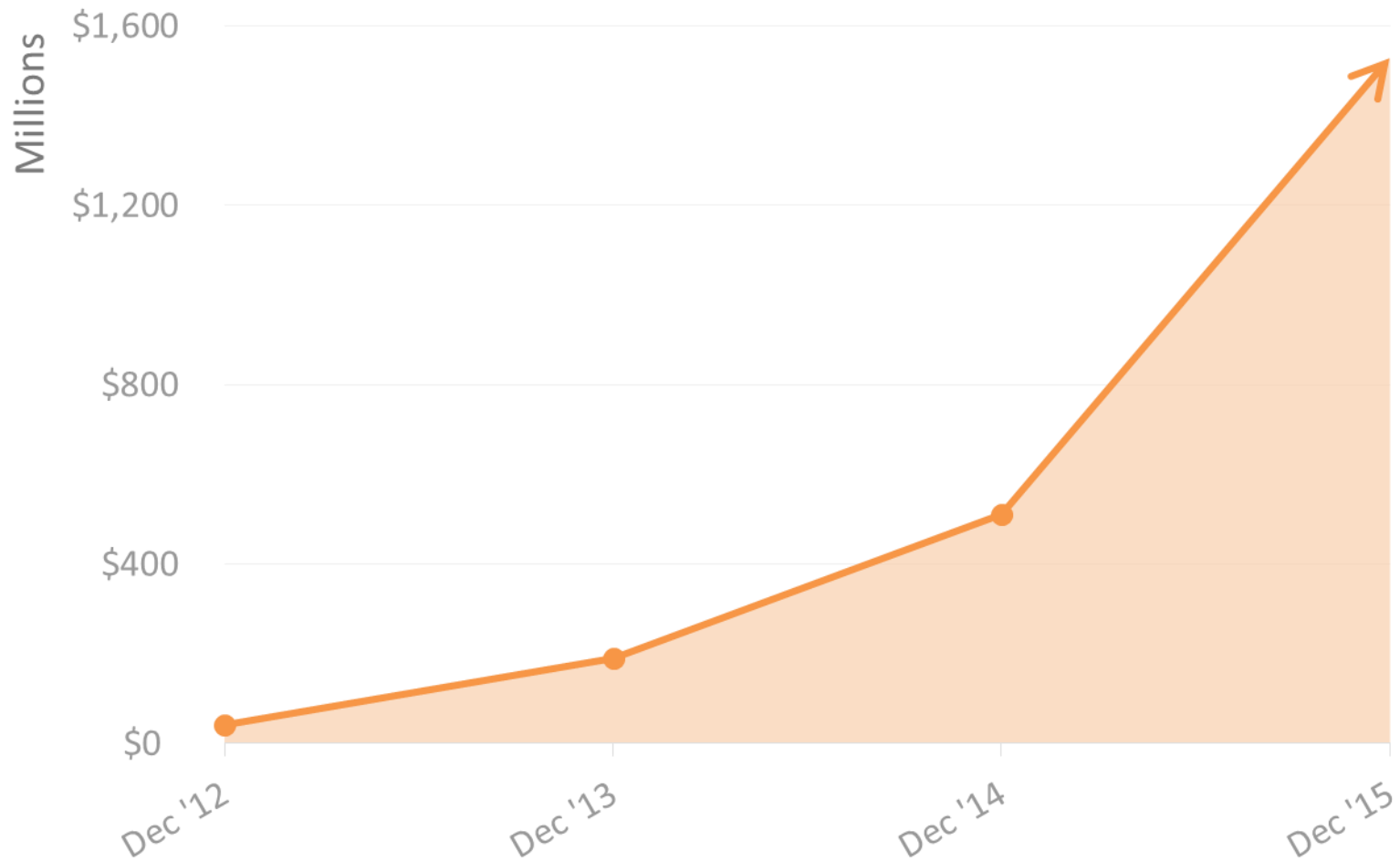


1. PACE project makes the lender's collateral more valuable
2. Only PACE assessment in arrears is senior
3. Underwriting standards make sure projects are appropriate
4. **Lender can always say NO...**

