



TEXAS ★ **PACE**

AUTHORITY

PACE FINANCING

**PACE FUNDING FOR WATER
EFFICIENCY IN THE ICI SECTOR**

**HIGH
CAPITAL
COST**

+

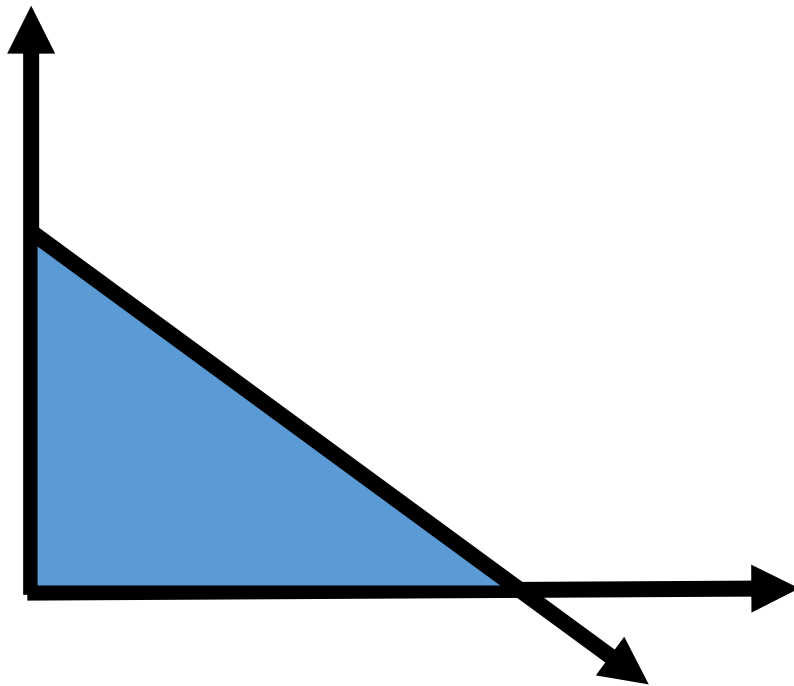
**LOW
WATER
PRICES**

=

LONG PAYBACK

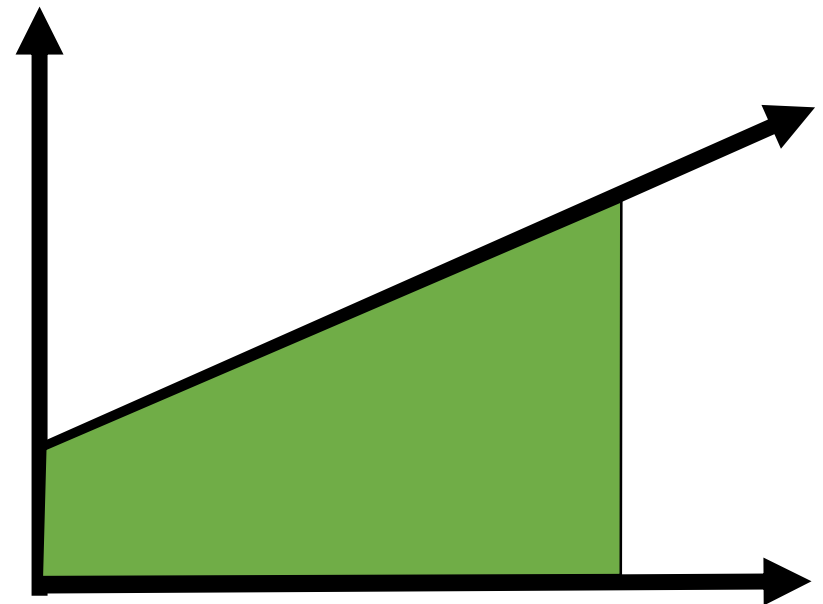
LOWER

Utility Costs



INCREASE

Net Operating Income



Bottom Line: Increased Building Value

➤ **100% LONG TERM
FINANCING**

➤ **ENERGY AND
WATER EFFICIENCY**

How PACE Works

City or county
creates type of
assessment district



Property owners
voluntarily sign-up
for financing and
install
energy/water
projects



