



Interested in upgrading your property with energy/water efficiency and distributed generation technologies but lack the needed capital?

Texas Property Assessed Clean Energy (TX-PACE) enables small business owners to obtain affordable, upfront long-term financing covering up to 100% of the cost for energy efficiency, water conservation, resiliency, and on-site generation technologies. TX-PACE secures private financing for a term as long as the projected useful life of the improvements, resulting in utility cost savings that exceed the amount of the repayment. Rural business and property owners can modernize commercial properties without fear of over-investment, transferring the TX-PACE repayment obligation to new ownership if the property is sold.



### ELGIN GENERAL STORE \$120,000 - ELGIN, TEXAS

The Elgin General Store was the first rural retail business to complete a TX-PACE project. The goal of this project was to maximize energy savings in order to make the feed store as efficient as possible with reliable power in the growing economic market.

"Energy savings and electrical outages are a big problem when you're in the retail business," notes owner David Glass. "I need reliable power to operate my sales terminals as well as credit card processing."

The TX-PACE assessment, financed over 10 years, enabled the installation of Solar PV, which produces 91,081 kWh of electricity annually. The use of PACE financing complements and strengthens other rural economic development incentives that are important to so many historic towns in Texas, including a \$40,311 Rural Energy for America Program (REAP) grant and \$30,000 in Oncor utility incentives. The PACE capital provider Frontier Bank of Texas, a local community bank, was the first bank to provide PACE financing in Texas.



### DALLAS PAINT & BODY \$74,000 - SOUTHERN DALLAS, TEXAS

Dallas Paint & Body has been a staple in southern Dallas since 1968 and is the first Latino-owned PACE project in Texas. The TX-PACE assessment, financed over 17 years, consists of solar PV panels and LED lighting, which saves 40,572 kWh per year. "I want this project to serve as an example to other small businesses in this community, and throughout the state, that we can have access to sustainable energy solutions," says owner Felix Flores, "The PACE program levels the playing field for mom and pop shops like ours so that we can also be participants in the clean energy era."



### SOFTEX OFFICE BUILDING \$291,000 - AUSTIN, TEXAS

The Softex Building, a 30,000 square foot owner occupied office building in north Austin needed a new roof and HVAC system. Building owner Bhansali Investments, LLC used TX-PACE to finance more efficient replacements and increased energy efficiency further by adding controllable thermostats. The addition of PV rooftop solar enabled the company to make power on site. The result: bottom line annual savings of 188,291 kWh in electricity.

Texas PACE Authority (TPA) is dedicated to serving Texas' small businesses, especially in the wake of the Hurricane Harvey, COVID-19 pandemic and the February 2021 winter storm. Small businesses create jobs and make and maintain Texas culture. Helping small businesses lower utility costs with TX-PACE and increase property value without diverting core capital from the business helps maintain business longevity for long term success. Texas PACE Authority administers the uniform "PACE in a Box" model as a public service on behalf of local governments and is funded through user fees and grants.

“Frontier Bank’s involvement in Bastrop County’s first PACE project demonstrates our belief in the value of local PACE financing for small businesses throughout Texas. When our community bank engages in this cutting edge work, we help our customers lower their operating costs and address deferred maintenance expenses.” – Former Texas Senator Kirk Watson

## THE FINANCIAL IMPACT OF TX-PACE

This example compares self funding and conventional funding with PACE financing:

- Office building
- Project involves a \$450,000 replacement of chillers, boilers, controls and window film
- Annual energy and maintenance savings of \$45,000 (11.3 years simple payback)
- PACE funding available for 20 years at 6.0%.
- Conventional Funding for 5 years at 4.0% (with 20% down payment).



| Financing Scenario Comparison Summary |             |                   |            |
|---------------------------------------|-------------|-------------------|------------|
|                                       | Self-Funded | Conventional Loan | PACE       |
| Out of Pocket Investment              | (\$450,000) | (\$90,000)        | \$0        |
| Savings (First Year)                  | \$45,000    | \$45,000          | \$45,000   |
| Annual Payment                        | \$0         | (\$101,082)       | (\$39,233) |
| Cash Flow Impact Year 1               | (\$405,000) | (\$146,082)       | \$5,767    |
| Net Project Cash Flow Year 2          | (\$360,000) | (\$202,164)       | \$11,534   |
| Years to Positive Project Cashflow    | 10.0        | 13.2              | IMMEDIATE  |
| Debt Service Over Finance Term        | 0           | (505,411)         | (784,661)  |

### YOUR CONVENIENT PACE LOAN ASSESSMENT CAN INCLUDE:

- Cost of materials and labor necessary for the installation of a qualified improvement
- Permit fees
- Inspection fees
- Lender fees
- Program development and engineering fees
- Independent third party reviewer audit fees, including verification fees
- Any other fees or cost that may be incurred by the property owner incidental to the installation, modification or improvement
- Legal, consulting and other fees on an actual cost basis
- Changes to the existing property incidental to the installation

Contact us to discuss your potential PACE project or to learn more about establishing a PACE program in your community.



Toll Free: 1-855-738-PACE

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