

# Making Energy Retrofits Easy and Affordable with Commercial PACE Financing

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**CLEANFUND**  
Commercial PACE Capital

# The Evolution of PACE Financing

- PACE exists because lowering the carbon footprint of the built environment is in the public interest – just like other bond financings that show up on property tax bills (schools, roads, fire stations).
- The power of PACE is based upon one simple provision:
  - Billed and paid via ordinary property taxes
- PACE Advantage:
  - 100% Combined Loan to Value
  - \$0 upfront cost
  - Tied to and stays with the property
  - Non-Recourse
  - 6-7% (no personal guarantee)
  - Fixed rate, long term
- PACE has achieved strong growth nationwide
  - Legislation passed in 34 states & D.C.
  - 45 active PACE programs nationwide



# A Quick Overview



## **CleanFund is a Nationwide Financing Platform**

That solves big challenges facing the \$55 billion Commercial and Industrial solar and energy efficiency market



## **Our Mission**

Is to make renewable energy, water conservation, energy efficiency, seismic and other building improvements easy and affordable for commercial property owners



## **CleanFund is the Leading C-PACE Platform**

Largest dedicated C-PACE team with significant expertise in commercial real estate, finance, construction, structural safety and PACE policy

# How C-PACE Financing Adds Value

Because C-PACE payments are secured by real property, and billed/collected via property taxes...

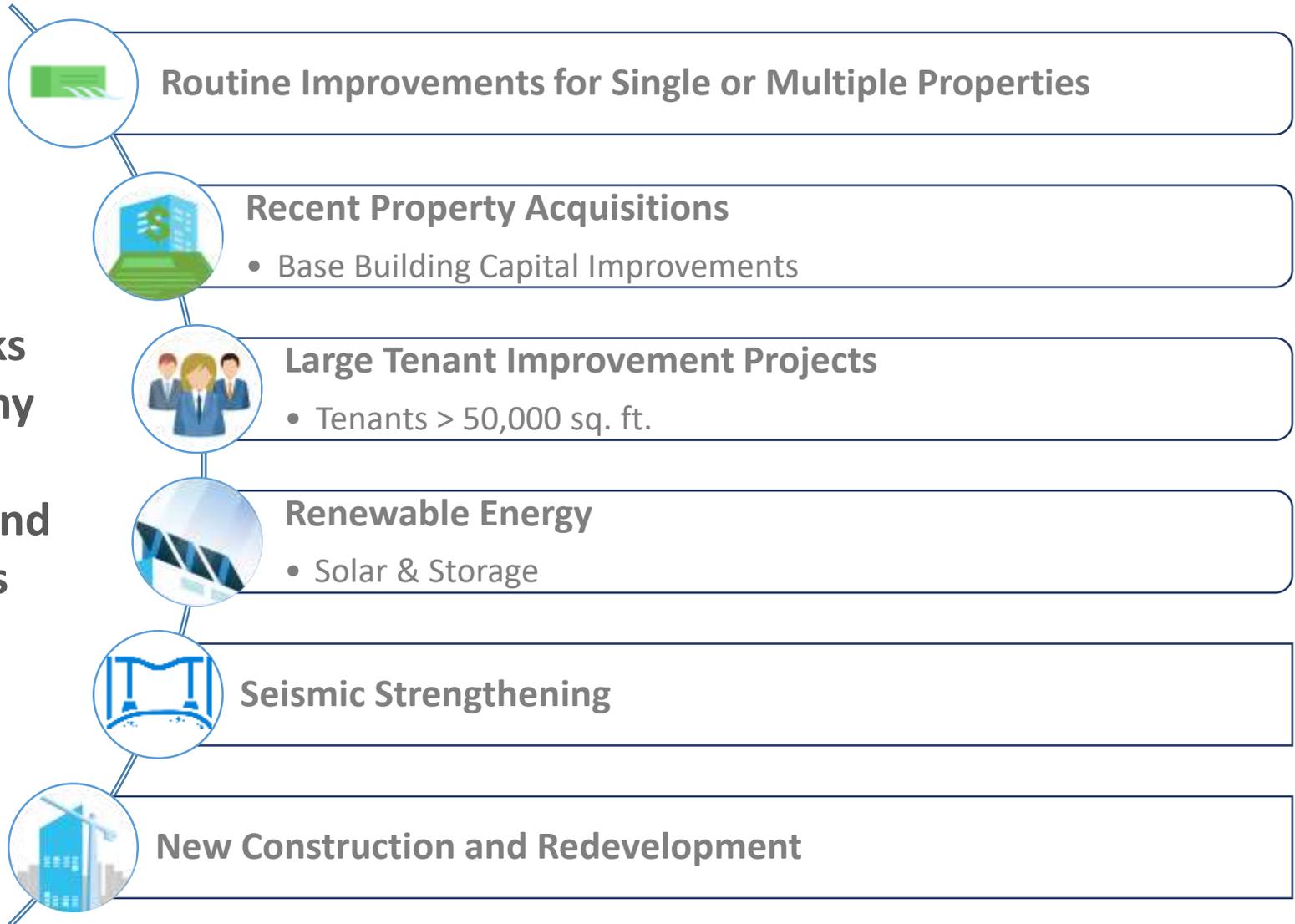
## The Property Owner Benefits...

