TEXAS PACE AUTHORITY

PACE FINANCING

UPGRADE YOUR BUILDING AND IMPROVE YOUR BOTTOM LINE

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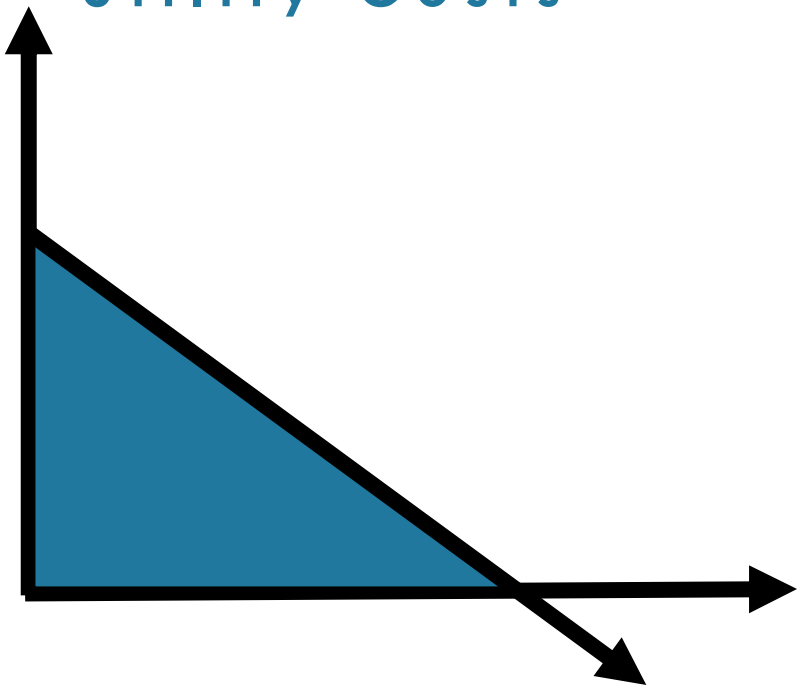
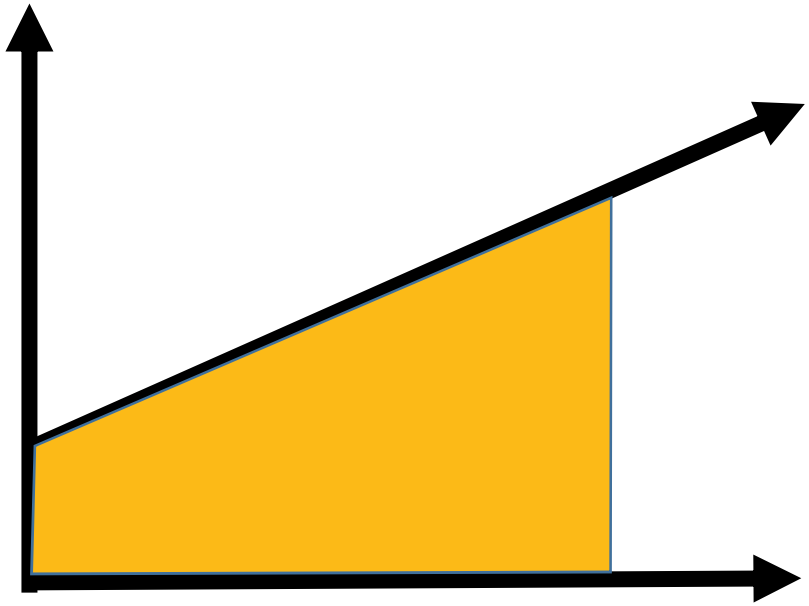
Lower
Utility Costs



