



Texas Property Assessed Clean Energy (TX-PACE) enables commercial property owners to obtain affordable, long-term financing covering up to 100 percent of the cost for energy efficiency, water conservation, 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. Owners can modernize commercial properties without fear of over-investment, transferring the TX-PACE repayment obligation to new ownership if the property is sold.

**TX-PACE – SERVING URBAN AND RURAL TEXAS WITH PROJECTS BIG AND SMALL**



**BUTLER BROTHERS BUILDING**  
**\$23.9 MILLION - DALLAS, TEXAS**

The City of Dallas’ first PACE project is now the largest in Texas. The inclusion of \$23.9 million in energy and water-saving measures in the redevelopment capital stack of the historic Butler Brothers Building demonstrates that there is a low-cost, long-term replacement to expensive equity-partner financing. The 20-year term covers improvements for HVAC, lighting, insulation, roofing, glazing, exterior waterproofing and plaster, plumbing fixtures, and irrigation systems. The project will save almost 700,000 gallons of water a year, reduce energy consumption by 40%, and contribute to the creation of over 100 jobs in the Dallas area.



**1225 NORTH LOOP WEST**  
**\$1.3 MILLION - HOUSTON, TEXAS**

1225 North Loop Investments, Inc. utilized the City of Houston’s PACE program to invest \$1.3M in property upgrades, making 1225 North Loop West the first commercial office building to implement a TX-PACE project. The improvements will be financed over 20 years and include two new chillers, a building automation system, and a complete LED fixture upgrade. The project will reduce utility consumption by 38% and provide \$3.66 million in savings over the 20-year term. The lasting benefits of steadier budgets, more comfortable work environments, and diminished equipment emergencies will positively impact both ownership and tenants.



**ALMOST \$10 MILLION INVESTED IN**  
**MALLS ACROSS TEXAS**

A global leader in retail real estate ownership has completed 6 projects in Texas for almost \$10 million in improvements. Using the uniform TX-PACE program, 3 of these projects closed in 2 counties with 1 lender on the same day. Improvements include HVAC, lighting, and water saving measures for a combined savings of 5,600,000 kWh in electricity and 14,950,000 gallons of water per year.

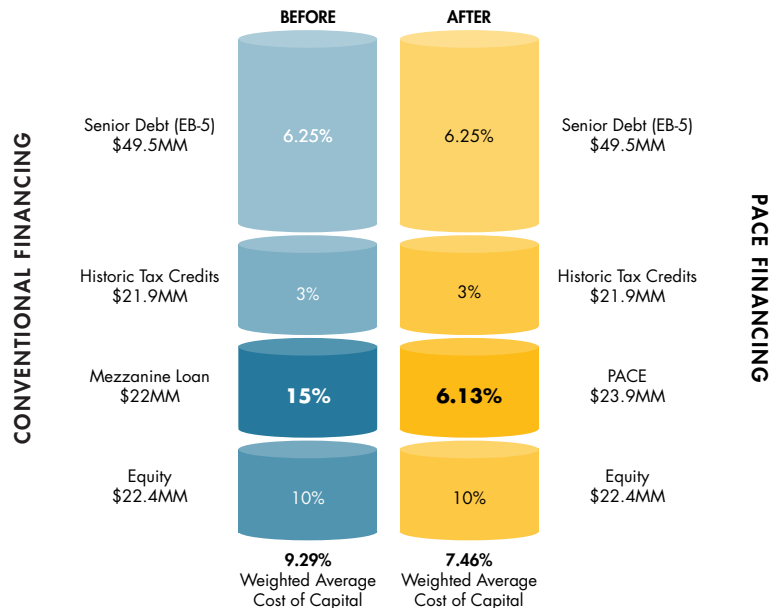
**TYPICAL EXAMPLES OF QUALIFIED IMPROVEMENTS:**

- Chillers, boilers, and furnaces • HVAC, BMS, BAS, EMS controls • Lighting • Water heating systems • Energy management systems and controls • Roofing • Windows • Doors • Insulation • Elevator modernization • Pool equipment • Cogeneration • Heat recovery and steam traps • Solar panels • Wind turbines • Water management systems and controls • Irrigation equipment • Rainwater collection systems • Toilets • Faucets • Greywater systems... and more!

“TX-PACE pairs incredibly well with historic buildings that are typically energy inefficient and require additional capital in order to renovate the property to modern energy efficiency standards. I am beginning to see greater interest in the utilization of this program for historic and non-historic renovation projects because of its flexibility, relative low-cost and nonrecourse nature.”

– Phill Geheb, Munsch Hardt  
Dallas, TX

## BUTLER BROTHERS BUILDING CAPITAL STACK



### 1225 NORTH LOOP FINANCING SCENARIO COMPARISON SUMMARY

	Self-Funded	Conventional Loan	TX-PACE Loan
Out-of-Pocket Investment	(\$1,300,000)	(\$260,000)	\$0
Savings (First Year)	\$200,000	\$200,000	\$200,000
Annual Payment	\$0	(\$282,803)	(\$118,437)
Cash Flow Impact Year 1	(\$1,100,000)	(\$342,803)	\$81,563
Net Project Cash Flow Year 2	(\$900,000)	(\$425,607)	\$163,126
Years to Positive Project Cashflow	6.5	8.4	IMMEDIATE
Debt Service Over Finance Term	0	(1,414,017)	(2,368,742)
10-Year Project NPV	\$172,017	\$20,747	\$600,310
Property Value Increase (20-Year NPV)	\$993,984	\$842,714	\$935,520

- The project does not pass the company’s hurdle rate for investment in energy efficiency (i.e. the ROI is probably not high enough)
- Conventional funding for 5 years at 4.0% (20% down payment)
- TX-PACE funding available for 20 years at 7.0%.
- Energy prices held constant. NPV discount rate at 8%.

### YOUR TX-PACE ASSESSMENT CAN INCLUDE:

- Materials and labor costs
- Permit, lender and inspection fees
- Program application and administration fees
- Project development and engineering fees
- Independent third party review and verification fees
- Legal, consulting and other fees
- Incidental installation, modification or improvement costs

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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.