

Benefits of Participating in Colorado's C-PACE Program

Anne Murphy Hill

President

RAHILL Capital, LLC

RAHILL's Background

- Closed 20 transactions - \$40M worth of C-PACE financing
- Engaged on over \$200M of C-PACE transactions
- Offices in Missouri, Texas, and Colorado
- Work with C-PACE administrators in Missouri, Texas, California, Ohio, Kentucky, Colorado, Michigan, Wisconsin, Florida, and Minnesota



RAHILL services:

- Consultants to property owners or developers looking for a cost-effective, streamlined process of securing C-PACE funding
- Work through each step of the process to successfully close deals

C-PACE Financing

- C-PACE financing is an economic development tool that municipalities can offer developers at no cost to the taxpayers.
- C-PACE provides low cost, long term financing for energy/water efficiency projects, which can help the municipality meet their clean energy goals.
- C-PACE payments are secured by the property and repaid through a special tax assessment.
- All funding comes from private sources – not public funding.
- Assessment can transfer to new owner after sale of property.
- No cost or liability for counties to participate.

C-PACE Program by State

Active Programs

Arkansas	California	Colorado	Connecticut	Florida	Kentucky
Maryland	Michigan	Missouri	Nebraska	Ohio	Oregon
Rhode Island	Texas	Utah	Washington D.C. (area)	Wisconsin	

