

New Local Program Provides Businesses another Tool for Disaster Recovery

Before Hurricane Harvey damaged countless businesses across the Gulf Coast, the State Legislature approved a financial tool that assists Texas property owners in improving and upgrading their communities. In 2013, Texas Property Assessed Clean Energy (TX-PACE) was passed motivating owners to make property improvements that would increase resiliency, sustainability and efficiency. As a result, this unique program is generating economic activity across the State, providing enormous benefits for property owners, contractors and service providers.

The Texas PACE program enables owners to upgrade their properties with little to no capital outlay by using operational savings that are generated by the improvements made. Owners gain access to affordable, long-term, private financing that is not available through traditional funding avenues.

Owners of eligible commercial, industrial, agricultural, non-profit and multi-family facilities can use TX-PACE to finance new heating and cooling systems, lighting improvements, water pumps, insulation, roofs, windows, and more. Additionally, cogeneration or combined heat and power, solar panels and wind generation are eligible improvements that are becoming more prevalent as owners focus on creating resilient, disaster-proof properties.

Texas PACE is not a personal or business loan. It is a voluntary land-secured assessment that is paid off over time. The energy and/or water savings are structured to exceed the cost of the assessment, resulting in projects that are cash flow-positive. As the assessment is tied to the property, the repayment obligation transfers to the next owner if the property is sold.

TX-PACE answers the question, “How are we going to pay for it?” and is transforming how developers, owners, and contractors look at projects, proving that there is a clear path forward for disaster recovery, energy efficiency, distributed generation, and water-use reduction measures.

As the demand for disaster-recovery and future-proof upgrades continue to rise, this program empowers contractors and service providers to offer their customers a financial solution, answering the question, “How are we going to pay for it?” This voluntary financing tool preserves capital and credit lines and allows owners to retain their available capital for revenue-generating items including employees, technology, products and growth.

Charlene Heydinger, President of Texas PACE Authority, a nonprofit that administers TX-PACE programs on behalf of local governments, explains, “We have always believed that this dynamic program would assist properties in a variety of different ways. We want people to know that TX-PACE can be used as a recovery tool.”

Local regions must opt into the program in order for building owners to be able to take advantage of TX-PACE. The program is currently available in 14 regions across Texas, including many of the areas with the most recent storm damage – Fort Bend, Jefferson, and Nueces counties and the City of Houston, including its ETJ. To date, the counties of Brazos, Cameron, El Paso, Hays, Hidalgo, Navarro, Travis, Willacy and Williamson, as well as the cities of Amarillo and Dallas have also established TX-PACE programs. All are market-based and flexible, allowing property owners to do business with the parties of their choosing at the lowest possible administrative cost. Additionally, a high level of consumer protection is embedded in the program to ensure that the projects will deliver the anticipated savings.

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Texas PACE Authority currently administers the uniform “PACE in a Box” model program for all of the active programs as a public service at no cost to local governments.

Visit www.texaspaceauthority.org for more information.