Financing provided
to property owner
to pay for energy
project



Property owner
repays loan
through property
assessment



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ELIGIBLE PROPERTIES

- **OFFICE/RETAIL**
- **INDUSTRIAL**
- **MULTIFAMILY (5+ UNITS)**
- **NONPROFITS**

NOT ELIGIBLE

NEW CONSTRUCTION

- i.e. Greenfield

GOVERNMENT PROPERTY

- Includes school districts, water authorities, etc

SINGLE FAMILY RESIDENTIAL

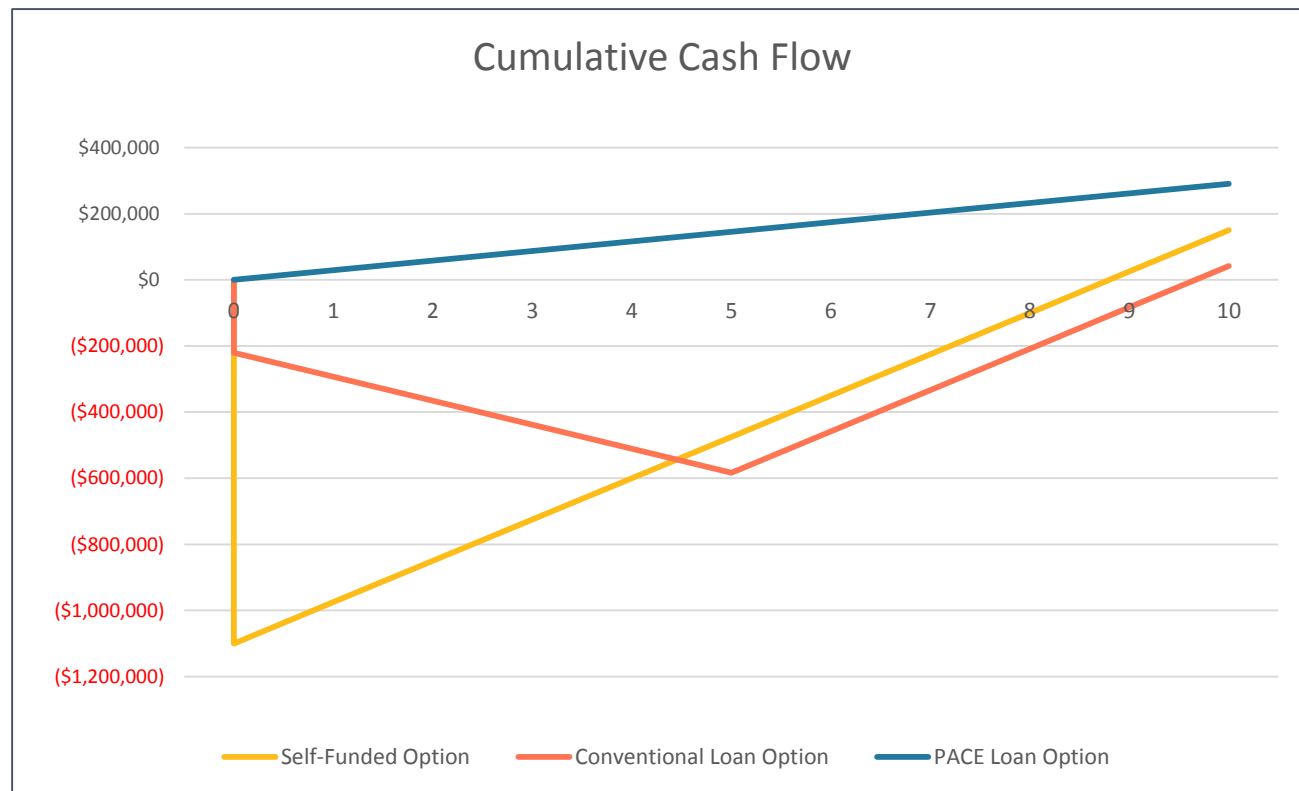
ELIGIBLE MEASURES

- HVAC modification or replacement
- Automated control systems
- LED Lighting
- Insulation
- Windows and doors
- Caulking, weather-stripping or air sealing
- Low Flow Water Fixtures
- Reclaimed Water Systems
- Rainwater collection
- On site power generation (CHP, Microgrids, solar, etc.)
- Other

CASH FLOW APPROACH: OWNER

Example: \$1.1M Chiller Upgrade, Savings \$125K/yr


Project Cost	\$1,100,000
Term	20 Yrs @6%
Annual Pmt	(\$95,903)
Avg Annual Savings	\$125,000
NOI Impact	\$29,097
Value Impact (@7.5%)	\$296,629



**Happiness is
positive cash flow.**

OTHER CONSIDERATIONS

- **TRIPLE NET LEASE PASS-THROUGH**
- **TRANSFERS ON SALE**
- **TAX TREATMENT**
- **NO ACCELERATION ON DEFAULT**
- **NO PERSONAL GUARANTEE**
- **FUNDS AVAILABLE FOR
CONSTRUCTION**



BARTON CREEK SQUARE


BARTON CREEK

2.4 MILLION GALLONS
PER YEAR

ROUND ROCK
OUTLETS



LAKELINE



LAKELINE

MALL UPDATES

Measures:

- Exterior LEDs
- HVAC
- VFDs
- BAS
- Weatherization of building shell
- Low flow water fixtures

Total Project Cost: ~\$4M

Annual Savings: \$500,000

WHERE IS PACE?

Live

- ✓ City of Dallas
- ✓ Travis County
- ✓ The Valley
- ✓ Williamson County
- ✓ Fort Bend County
- ✓ El Paso County
- ✓ City of Houston and ETJ
- ✓ Brazos County

✓ Nueces County

✓ Hays County

Next in Line

Bexar County

DFW Counties



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TEXAS' OPEN-MARKET
PACE PROGRAM
ADMINISTRATOR

www.TexasPACEAuthority.org