



# C-PACE

*Commercial Property Assessed  
Clean Energy Financing  
(A Utah Perspective)*

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PAYSON, UTAH  
MAY 21, 2025

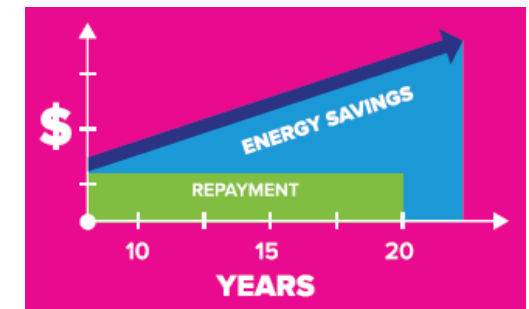


# C-PACE Explained

- Commercial Property Assessed Clean Energy (C-PACE) financing
- Enabled as part of Utah state statute to promote energy efficiency and water conservation
- Owner requests a voluntary special assessment be placed on their property
  - Equivalent to a water or sewer assessment
  - NO relationship to taxes or taxing authority in Utah
- Program applies to both Existing Buildings and New Construction in Utah
- Includes provision for Retro-Active Financing of Eligible Measures:
  - Projects completed within last 3 years are eligible for C-PACE financing

# Program Benefits/Characteristics

- Performance based – focus on increased energy efficiency and water conservation measures
  - Loan underwritten based on building performance, not owner's credit; no guarantee required
- Offers owners long-term, fixed-rate, non-recourse financing (up to 30 years in Utah)
- Ultimate goal of program: generate energy savings that offset or exceed energy expenses
- Can combine with utility, tax, and economic development incentives
- No personal guarantees required; based solely on building performance
- Third-party lenders provide competitive lending options



# More than 30 Capital Providers

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PACE

 **LordCap PACE**

# Who Benefits from using C-PACE?

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- Owners & Developers
  - C-PACE provides more competitive financing options; lowers overall weighted cost of capital
- Cities & Counties
  - Promotes higher quality development; attracts/supports wider variety of developers/property sectors
- Contractors
  - Facilitates upgrades that are usually value engineered out; supports use of high efficiency systems
- Lenders
  - Upgrades/energy efficiency and water conservation measures to property value; future proofs investment

# What's Eligible?

## ELIGIBLE PROPERTY TYPES & IMPROVEMENTS

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Office, Commercial and Industrial  
Retail  
Hospitality  
Multi-family

Energy efficiency & water conservation  
Renewable energy  
EV charging  
Seismic upgrades

## WHAT OTHER COSTS CAN BE INCLUDED?

Related Soft Costs:

Energy audits  
Engineering studies  
Feasibility studies  
Roof upgrades associated with solar  
Environmental clean up  
Maintenance contracts  
Program finance fee (3% at closing)

# C-PACE 2.0 – Structured for Success

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## Open market to private capital providers

- Building owners determine best-fit capital provider (CP) for their project
- Broad range of CP participation

## Centralized organization and coordination

- SRS serving as third-party administrator for governing bodies
- Consistent approach and management across cities and counties
- Eligibility determination by independent engineer(s)
  - SRS with significant market database and lengthy experience
  - Successful management of most successful C-PACE program in the nation
  - Independence ensures lack of bias, preferential treatment

# 4 Basic Steps in the Application Process

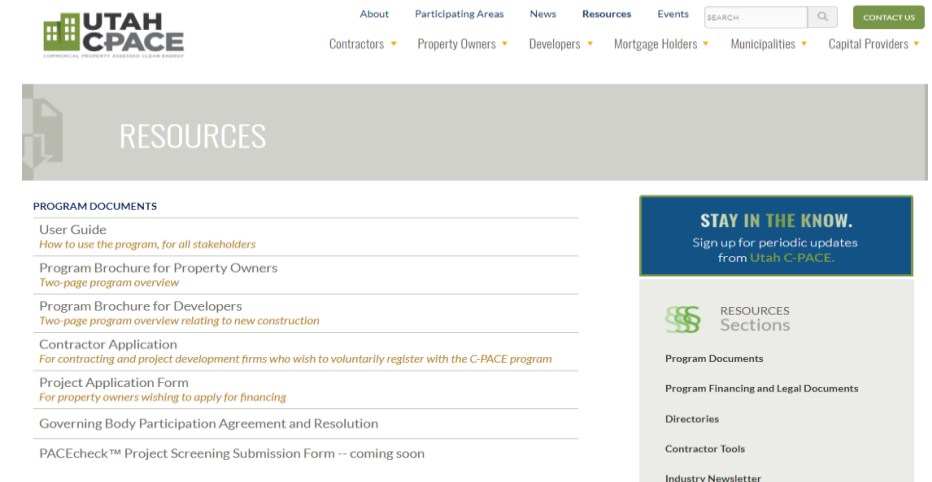
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Step 1: Check with SRS to Verify if City/County is currently a participating entity