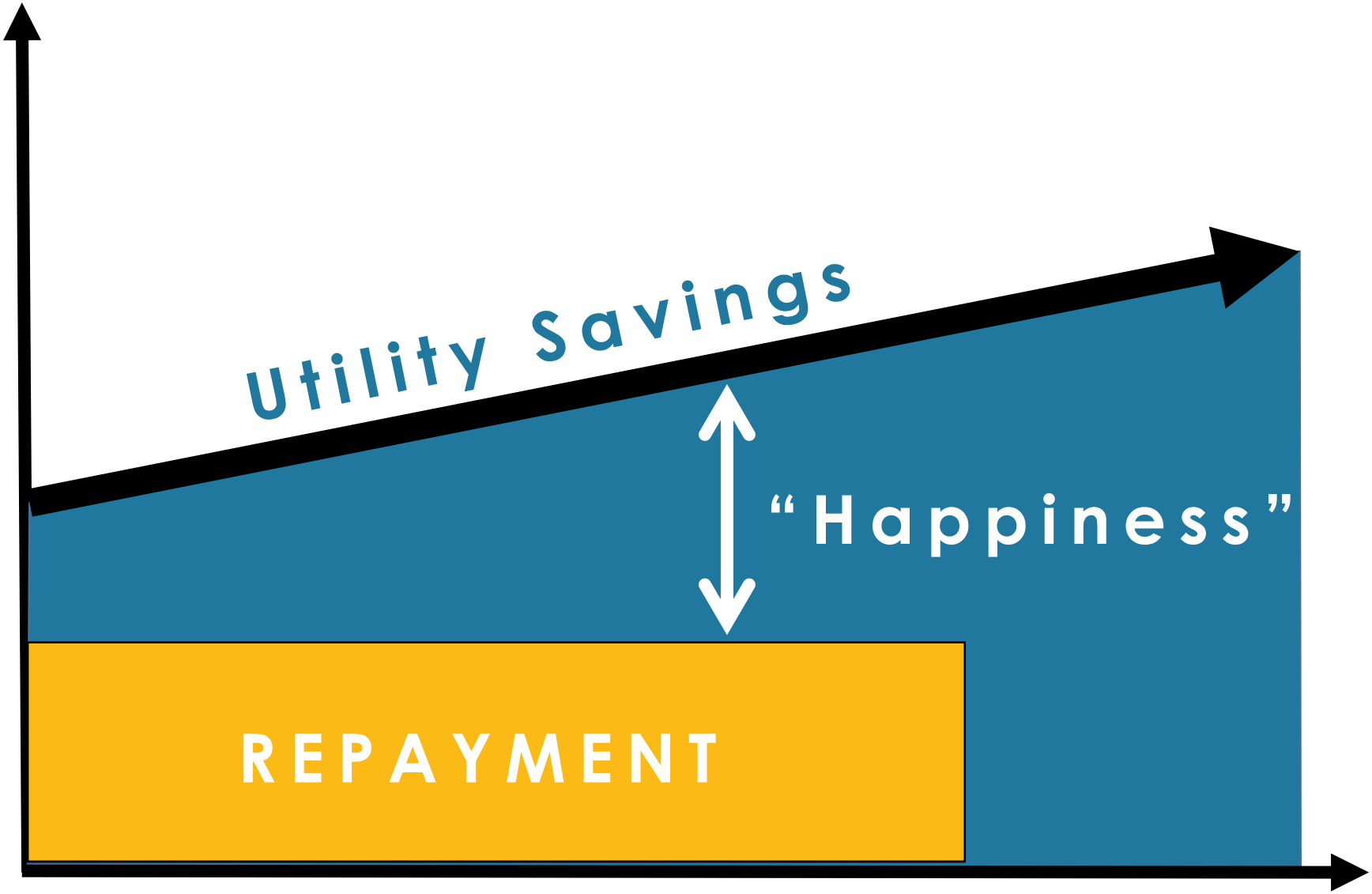
Increase
Net Operating Income



Bottom Line: Increased Building Value

What is eligible for PACE?

Long Simple Payback? No Problem!



Short Holding Period? No Problem!

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

Split Incentives?
No Problem!