PACE IS WORKING

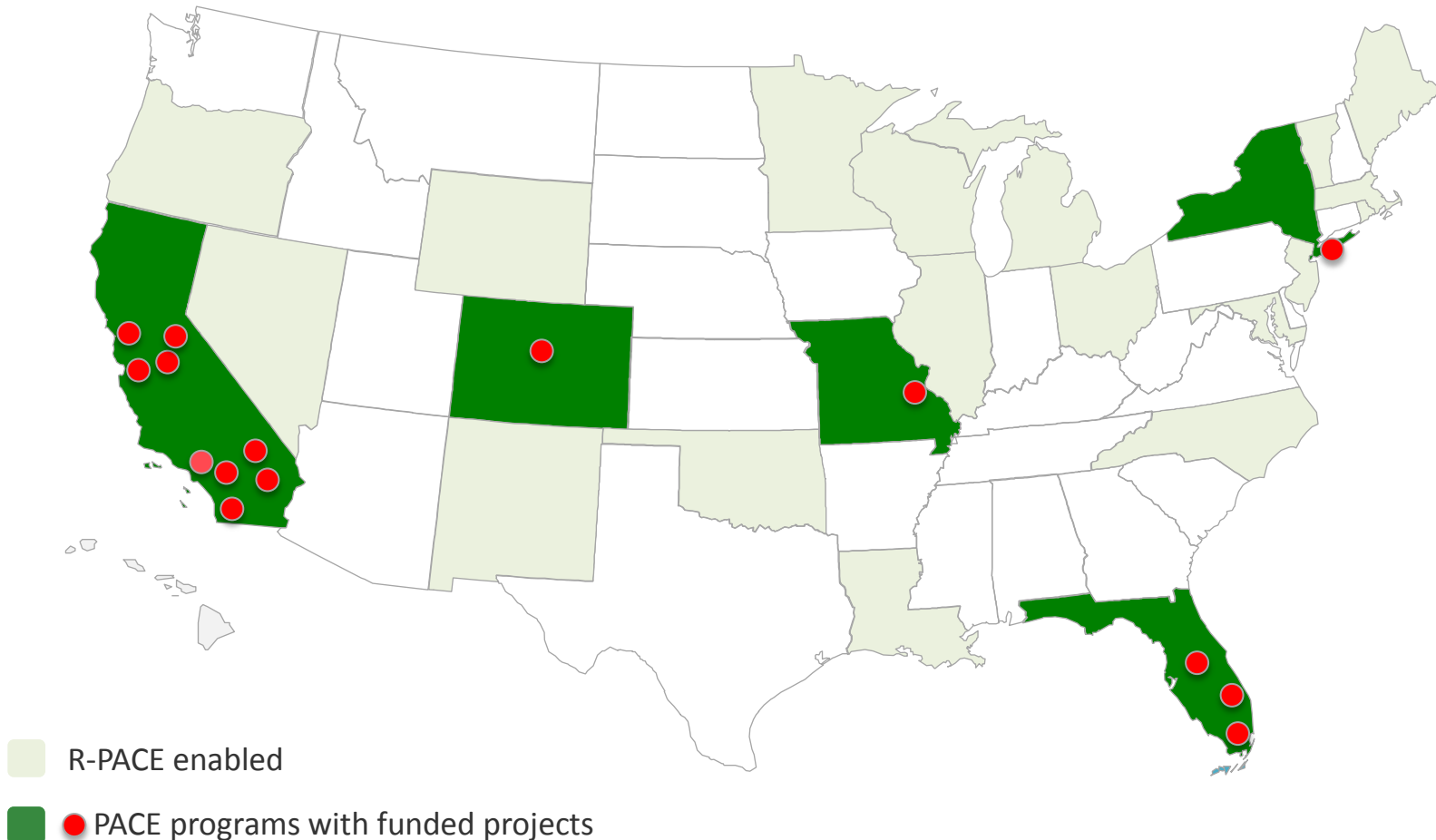
RESIDENTIAL PACE MARKET GROWTH

\$1.6+ Billion and 82,000+ Projects



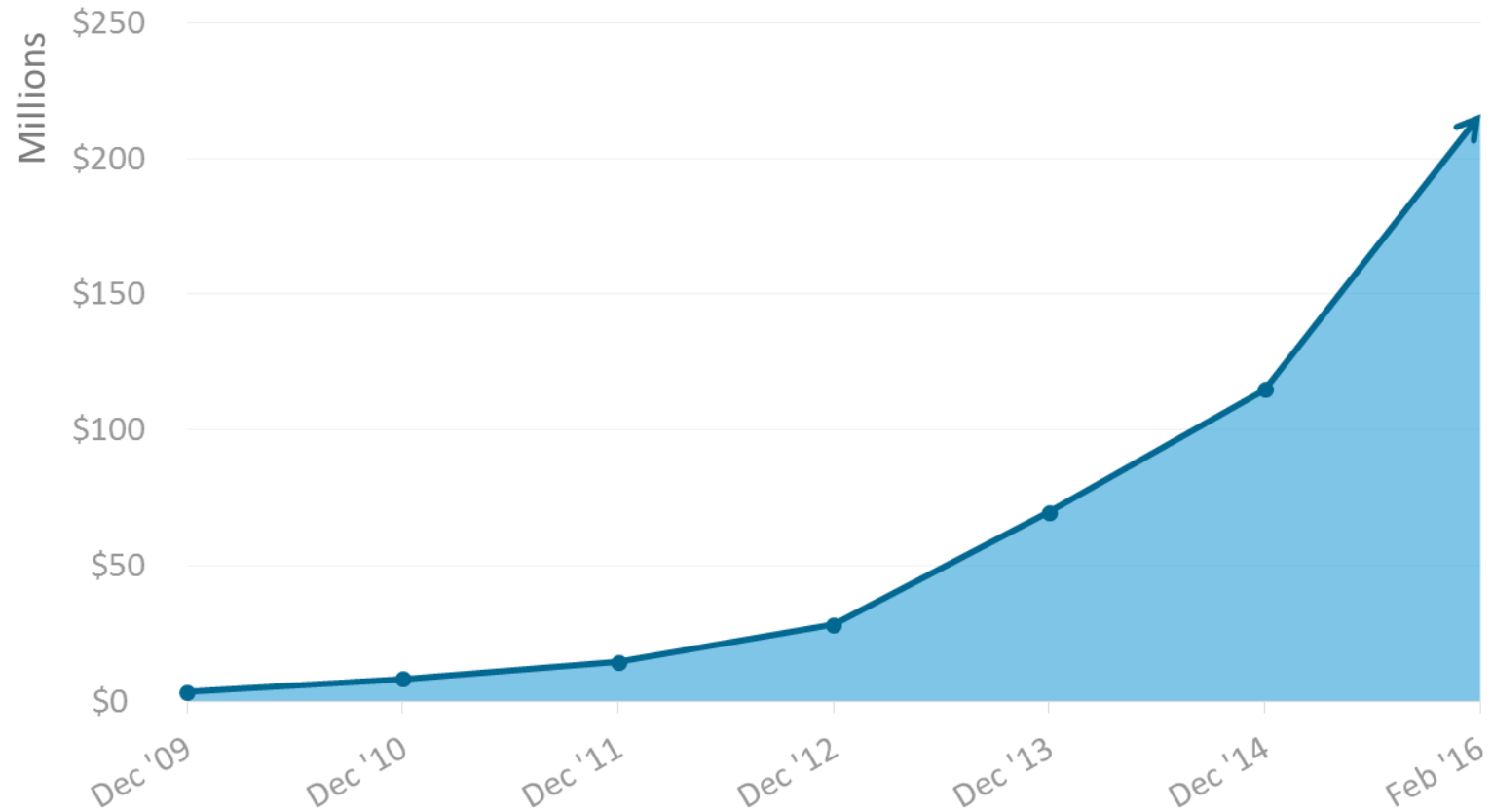
R-PACE PROGRAMS TODAY

R-PACE: 5 states with funded projects



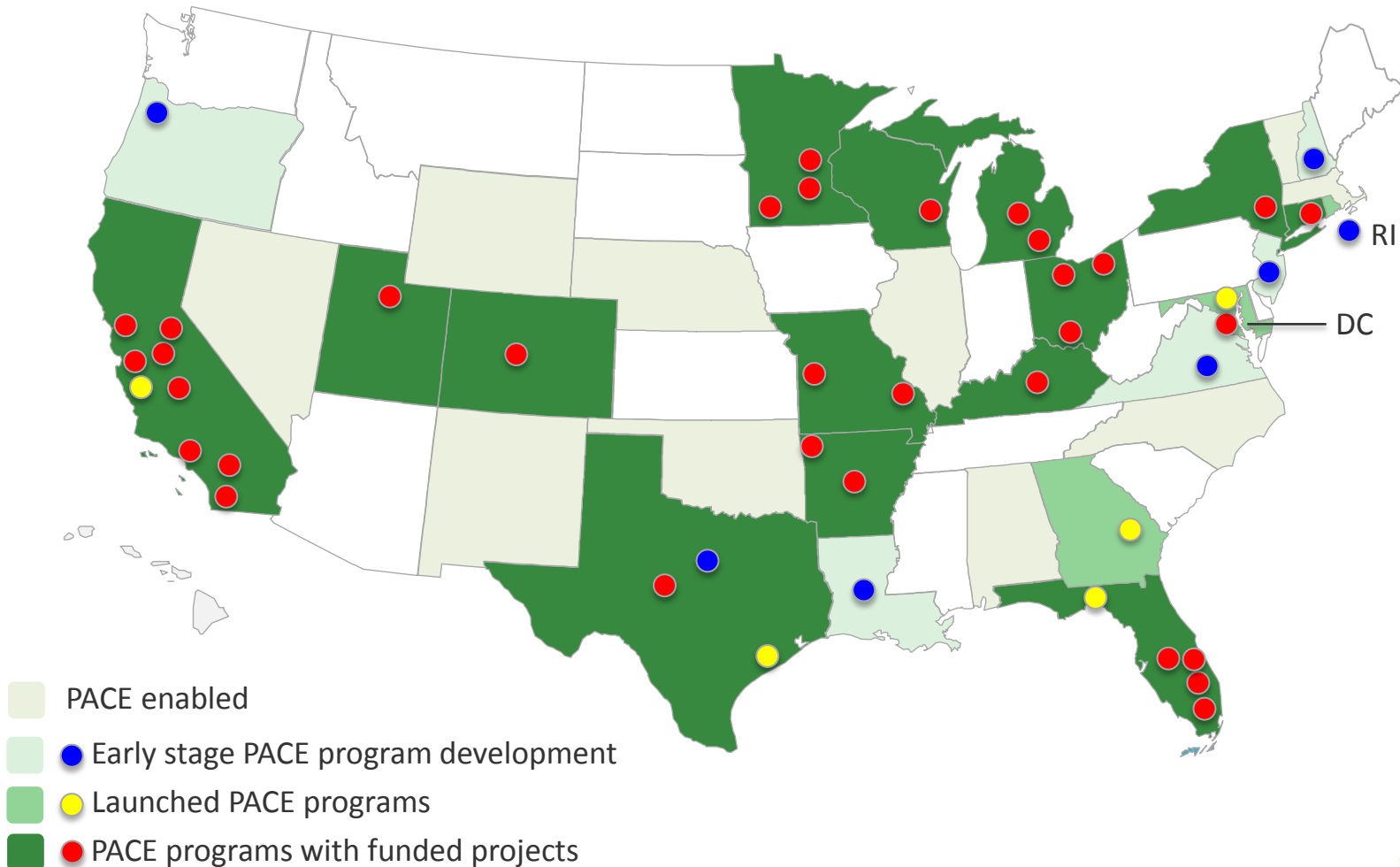