- City or unincorporated county works directly with SRS to manage process
- SRS provides education, coordinates document exchanges and communications between transaction parties

Step 2: Complete and Submit Project Application

- Download Application
- Complete Application
- Submit to Theddi W Chappell





# How the Process Works

- SRS engages directly with owner, lender and city/county to manage process
  - Stakeholders reach out to SRS for guidance on how to negotiate program
- SRS provides requisite (vetted) program documentation for owners, lenders and municipality
- SRS coordinates statutory and technical reviews and ensures required documentation is completed and provided to appropriate parties
- NO cost to Cities/Counties – Owner pays an administrative fee of 3.0% of loan amount *only* if/when project closes

# Jurisdictional Perspective

- Why does the C-PACE program require cities/counties to be involved?
- What level of risk does a jurisdiction incur?
- How much time/personnel is required of the jurisdiction?
- What does the city/county receive from the Program Administrator (SRS/OED)?
  - SRS manages the entire approval process, including both technical and statutory reviews
  - City/county receives a complete packet of information with all forms filled out by the owner/developer
- What costs does the jurisdiction incur by adopting C-PACE?

# Step 3: SRS Validates Eligibility

## FOR EXISTING BUILDINGS

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Owner must provide documentation of installed costs on a measure-by-measure basis, plus:

Projected energy and/or water savings from each measure (engineer sign-off req'd.)

Analysis of project and projected savings by SRS engineers must confirm an improvement in building performance over a baseline (ex. 12 mos. of utility bills)

Owner is eligible for up to 100% of all measures, including renewables.

## FOR NEW CONSTRUCTION

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Owner must provide complete break-out of construction costs, including hard and soft costs, plus:

Detailed set of COMcheks must be provided, based on as-designed plans and specs and signed by a qualified engineer

Data provided must support building performance upon completion will meet or exceed code (IECC 2021)

Owner is eligible for up to 35% of TECC (Total Eligible Construction Costs)

# Project Assessment & Verification

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## Project Summary

Report Date:	October 11, 2019	Reference Energy Code:	IECC 2015 / ASHRAE 90.1-2013
Project Number:	UT-00001	Compliance Pathway:	Block Modeling: Trane Trace 700
Property Name:	ABC, LLC	Project Type:	New Construction
Property Address:	123 Main Street	Total Eligible Construction Cost (TECC):	\$14,809,428
City, State, ZIP:	Salt Lake City, UT, 84101	TECC Eligible Percentage:	20%
Property Type:	Mixed Use (Multifamily/Retail)	Project Eligible C-PACE Finance Amount:	\$2,961,886
Property Size (SF):	100,000	Finance Term:	30 Years

## Eligible PACE Financing Amount

TECC Eligible Percentage:

20.0%

Eligible PACE Financing Amount:

\$2,961,886

## Property Rendering



# Step 4: Process is Completed

- Owner and capital provider negotiate financing
- Owner requests voluntary lien be placed on property
  - SRS coordinates document exchanges and execution
- City/county levies assessment and concurrently assigns to third-party lender
  - Those projects with existing financing require lender consent
- Lender assumes all collection and enforcement responsibilities
- Lender indemnifies city/county from any further action
- Owner receives financing; completes project

# Representative Closed Projects

Despite pandemic, closed transactions in past 5 years total more than \$123 million