- **Credit constraints are removed**
- **Up-front cost barriers are eliminated**
- **Payments are stretched over decades:**
- **Payments can be passed through to tenants**
- **Financing transfers upon property sale**

## The Community Benefits...

- **Carbon emissions are reduced**
- **Jobs are created**
- **Tax revenues increase**
- **Downtown revitalization and historic building preservation**

# When Should Property Owners Consider PACE?



**PACE works  
across many  
property  
strategies and  
situations**

# Property Types and Eligible Improvements

Some of the non-residential building types eligible for CleanFund's PACE Financing



Office



Retail



Industrial



Hotels



Multi-family



Manufacturing



Healthcare Facilities



Non-public Schools

CleanFund finances up to 100% of both hard and soft costs for performance-enhancing building project



Solar Systems and Energy Storage



HVAC Systems



Lighting and Building Controls



Building Envelope and Windows



Cool Roof Systems



Water Conservation



Soft Costs



Irrigation and Controls

# Case Study: Bay Area Mixed-Use - Office / Retail

PACE financing:	\$328,701
Term:	30 years
Projected Energy Savings:	\$27,467 Yr 1 Energy Savings
Address:	2801 Pinole Valley Road
Type:	Suburban Mixed-Use Office / Retail
Size:	17,6333 Sq Ft
Year Built:	1984
Year of Project:	2017
Eligible Projects:	
	86.50kW rooftop solar system



## Project Synopsis:

The owner will utilize CleanFund's PACE proceeds to install an 86.50kW rooftop solar system at a multi-tenant office and retail building in Pinole, CA which is located in Contra Costa County.

The mixed-use, approximately 21,625 gross building area has a total rentable area of 17,633 square feet. The two-story building includes six ground floor retail spaces and six second floor office spaces. Occupancy is currently 100%. Construction is expected to complete with the next six months.



# Case Study: Bay Area Industrial R&D Flex

PACE financing:	\$382,000
Term:	25 years
Projected Energy Savings:	\$29,086 year 1 savings
Address:	2075 Williams Street, San Leandro, CA
Type:	Industrial R&D Flex
Size:	9000 sq ft.
Year Built:	1978
Year of Project:	2017
Eligible Projects:	

New cool roof and a 74 kW SunPower modules roof mount solar array



## Project Synopsis:

Bluewater Environmental Services will utilize PACE proceeds to install a cool roof and a 74 kW SunPower modules roof mount solar array. The cool roof was installed by Allied Construction Services (ACS) in May 2017 and will be processed as a reimbursement.

The solar array will be installed by contractor, Solar Technologies Clean Energy Solutions, a San Francisco Bay Area based company that has been performing solar installations for over 18 years. The solar system is anticipated to commence upon closing and will be operational by 12/1/2017.