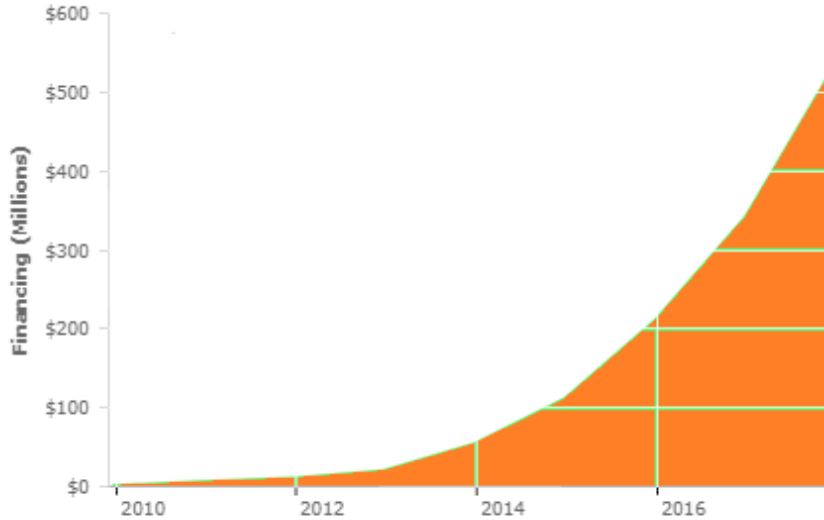
Programs in Development

Illinois	Massachusetts	New Jersey	New York	Nevada	Pennsylvania
Virginia					

C-PACE Growth

Cumulative C-PACE Financing

2010-2017

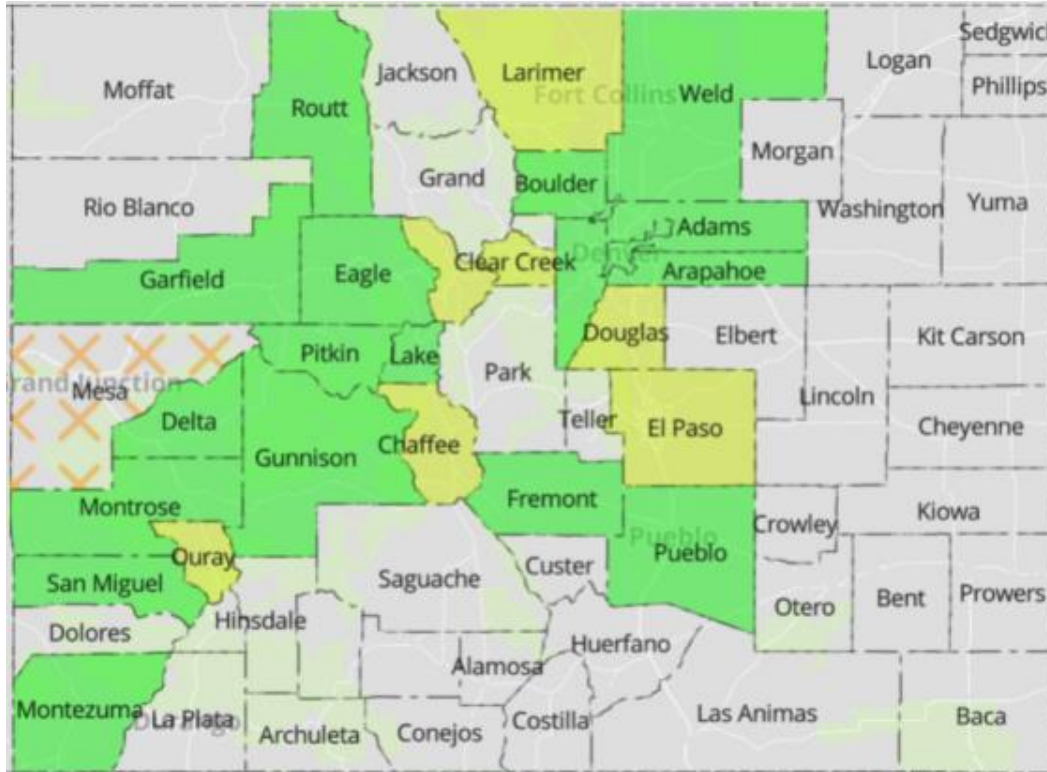


- \$521M in C-PACE funding nationally
- \$19.4M in Colorado (21 projects)
- 1157 total projects

C-PACE Structure in Colorado

- Statewide “District” enabled by state legislation. Counties voluntarily opt-in to the District to allow it to approve C-PACE projects on their behalf.
- Sponsored by the New Energy Improvement District and the CO Energy Office
- Sustainable Real Estate Solutions (SRS) is the Program Administrator hired by the District to run the day-to-day operations. SRS has C-PACE administrator experience in CA, CO, CT, OH, RI, UT, and VA.
- Up to 20% of property value, repaid over 20 years

C-PACE in Colorado



■ PARTICIPATING COUNTIES:

- Adams
- Arapahoe
- Boulder
- Broomfield
- Delta
- Denver
- Eagle
- Fremont
- Garfield
- Gunnison
- Jefferson
- Lake
- Montezuma
- Montrose
- Pitkin
- Pueblo
- Routt
- San Miguel
- Weld

■ IN-DISCUSSION COUNTIES:

- Chaffee
- Clear Creek
- Douglas
- El Paso
- Larimer
- Ouray
- Summit

Role of the County

- Pass a resolution allowing for CO-PACE to manage C-PACE program.
- CO-PACE board approves the C-PACE project and submits to County Assessor.
- County Assessor places the special assessment on the parcel.
- County Assessor collects the payment annually and remits to the CO-PACE program who pays the C-PACE investor.
- Fee of 1% of annual C-PACE assessment included on the bill every year to compensate the county
- Missed payments are treated like any missed tax payments – the full balance of the assessment cannot accelerate and come due.

Benefits of C-PACE for Developers

- They've maxed out the funding they can get from their bank.
- They want to install energy efficient upgrades to reduce annual energy costs
- C-PACE is non-recourse
- C-PACE is cheaper than mezzanine debt or equity
- C-PACE is long-term (up to 20 years)
- They want to “pass through” the cost of the financing to tenants

C-PACE Eligible Items

Energy Efficiencies



- HVAC
- Lighting
- Insulation
- Elevator modernization
- Windows
- Roofing
- Refrigeration

Renewable Energy



- Fuel cell
- Solar
- Wind
- Renewable fuels
- Cogeneration

Water Reduction



- Aerators
- Fixtures
- Irrigation
- Paving
- Water retention systems

Soft Costs



- Permits
- Architectural & engineering plans
- Measurement & verification

Other Requirements

- Retrofit projects require a Savings to Investment Ratio greater than 1.0 – annual energy savings are greater than the annual C-PACE payments.
- For new construction, the energy savings is the delta between 2015 IECC code and the proposed design in order to qualify for 15-20% of new construction costs.
- Mortgage holder must consent to C-PACE assessment being placed on the property.
- Project must have no involuntary liens or bankruptcy and must be current on all mortgage and property tax payments.

Contact:

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Developers and Funders of C-PACE Deals

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