COMMERCIAL PACE MARKET GROWTH

\$250+ Million and 730+ Projects



C-PACE PROGRAMS TODAY

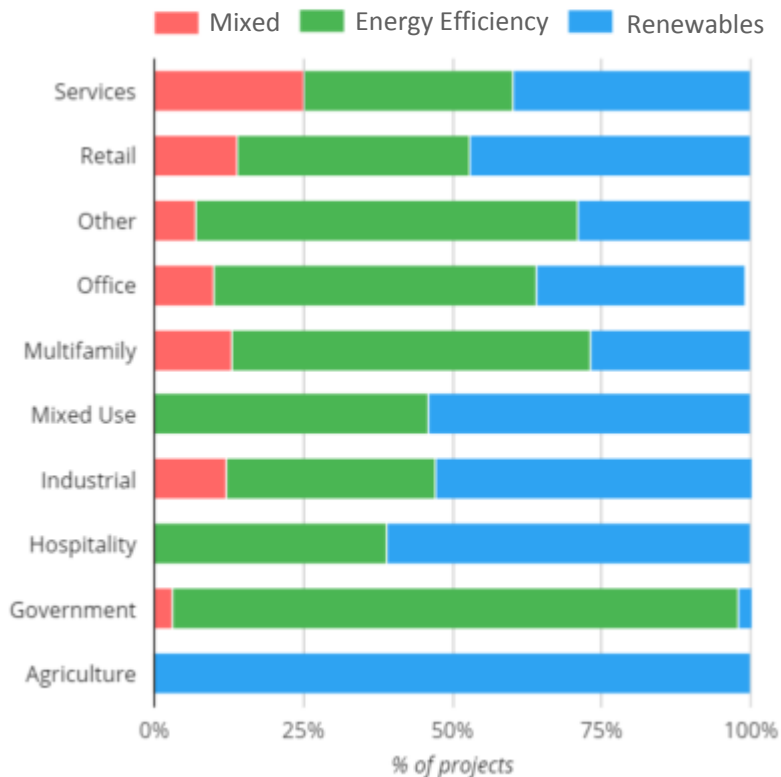
C-PACE Offered in 16 states plus D.C.



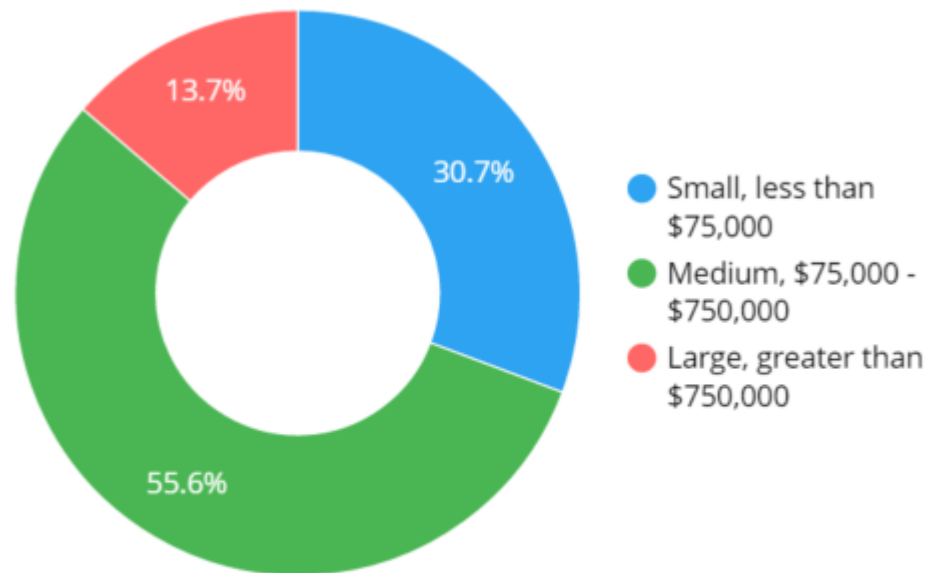
PACE COMMERCIAL MARKET STATS

Broad Applicability

Improvement type by building type



Number of projects by project dollar amount (categorized)



(Based on data available from 71% of commercial projects)

BRANDSMART, USA

SOUTH DADE COUNTY, FL



MACKIE HISTORICAL BUILDING

MILWAUKEE, WI



PARADISE RIDGE WINERY

SANTA ROSA, CA



BETH ISRAEL CONGREGATION

AUSTIN, TX





5 SPOKE CREAMERY

GOSHEN, NY



IVY KNOLL RETIREMENT COMMUNITY

COVINGTON, KY



SANSEER MILL HISTORIC BUILDING

MIDDLETOWN, CT



BIG BOY RESTAURANT

ANN ARBOR, MI





Join PACENation at www.PACENation.us

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