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HYATT REGENCY CONVENTION  
CENTER HOTEL, SALT LAKE CITY



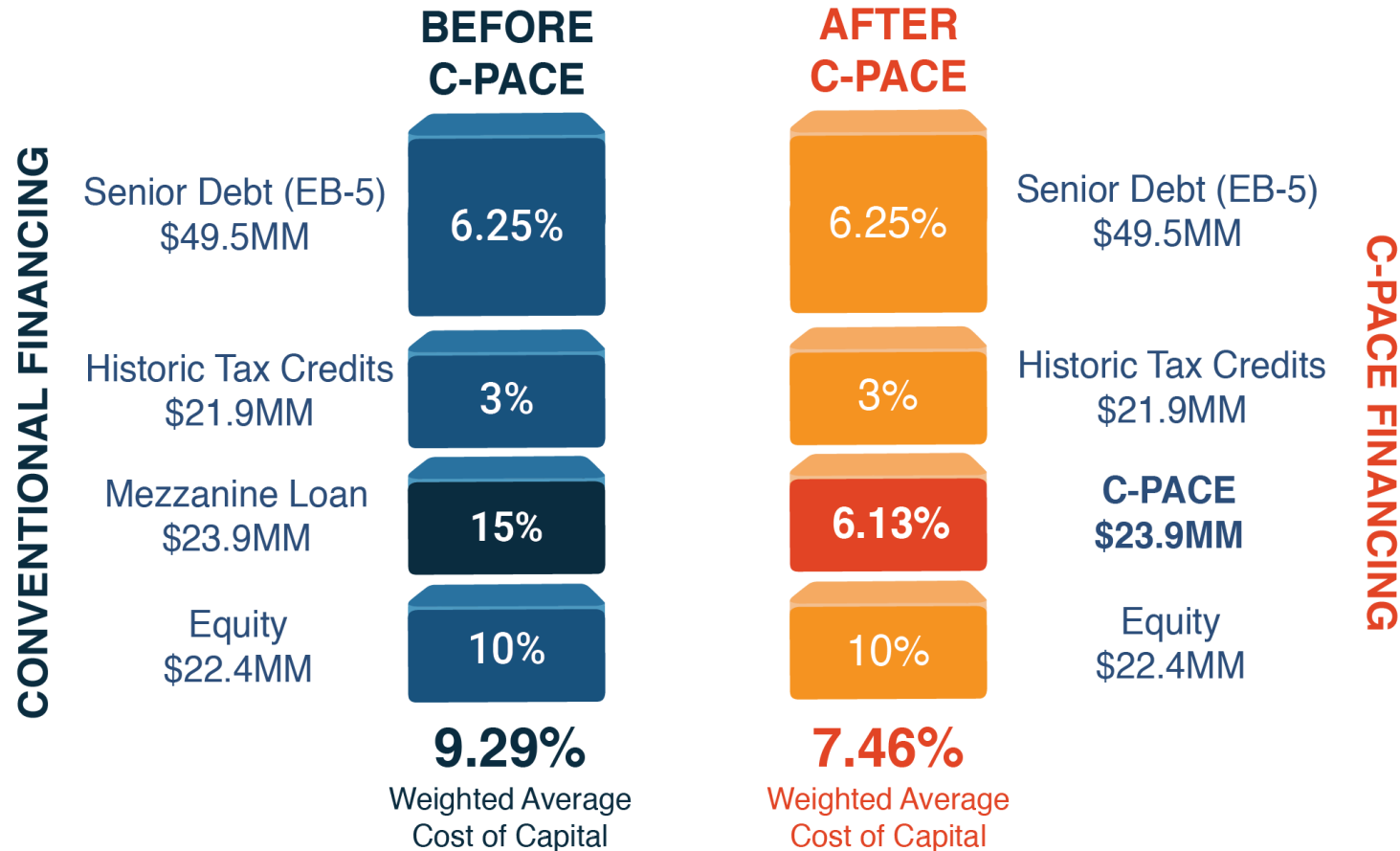
INDUSTRIAL DEVELOPMENT  
WEST VALLEY CITY



THE ASCENT CONDO HOTEL  
PARK CITY

# C-PACE Funding Comparison

## Capital Stack Comparison



# For Additional Information on C-PACE:

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Thank You!

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