Columbus Region Energy Fund and PACE
Columbus-Franklin County Finance Authority

Jean Carter Ryan
President
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
Eligible Projects:
- Office Buildings
- Retail
- Manufacturing
- Healthcare
- K-12, University
- Government
- Non-profits
Eligible Improvements:

- Energy efficiency retrofits to existing buildings including:
  - Lighting
  - Energy management systems and controls
  - High efficiency HVAC
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.
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.
Energy Loan Process

- Execute term sheet
- CFFA approval
- City action
- Closing of financing
Proposed Trivium Project: The Site

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