

Texas Property Assessed Clean Energy (TX-PACE) enables commercial property owners to obtain affordable, long-term financing covering up to 100 percent of the cost for energy efficiency, water conservation, and on-site generation technologies. TX-PACE secures private financing for a term as long as the projected useful life of the improvements, resulting in utility cost savings that exceed the amount of the repayment. Owners can modernize commercial properties without fear of over-investment, transferring the TX-PACE repayment obligation to new ownership if the property is sold.

The City of Dallas PACE program's projects range from \$24 million to \$74,000 and demonstrate that TX-PACE can be utilized to great effect by businesses of any scale.



BUTLER BROTHERS BUILDING \$23.9 MILLION - DALLAS, TEXAS

The City of Dallas' first PACE project is now the largest in Texas. The inclusion of \$23.9 million in energy and water-saving measures in the redevelopment capital stack of the historic Butler Brothers Building demonstrates that there is a low-cost, long-term replacement to expensive equity-partner financing. The 20-year term covers improvements for HVAC, lighting, insulation, roofing, glazing, exterior waterproofing and plaster, plumbing fixtures, and irrigation systems. The project will save almost 700,000 gallons of water a year, reduce energy consumption by 40%, and contribute to the creation of over 100 jobs in the Dallas area.



CONTINENTAL GIN BUILDING \$5.25 MILLION - DEEP ELLUM, DALLAS, TEXAS

The 65,000 square foot masonry building is the last remaining structure of the larger Continental Gin Company complex originally constructed from 1888 to 1914, and placed on the National Historic Register in 1983. The original office and warehouse building is being converted to mixed use: prime office, restaurant and plaza space in Dallas' Deep Ellum neighborhood. The City of Dallas' PACE program facilitated energy and water saving upgrades including roofing, glass/glazing, mechanical/HVAC, electrical/LED lighting, exterior walls, elevators, and utilities. The installation of solar PV panels will enable power to be created onsite. The project will reduce annual electricity consumption by 1.4 million kWh, reduce annual natural gas consumption 1,124 BTU's, and reduce annual water consumption by 515,000 gallons. Over 1.3 tonnes of CO₂ emissions will be avoided and the renovations will result in the creation of over 71 clean energy jobs.



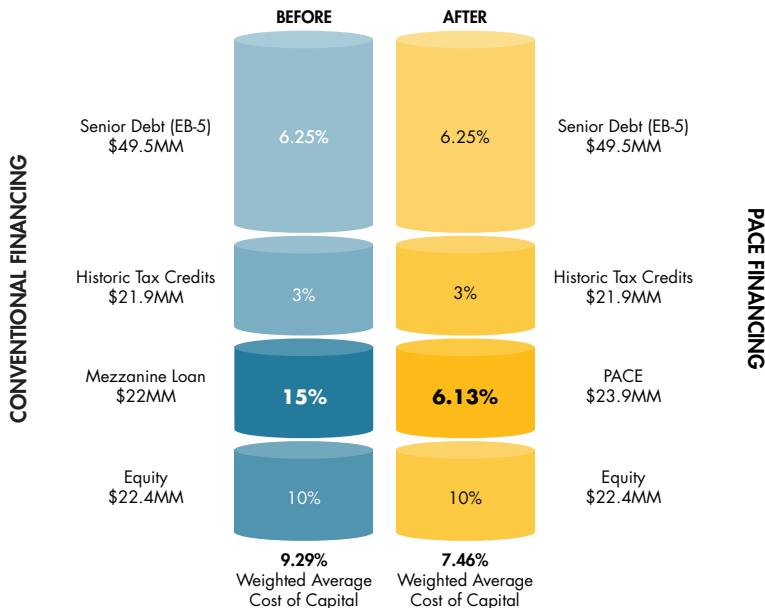
ALMOST \$10 MILLION INVESTED IN MALLS ACROSS TEXAS

A global leader in retail real estate ownership has completed 6 projects in Texas for almost \$10 million in improvements. Using the uniform TX-PACE program, 3 of these projects closed in 2 counties with 1 lender on the same day. Improvements include HVAC, lighting, and water saving measures for a combined savings of 5,600,000 kWh in electricity and 14,950,000 gallons of water per year.

“TX-PACE pairs incredibly well with historic buildings that are typically energy inefficient and require additional capital in order to renovate the property to modern energy efficiency standards. I am beginning to see greater interest in the utilization of this program for historic and non-historic renovation projects because of its flexibility, relative low-cost and nonrecourse nature.”

– Phill Geheb, Munsch Hardt, Dallas, TX

BUTLER BROTHERS BUILDING CAPITAL STACK



TYPICAL OFFICE HVAC & LIGHTING COMPARISON SUMMARY			
	Self-Funded	Conventional Loan	TX-PACE Loan
Out-of-Pocket Investment	(\$1,300,000)	(\$260,000)	\$0
Savings (First Year)	\$200,000	\$200,000	\$200,000
Annual Payment	\$0	(\$282,803)	(\$118,437)
Cash Flow Impact Year 1	(\$1,100,000)	(\$342,803)	\$81,563
Net Project Cash Flow Year 2	(\$900,000)	(\$425,607)	\$163,126
Years to Positive Project Cashflow	6.5	8.4	IMMEDIATE
Debt Service Over Finance Term	0	(1,414,017)	(2,368,742)
10-Year Project NPV	\$172,017	\$20,747	\$600,310
Property Value Increase (20-Year NPV)	\$993,984	\$842,714	\$935,520

- The project does not pass the company’s hurdle rate for investment in energy efficiency (i.e. the ROI is probably not high enough)
- Conventional funding for 5 years at 4.0% (20% down payment)
- TX-PACE funding available for 20 years at 7.0%.
- Energy prices held constant. NPV discount rate at 8%.

YOUR TX-PACE ASSESSMENT CAN INCLUDE:

- Materials and labor costs
- Permit, lender and inspection fees
- Program application and administration fees
- Project development and engineering fees
- Independent third party review and verification fees
- Legal, consulting and other fees
- Incidental installation, modification or improvement costs