



Modern tool helps historic building cut energy costs by 85 percent

Mixed-use building's 30-year-old systems revitalized with C-PACE

THE CHALLENGE

In the spring of 2017, a group of out-of-state property investors purchased a historic 23,006-square-foot building in Florence, Colorado. Bult in 1894, the three-story building is still impressive today, but years of neglect had taken a toll, and the property stood largely empty. The investors knew they needed to update the building's aging systems before they could market it to tenants, and sought an economical way to fund the renovation.

THE SOLUTION

The property owners considered multiple financing options, but ultimately chose C-PACE because it can replace other types of more expensive capital in a comprehensive renovation project. "The ability for the borrower to be able to roll in a portion of the loan to equity is a game changer," said Vice President of Sustainability and Real Estate Broker Melissa Baldrige of GreenSpot Global, which developed the C-PACE project for the building's owners. "I recommend C-PACE for this reason and because it doesn't affect you as a borrower. [Property owners who use C-PACE financing are not typically required to sign a personal guarantee]. If you don't look at C-PACE, you're leaving money on the table."

THE IMPACT

C-PACE facilitated 100 percent financing for the project, which includes new insulation, LED lighting, window glazing, rooftop heating and cooling units, and a roof-mounted solar PV system, so the property's owners didn't have to come up with any cash up front. Even better, the \$616,844 investment is projected to improve the building's energy efficiency by a whopping 85 percent. The project, which was funded by New Resource Bank, is also projected to boost the building's value by \$619,910.

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—Melissa Baldrige, vice president of Sustainability, real estate broker, GreenSpot Global

“With its thick brick masonry and rooftop skylight, the McCandless building, as it’s known, is a knockout,” said Baldrige. “Even so, its mechanical systems were 30-plus years old and residential grade; its skylight was broken and loosely boarded, and it had no insulation. By using C-PACE, the building owners are able to improve their asset and significantly reduce their operating expenses [through lower utility bills], all with no upfront costs.”

Before applying for C-PACE financing, building owners should think through the improvements they want to make with their contractor or C-PACE project developer. The program administrator will then help them model different project scenarios

to find the best one. Eligible improvements include anything that will increase the building’s energy or water efficiency and remain permanently affixed to the structure. “It tends to be a lot of stuff,” said Baldrige. “Building owners realize, ‘I can add this,’ ‘I can add that,’ which is great because building to code is building obsolescence. I recommend that owners go above code and finance the project through C-PACE. We call it ‘future-proofing’ your building, and it enables you to get ahead of the curve.”

ABOUT COLORADO C-PACE



Colorado C-PACE provides financing for energy efficiency, renewable energy and water efficiency improvements, including new heating/cooling systems, lighting, water pumps, insulation, and renewable energy projects for commercial properties. C-PACE offers long-term financing that covers 100 percent of the project cost and is repaid over a period of up to 25 years as a line item on the existing property tax bill. Because the loan runs with the property, if the building is sold, the repayment obligation can transfer to the new owner, who enjoys the ongoing utility cost savings associated with the project.

Visit copace.com for more information.

BY THE NUMBERS

Project type:
Energy efficiency and renewable energy

Building type:
Mixed use

Building size:
23,006 square feet

Total project cost:
\$616,844

Percent financed:
100%

Asset value increase:
\$619,910

Finance term:
19 years

Lifetime energy savings:
\$779,814

Put C-PACE to work for your building.
Contact SRS at www.paceworx.com today.

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