



C-PACE factsheet

C-PACE provides competitive Access to Capital

WHAT IS PACE?

Property Assessed Clean Energy (“PACE”) is a public policy initiative¹ to support qualified improvements to real property related to renewable energy, energy conservation/efficiency and wind-hardening². In order to attract long-term, private capital to finance these improvements, the policy grants property owners the ability to repay the financing by requesting a voluntary special assessment³ on the annual tax roll.

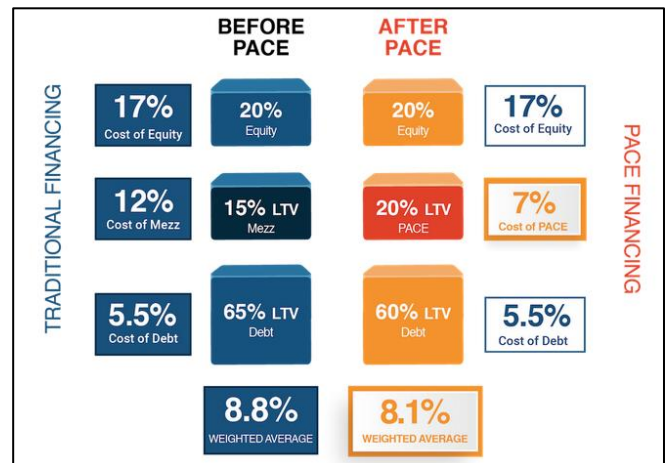
NON-RESIDENTIAL PACE FINANCING

Commercial PACE (“C-PACE”) transactions typically deal with property owners and organizations more experienced in financial transactions with commercial mortgages that require lender consent. Land Uses include Multi-Family (>4 units/parcel), Office, Industrial, Agricultural, Hospitality, Mixed-Use, Sports Facilities, Healthcare, Non-Profit, etc. New Construction and rehabilitation of existing structures are eligible.

BENEFITS TO PROPERTY OWNER

1. Non-recourse financing; Assessment runs with land
2. Non-accelerated; Assessment transfers at sale
3. No upfront costs or down payment; Cash-flow positive
4. Up to 100% CLTV financing for hard and soft cost
5. 20-30 year terms offer lower debt service payments
6. Interest rate is fixed
7. May displace portions of mezzanine and equity
8. Increases net operating income
9. Balance sheet not tied with debt from PACE financing
10. Accessible to non-investment grade credits
11. Costs are recoverable as an operating expense
12. Decreases utility and maintenance costs; pass-through to tenants
13. Renewable and Wind Hardening Improvements not included in assessed value calculations

CAPITAL STACK EXAMPLE



¹ §163.08(1)(c) – “The Legislature determines that the actions authorized under this section, including, but not limited to, the financing of qualifying improvements through the execution of financing agreements and the related imposition of voluntary assessments are reasonable and necessary to serve and achieve a compelling state interest and are necessary for the prosperity and welfare of the state and its property owners and inhabitants.”

² Not allowed for new construction.

³ §197.3632, Florida Statutes – Uniform Method of Collection

BENEFITS TO LOCAL GOVERNMENTS

1. Supports investment in community; Improves property values and building performance.
2. Supports energy reduction and sustainability policies
3. Supports resiliency to hurricanes and other storm events
4. Accelerates / Supports economic development through finance; Creates jobs
5. No burden on local government; Not a government program; Private source of capital
6. Provides competition; Promotes multiple bids that achieve competitive term sheet pricing
7. Supports manufacturing of eligible improvement

LOCAL GOVERNMENTS MUST APPROVE THE USE OF PACE BY RESOLUTION. PLEASE CONTACT FDFC / FRED FOR MORE INFORMATION ON HOW TO ENABLE C-PACE IN YOUR COMMUNITY.

ABOUT FRED

The Florida Resiliency and Energy District ("FRED") is an independent special district under Section 189, Florida Statutes and is formed through an interlocal agreement per Chapter 163.01, Florida Statutes. Its purpose is to provide a turn-key PACE Program to local jurisdictions and to levy and collection PACE special assessments in coordination with the tax collector and property appraiser. It has partnered with the Florida Development Finance Corporation to provide the financing mechanism and administrative services.

Since launching the C-PACE Program in 2019, over \$83.7MM in C-PACE special assessment revenue notes have been issued for nineteen (19) non-residential properties. Each of the C-PACE Program Administrators below has vetted and approved to provide PACE financing through the issuance of taxable special assessment notes purchased by the capital markets.



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