



Columbus-Franklin County  
Finance Authority



*Financing the Future of Business in Central Ohio*

# **Columbus Region Energy Fund and PACE**

## **Columbus-Franklin County Finance Authority**

**Jean Carter Ryan**  
**President**

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## **Financing Features:**

- Transaction size \$200,000 to \$5,000,000**
- Up to 100% financing of project costs**
- Fixed rates up to 15 years**
- Energy usage reduction should range from 15%-20% (need energy audit)**
- Energy savings pay for the investment**





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## **Eligible Projects:**

- Office Buildings**
- Retail**
- Manufacturing**
- Healthcare**
- K-12, University**
- Government**
- Non-profits**



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## **Eligible Improvements:**

- ☐ Energy efficiency retrofits to existing buildings including:**
  - Lighting**
  - Energy management systems and controls**
  - High efficiency HVAC**





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# Property Assessed Clean Energy (PACE) is an:

- ❑ Innovative financing structure for improving buildings through energy efficiency and alternative energy projects.
- ❑ Established in Ohio in 2009 as a form of energy special improvement districts (ESID) for energy projects under Ohio Revised Code (ORC)1710.





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## What is PACE Financing?

- ESIDs can be formed by a municipality, township or a collection of adjoining communities.
- Governed by a non-profit corporation.
- Commercial property owners can voluntarily make energy efficiency & alternative energy improvements & pay for them through a special assessment on the property.





## **What are the benefits of PACE?**

- Improvements can be made quickly when needed.
- Reduction of operating budget expense.
- Energy & maintenance savings pay for improvements.
- No upfront cash required; 100% of the cost of improvement is provided including evaluation & design, equipment and labor, professional fees.





## **What are the benefits of PACE?**

- Preserves business cash & capital budgets.**
- Off-balance sheet financing.**
- Building life is extended.**
- Building becomes energy efficient, providing good stewardship of resources.**





## **Energy Loan Process**

- Submit application with 3 years of business financials, current year budget, 2 years electrical & natural gas data.**
- Arrange site visit & facility walkthrough with qualified architect, engineer or contractor.**
- Determine needed improvements, cost estimates & energy savings.**





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# Energy Loan Process

- Execute term sheet
- CFFA approval
- City action
- Closing of financing





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## □ Proposed Trivium Project: The Site

- 350 W. Wilson Bridge Road
- Vacant 53,000 square foot office building
- Being converted to Class A office building





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- **Proposed Trivium Project: The Project**
  - **Interior and exterior high-efficiency LED lighting**
  - **HVAC upgrades**
  - **Building envelope upgrades**
  - **Estimated annual energy savings: \$37,000 or 49.8%**





## **□ Proposed Trivium Project: Financing**

- Total Office Rehab Project Costs: \$9m**
- Total PACE Project Costs: \$325,000**
- PACE Repayment: Semi-annual special assessments of \$16,500 for 14 years; special assessments include principal repayment and implied 4.5% interest rate**





## □ Proposed Trivium Project: City Role

- Existing Columbus Regional Energy Special Improvement District can be expanded to administer this project
- City must by resolution approve a petition, supplemental plan, and amendment to articles of incorporation to do so





## □ Proposed Trivium Project: City Role

- **City also levies the special assessments by passing three pieces of legislation**
  - Resolution of Necessity
  - Ordinance to Proceed
  - Ordinance Levying Assessments
- **Note: these are the same as for any special assessment**





## □ Proposed Trivium Project: City Role

➤ The City will also be a party to two agreements:

- Energy Project Cooperative Agreement
- Special Assessment Agreement

➤ These allow for the transfer of the special assessments from the City to the Finance Authority





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