Both the energy savings and the PACE assessment can be shared with tenants

- ✓ Eliminates the landlord/tenant split incentive
- ✓ Triple Net Lease Mechanism

Financial Impact of PACE - An Example

- ✓ Property where the Landlord provides common area cooling and lighting
- ✓ Project involves a $200,000 energy efficiency retrofit
- ✓ Annual energy and maintenance savings of $33,000 (6.1 years simple payback)
- ✓ The project does <u>not</u> pass the Landlord's hurdle rate for investment in energy efficiency
- ✓ PACE funding available for 20 years at 6.5%.
- ✓ Conventional Funding for 5 years at 4.5%.

Gross Lease Scenario

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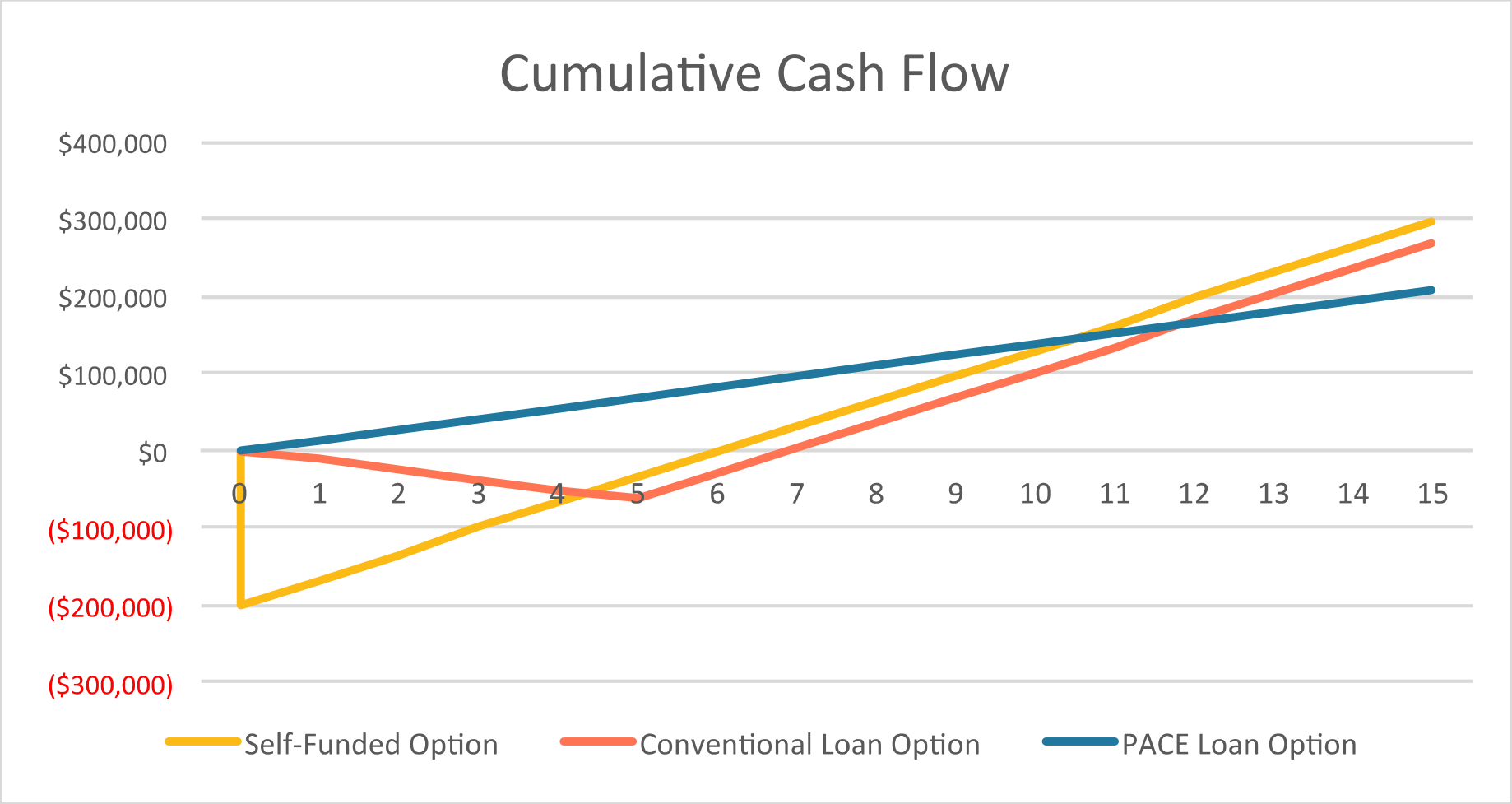
Financing Scenario Comparison Summary			
	Self-Funded	Conventional Loan	PACE
Out-of-Pocket Investment	$200,000	$0	$0
Utility Savings (First Year)	$33,000	$33,000	$33,000
Annual Payment	$0	($45,558)	($19,059)
Cash Flow Impact Year 1	($167,000)	($12,558)	$13,941
Net Project Cash Flow Year 2	($134,000)	($25,117)	$27,882
Years to Positive Project Cashflow	6.1	6.9	N/A
10-Year Project NPV	($463,348)	($58,103)	$455,693
Property Value Increase (20-Year NPV)			$1,100,068

