Property Assessed Clean Energy (PACE) Overview

PACE Wisconsin Update
Member Counties

- Ashland
- Bayfield
- Brown
- Chippewa
- Dane
- Door
- Douglas
- Dunn
- Eau Claire
- Fond du Lac
- Iowa
- Jefferson
- Kenosha
- La Crosse
- Manitowoc
- Marathon
- Outagamie
- Ozaaukee
- Portage
- Racine
- Rusk
- Shawano
- Sheboygan
- St. Croix
- Washington
- Waukesha
- Waupaca
- Winnebago
- Wood
C-PACE Market Data

C-PACE OVERVIEW

$588 1445

Millions Commercial projects

8,826

Jobs created

(Source: 15 jobs per million, EcoNorthwest)

Cumulative C-PACE Financing

2010-2017
Eligible PACE Projects

- Commercial (Office Building and Retail)
- Multifamily
- Non-Profit
- Agriculture
- Warehousing
- Hospitals
- Industrial/Manufacturing
- Hospitality
Eligible Improvements

- Boilers & Chillers
- Pumps & Motors
- Automated Building Controls
- Building Envelope Improvements
- Efficient Lighting Systems
- Heating & Cooling System Upgrades
- Renewable Energy Systems
- Hot Water Heating Systems
Hotel Indigo

Location: 901 E. Washington Avenue, Madison
PACE Financing: $1,500,000
Estimated Annual Savings: $89,832
Improvements: HVAC, Building Shell, Lighting

Hotel Retlaw

Location: 1 N. Main Street, Fond du Lac
PACE Financing: $2,373,798
Estimated Annual Savings: $289,011
Improvements: HVAC, Lighting, Windows
Uniroyal

Location: 501 S. Water Street, Stoughton
PACE Financing: $355,000
Estimated Annual Savings: $70,698
Improvements: Roof, Lighting

Waterloo Technology Center

Location: 575 W. Madison Street, Waterloo
PACE Financing: $249,000
Estimated Annual Savings: $47,294
Improvements: HVAC, Lighting
6 THORNDAL CIRCLE, DARIEN CONNECTICUT

OFFICE PARK
POWER

PROPERTY SUMMARY
One of seven properties composing Darien Connecticut’s Thorndal Circle Office Park, 6 Thorndal is a 37,000 sq ft office building that is home to a medical imaging center, data warehouse and a variety of professional services tenants. Notably, Greenwork Lending’s headquarters office is just across the parking lot with building ownership in common.

OPPORTUNITY
Planning and installation of a 129kW rooftop solar photovoltaic array and new commercial roof to compliment LED and HVAC efficiencies.

<table>
<thead>
<tr>
<th>BUSINESS TYPE</th>
<th>BUILDING TYPE</th>
<th>PROJECT TYPE</th>
<th>LOAN SIZE</th>
<th>C-PACE TERM</th>
</tr>
</thead>
<tbody>
<tr>
<td>MULTI TENANT</td>
<td>OFFICE</td>
<td>SOLAR AND ROOF REPLACEMENT</td>
<td>$400,000</td>
<td>20 YEARS</td>
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</tbody>
</table>

YEAR ONE SAVINGS
$146,438

SAVINGS OVER PROJECT LIFE
$1,084,850

includes estimated tax savings and applicable grant funding.

GREENWORKS LENDING
Why PACE?
Why PACE?

100% Financing

Loan To Value

- PACE covers up to 100% of hard and soft costs of clean energy improvement
- No money down
- Property owners can reallocate funds previously reserved for energy projects

- Lower Cost of Capital: replace equity or mezzanine financing with low cost non-recourse financing
Lower Cost of Capital

Why PACE?

Replace equity or mezzanine financing with low cost **non-recourse financing.**
Cash Flow Positive

- Long loan terms up to 20 years (up to 30 years for solar).
- FULLY AMORTIZED.
- This makes it possible for the annual utility bill savings to be greater than the PACE loan repayment.

- Example: During the repayment term, the utility bills decrease by $20K annually, PACE repayment is $15K annually: Results in a $5K increase in NOI. This boosts cash flow and property value.
Transferability

• PACE is attached to a building, not an individual or business.
• If the building is sold, the remaining PACE financing repayment transfers to the new owner, as well as the savings from the energy project.
• Removes part of the risk in investing in capital expenditures.
Leasing Structures

- PACE tax assessments can be passed on to tenants under most lease forms.

- Tenants save on energy costs and experience the same net payments, thereby reducing their occupancy cost (rent).
• Comprehensive Program Guidelines

• [www.pacewi.org/project-center.html](http://www.pacewi.org/project-center.html)
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PACE Nationwide – June 2010

27 Projects completed - $5.0 M
What is PACE?

Assists local businesses with financing
- Renewable energy
- Energy efficiency
- Water conservation

Loan payments covered by utility bill savings.

Enabled by State of Wisconsin Legislation (Section 66.0627)

Financing is secured by a special charge