

# LA County Commercial PACE Program

Upgrade buildings. Enhance value. Create jobs.

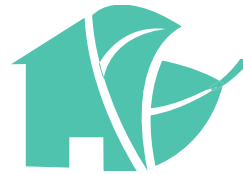


# Property Assessed Clean Energy



## Financer

Provides capital  
for project



## Property Owner

Completes project  
and repays through  
property tax bill



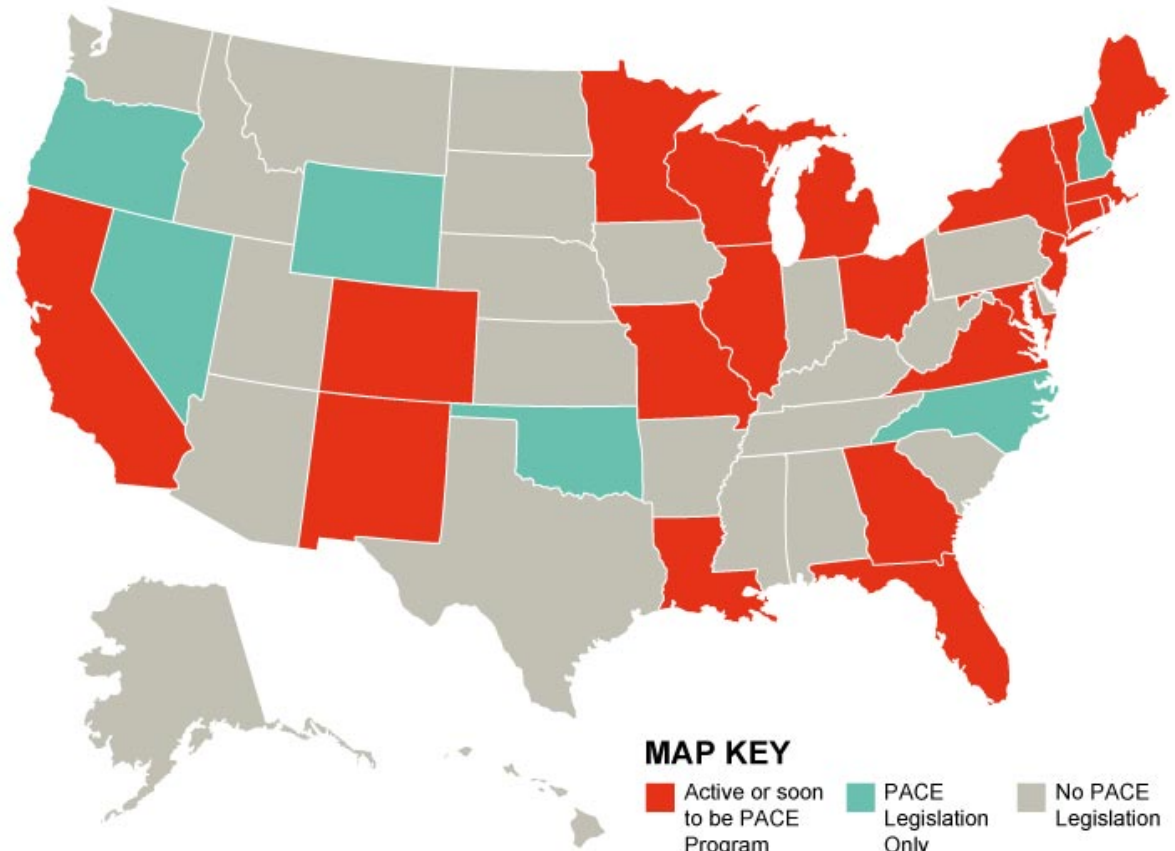
## Government Sponsor

Repays financer



# LA County Commercial PACE Program

- PACE is nationwide
- 90% Los Angeles County cities have adopted PACE



# What is the Property Owner's responsibility?

## Property Owner



- Identifies the scope of work and contractor.
- Finds a financier and negotiates terms.
- Pays through property tax bill (5-20 years)
- Receives benefits of lower energy bills and operating costs



# What does the financier do?

## Financer



- Negotiates terms with property owner
- Provides capital for improvements to property
- Repaid from proceeds of assessment (upon settlement)



# What does the County do?

## Government Sponsor



- Creates financing district and approval process
- Collects repayment tied to property taxes
- Provides a bond to the financier



# PACE Benefits

## **PACE upgrades quickly pay for themselves**

- Energy savings – 25%-45%
- Funds up to 100% of installed costs (including engineering, permits, etc.)
- Project is cash flow positive from day one
- Solves the landlord and tenant “split-incentive” issue
- Stays with the property upon sale



# Sample Project

## 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





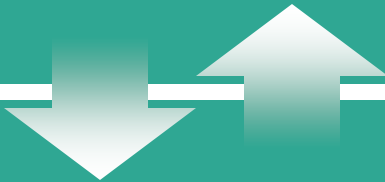
# PACE Project Examples

Projects must be proven to save either energy or water, or generate clean power:

- Heating, ventilation and air conditioning
- Building automation systems
- Building envelope improvements (roof, windows)
- Elevator modernization
- Solar PV or fuel cells
- High-efficiency lighting fixtures and lamps
- Occupancy and day-lighting sensors



# PACE Process

1. Contact us to connect with a PACE project developer
  2. Complete your client's PACE Pre-Application Form at [www.LAPACE.org](http://www.LAPACE.org)
  3. Develop a scope of work
  4. Secure financing
  5. Close PACE financing
  6. Start the upgrade
- 



# Ideal Candidates for PACE

## Commercial Properties with:

- Limited access to capital
- High energy bills
- Deferred maintenance
- 24-7 Operations
- Low loan to value ratios or no mortgage



# Role of PACE in Los Angeles

- Administrative processes are in place, at no cost to participating cities
- PACE is an economic (re)development tool
- High quality jobs
- Local economic activity
- Cities, COGs and Chambers of Commerce are encouraged to co-brand and market the PACE program



# What can your City do?

- Opt into the PACE Program
- Brand and market PACE in your area
  - Meetings
  - Permit desks
  - Events
  - PACE marketing materials
- Introduce PACE team to ideal candidates (buildings, property owners, financing institutions, contractors)
- Identify buildings leased by the City



# Questions and Comments

[info@lapace.org](mailto:info@lapace.org)

(877) 785-2237

LAPACE.org