Cumulative Cash Flow Comparison



Happiness is
positive cash flow.

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PACE Assessments Can Include:

- The cost of materials and labor necessary for the installation of a qualified improvement;
- Permit fees;
- Inspection fees;
- Lender's fees;
- Program application and administrative fees;
- Project development and engineering fees;
- ITPR fees, including verification fees; and
- Any other fees or costs that may be incurred by the property owner incidental to the installation, modification, or improvement: Legal, consulting and other fees on an actual cost basis; and
- Changes to the existing property that are incidental to the installation.

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PACE in Texas Update

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TEXAS' OPEN-MARKET PACE PROGRAM ADMINISTRATOR

TPA Functions

Operations

- Application Review
- Monitoring and Reporting
- Industry Outreach and Education

Expansion

- County Expansion program development
- Government official/staff outreach

PREPARING A PACE PROJECT

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Decid
a Pro

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Choos
Lend

Lender List

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Eligibility | For Property Owners | For Contractors | For Lenders | About Us | Contact Us

Lender List

Texas PACE Authority does not endorse any particular PACE lenders. The list below is provided for convenience if you need help in finding a lender who meets the PACE in a Box recommendations and is interested in financing PACE projects.

LENDERS

CLEAN FUND

Clean Fund LLC

Preferred Financing Range: $500K – $15M

Types of Projects: Any

Contact: Josh Kagan

www.cleanfund.com

GREENWORKS LENDING

Greenworks Lending

Preferred Financing Range: $30K – $5M

Types of Projects: Any Eligible Technologies and Properties

Contact: azech@greenworkslending.com

www.greenworkslending.com

Stay up to date by joining our mailing list.

Name

First

Last

Email address:

Your email address

Sign up

Quick Links:

Eligibility Check

Start Application

News

Travis County PACE Luncheon

US GBC (San Antonio Chapter) Hosts

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Choose
Contrac

Install Project and Verify

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TEXAS' OPEN-MARKET PACE PROGRAM ADMINISTRATOR

Savings to Investment Ratio

SAVINGS:

- Total Energy/Water savings over the life of the project

INVESTMENT:

- Total amount of assessment (Financing amount)

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Choose Indepen Third Pa Engine (ITPR

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Get
Mortgag
Conse

TEXAS PACE AUTHORITY

Close Financ

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Join our Next Contractor Training

