

Property Assessed Clean Energy (PACE) financing.

An intelligent way to fund performance upgrades of commercial buildings.

Property assessed clean energy (PACE) financing.

Through Energy Upgrade California in Los Angeles County, owners of non-residential commercial properties in Los Angeles County will have access to an innovative financing mechanism to fund building performance upgrades – **PACE** financing. Under the PACE structure, property owners can negotiate project-specific terms with the investors of their choice, and repay the cost of the upgrade over time through a contractual assessment placed on the property tax bill. Because PACE investors are fully secured through a voluntary contractual assessment, PACE investors have the security to offer financing at lower rates and over longer periods of time than has been possible until now.

Benefits of PACE:

- **Lower financing rates** than other products in the market
- **Longer financing tenors** than would otherwise be possible
- Funding for up to **100% of project costs**
- Enables projects to be **cash flow positive** in year 1
- **Equitable sharing of costs and savings** with current tenants and future owners

Sample Project Economics

Project Cost:	\$1,000,000
Interest Rate:	7%
Term:	15 years
Annual Payment:	\$110,000
Annual Savings:	\$150,000
Excess Savings:	\$40,000
VALUE INCREASE:	\$533,000¹

¹ Assuming a capitalization rate of 7.5%, the excess savings translates into a value increase of \$533,000, without coming out of pocket for the cost of the upgrade. While these numbers do mirror those of actual projects, this example is provided for illustrative purposes only. Actual savings, rates and terms will vary.

Examples of performance upgrades eligible for PACE financing include:

- Lighting upgrades
- Heating Ventilation and Air Conditioning (HVAC) equipment upgrades
- Upgrades of drives, fans, pumps and motors
- Building Automation/Management System upgrades
- Building envelope performance upgrades
- Installation Fuel cells, Solar thermal, or Solar PV systems to generate cleaner electricity
- Water fixture upgrades and Smart Irrigation systems

Upgrade with PACE and start saving energy now.

Investing in building performance upgrades is a smart business decision. Performance upgrades lower operating costs, improve occupant comfort, hedge against utility price increases, demonstrate commitment to tenant satisfaction, reduce exposure to possible future regulation and ultimately increase property values.

For more information: call 877-785-2237 or go to Energyupgradeca.org/LAPACE for a list of PACE investors.



Upgrade buildings.
Enhance value.
Create jobs.

NON-RESIDENTIAL PACE FINANCING PROCESS

PACE is an innovative approach to funding building performance upgrades, but the PACE application process is streamlined to ensure speedy review and approval. Owners of qualified non-residential commercial properties can secure PACE financing to fund eligible energy and water efficiency or self-generation upgrades in five simple steps.

Step 1 Ready to apply for PACE financing? Check the eligibility requirements and eligible projects to make sure your property and the proposed project qualify.

Step 2 Download the PACE Reservation Form which can be found at Energyupgradeca.org/LAPACE. Review the PACE Reservation Checklist, complete the PACE Reservation Form in full and submit to the Program Administrator through one of the means below. Eligible applicants will receive a PACE Reservation Approval email, providing information on next steps and instructions for completing the forms that must accompany your PACE Financing Application.

You may submit your PACE Reservation Form via postal mail, fax or secure file upload:

A	Postal Mail: LA PACE Program Administrator c/o Willdan Financial Services 27368 Via Industria, Suite 110 Temecula, CA 92590
B	Fax: 888-326-6864
C	Secure Upload: Send us an email to LA-PACE@energyupgradeca.org , and we will send you instructions to securely upload your application online.

Step 3 Upon approval of your PACE Reservation, if you have not already done so, you may work with the PACE investor(s) of your choice to negotiate the terms of your PACE financing. A list of PACE investors is available at Energyupgradeca.org/LAPACE, or your mortgage lender may elect to fund the project directly. Whether the PACE investor is your current mortgage holder or a third party, you will need to obtain a Mortgagee Consent Form from the entity that currently holds your mortgage.

Step 4 Submit the final documentation as detailed in your PACE reservation approval. Once the completed PACE application package is approved, the Program Administrator will contact you to begin the process of drafting the Transaction Documents.

Step 5 Close financing pursuant to the Transaction Documents and begin implementation of your performance upgrade. Construction disbursements will be made pursuant to the Transaction Documents.