# Case Study: Bay Area Toyota Auto Dealership

PACE financing:	\$2,000,000
Term:	20 years
Projected Energy Savings:	95%
Address:	4321 Toyota Drive, Dublin, CA 94568
Type:	Auto Dealership
Size:	70,000
Year Built:	1999
Year of Project:	2017
Eligible Projects:	LED lighting fixtures, 371.01kW car-port and a roof-mount 314.60kW solar system



## Project Synopsis:

Dublin Toyota knew they needed improvements to control electrical costs in order to grow their core business. With more than 700 vehicles in their inventory, an expansive showroom, and a service center, the property is an ideal candidate for solar upgrades. Most of the property has large, flat roofs that are perfect for mounting solar panels, and, with the abundance of sunlight in the region, the carports will provide shade for their inventory of new vehicles while generating electricity for the business.

With funds immediately available, the solar systems for the facility and the carports are expected to be completed by December 2017 and September 2018, respectively. In total, the solar additions, along with the LED lighting, is projected to lower the dealership's annual electricity bill by 95%, down from \$200,000 to \$5,000. The developer, Sonoma-based Sunlight Electric, has partnered with CleanFund in the past and knew that C-PACE financing would deliver the economics needed for a project of this scale.

# Case Study: Non-Profit / Community Center

PACE financing:	\$467,560
Term:	20 years
Projected Energy Savings:	75%
Address:	525-535 Los Coches Street Milpitas, CA
Type:	Special Purpose / Community Center
Size:	36,810 sq ft
Year Built:	1983
Year of Project:	2017

## Eligible Projects:

Construction and installation of a 193kW DC roof-mounted solar system. Financing also includes a small number of water efficiency measures financed, such as hands free flush valves and electronic faucets.



## Project Synopsis:

The India Community Center will utilize a PPA structure to finance the construction and installation of a 193kW DC roof-mounted solar system.

Financing also includes a small number of water efficiency measures financed, such as hands free flush valves and electronic faucets.

Installation of the solar system will be completed by First Edison and installation of the water efficiency measures by AquaTek. The estimated time frame for final completion of all measures is 60 days.

# Case Study: Kingsburg Storage

PACE financing:	\$156,300
Term:	30 years
Projected Energy Savings:	\$532,000 over term
Address:	1295 Avenue 396, Kingsburg, CA
Type:	Industrial - Warehouse
Size:	53,000 Sq Ft
Year Built:	1985
Year of Project:	2017
Eligible Projects:	
	33.46 kW solar PV array



## Project Synopsis:

CleanFund will provide \$156,300 for a 33.46 kW solar PV array across the buildings at Kingsburg Storage.

While the project is still in processing, **gaining Lender Acknowledgement took 5 weeks**. This is **normal timing** for a project with an existing lender.

**Lender Profile:** The lender on this property is Umpqua SBA.



# Case Study: Galey's Marine Supplies

PACE financing:	\$721,000
Term:	25 years
Projected Energy Savings:	97%
Address:	2720 Auto Mall Dr, Bakersfield, CA 93313
Type:	Retail
Size:	32,768 Sq Ft
Year Built:	1999
Year of Project:	2016

## Eligible Projects:

New reflective roof, a 138 kW solar array and a new HVAC system



## Project Synopsis:

A family run retail store since 1938, Galey's Marine saw PACE as a way to gain access to capital for investing in EE/RE, which they would have not have had access to otherwise.

CleanFund provided \$721,000 in PACE financing to retrofit an existing office and retail building with a new reflective roof, a 138 kW solar array and a new HVAC system.

The improvements will reduce property's energy consumption by 97%.

This is a great example of using PACE to invest in under-served communities in CA.



# Case Study: CaliPaso Winery

PACE financing:	\$811,419
Term:	20 years
Projected Energy Savings:	TBD%
Address:	4230 Buena Vista Dr., Paso Robles
Type:	Commercial
Size:	65,000 sq ft
Year Built:	2011
Year of Project:	2014
Eligible Projects:	
	335 kW ground-mount solar PV



## Project Synopsis:

CleanFund arranged commercial PACE financing for the 84 acre winery situated halfway between San Francisco and Los Angeles.

The property consisted of an eight bedroom B&B, private residences, an office building, winery facility, bottling room, commercial kitchen, bistro kitchen, and a storage warehouse. The company was looking to offset its existing electric bills with renewable generation capacity.

Solar was selected as the most cost effective approach. As a relatively new business, the company did not qualify for conventional bank financing.

# Contact Information

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