October 1st, Austin

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10%

$2,500

OF $25,000 RAISED

106 DAYS REMAINING

THIS CAMPAIGN WILL END ON 12/31/15 AT 12:00 AM

Make a Donation

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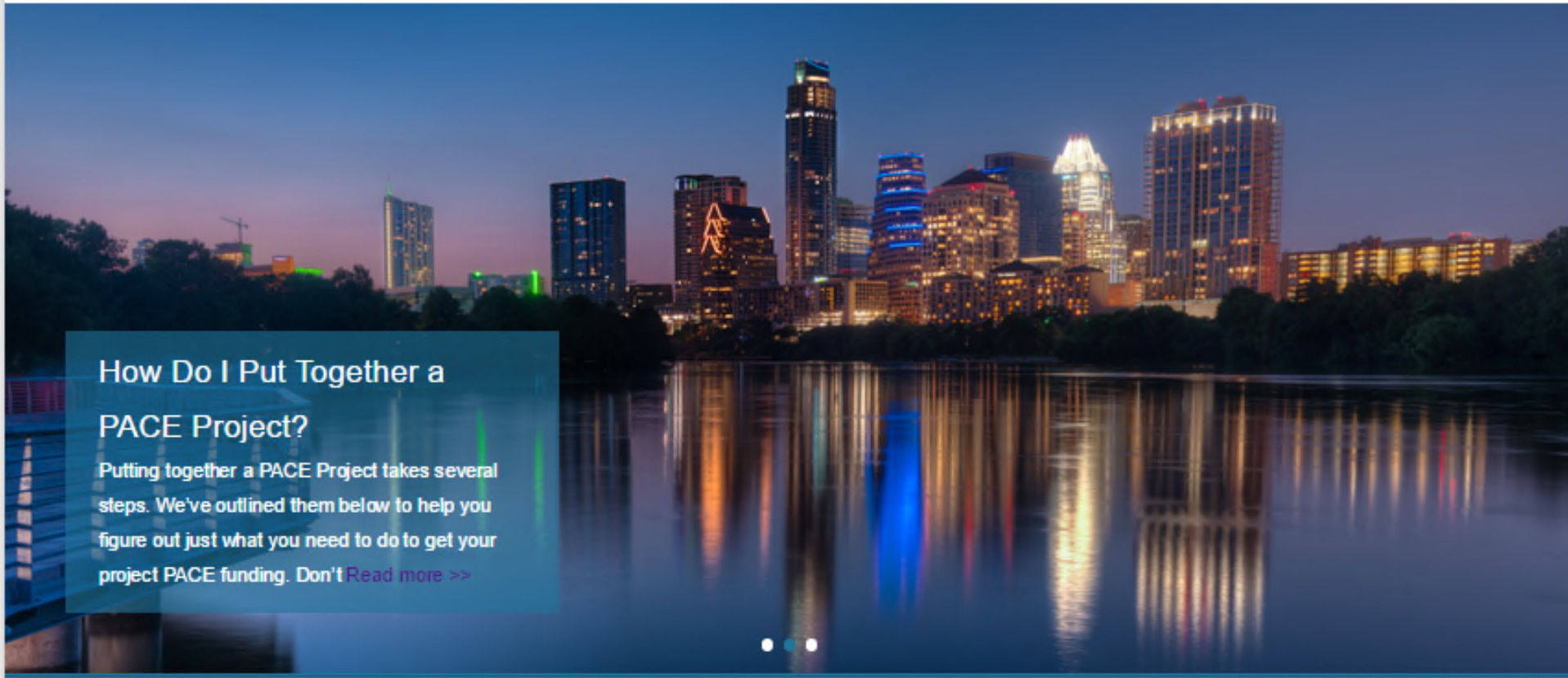

How Do I Put Together a PACE Project?

Putting together a PACE Project takes several steps. We've outlined them below to help you figure out just what you need to do to get your project PACE funding. Don't Read more >>

Think PACE Financing may work for you?

Click the link to complete the Eligibility Check to see if you qualify for PACE Financing.

Eligibility Check

Other Website Tools

What is PACE?

Click here for a short video generally explaining PACE and how it can benefit you.

Find a Service Provider

Need help finding a lender or contractor with PACE project experience?

Preparing a PACE Project

Click here to learn more about what is involved in preparing your PACE project.

Financing Comparison Calculator

Want to see how your project compares using PACE financing vs. a conventional loan or self-financing? Click here to use our scenario calculator.

http://www.texaspaceauthority.org