

MEETING MINUTES

1.) Welcome and Introductions

Marty Wieder, President, opened the meeting at 10:01 and welcomed everyone to the meeting. He explained some ground rules for the meeting in reference to asking questions and for guests to utilize the chat function. Prit Patel took attendance.

2.) Marty introduced the following new NCTEDD Board members:

- a. Dr. Maria Martinez-Cosio, University of Texas at Arlington – Principal Economic Interests
- b. Leah Clark, Bridgeport Economic Development Corporation – Principal Economic Interests
- c. Jim Wehmeier (City of Ennis), Ellis County – County Seat
- d. Luis Tamayo, Dallas County – County Seat
- e. Bryan Haywood, City of Irving – Between 200,000 - 500,000 Population
- f. Chris Fuller, City of Cleburne – Between 25,000 - 50,000 Population
- g. Ben Magill, Dallas College – Principal Economic Interests

3.) Marty asked for approval of the April 5, 2021 NCTEDD meeting Minutes.

Upon a motion of Jennette Espinosa, seconded by Michael Grace, the minutes were approved.

4.) Guest Speakers on Property Assessed Clean Energy (PACE) Program

a. Guest Speaker, Dr. Gavin Dillingham, Program Director, Houston Advanced Research Center

Dr. Dillingham gave a presentation on the Houston Advanced Research Center (HARC). He explained that HARC is a non-profit research organization that was established in 1982 and is headquartered in the Woodlands, TX. HARC specializes in sustainability research and research management that helps people thrive and allows nature to flourish. The program works closely with the State Energy Conservation Office and Department of Energy and Environmental Protection Agency (EPA) to better develop clean energy programs from microgrids; to helping low-income communities get access to solar plus storage; and to improve resilience in communities. Dr. Dillingham further explained the PACE (Property Assessed Clean Energy (PACE) financing program. C-PACE is an (1) Economic Development Tool; (2) 100% long-term, low-cost financing; (3) for energy efficient; (4) water conservation projects. Dr. Dillingham explained the eligibility and requirements of the program as reflected in the attached PowerPoint presentation. PACE is adopted by local government, initiated by county or city assessment, property owners sign up for financing and enter into a contract.

Dr. Gavin explained the benefits of the PACE program for property owners, contractors, capital providers, low communities, and the state. In addition, he gave an overview of the Texas PACE history that was passed in 2013 which allows freedom of choosing vendor, energy audit company, and lenders for the project. The “PACE in a Box” is a toolkit for Texas municipalities and counties to create uniform, user-friendly, scalable, and sustainable Pace programs throughout Texas. It also minimizes local government administrative responsibilities and burden on managing a PAC program.

Marty thanked Dr. Gavin for his presentation.

b. Guest Speaker, Kevin Spath, Assistant Economic Development Director, City of Dallas

Mr. Spath gave a presentation on the background of the City of Dallas’ PACE program. He explained how the program was developed and has been a successful economic development tool. He gave an overview of six PACE projects that the City has completed as noted in his PowerPoint presentation.

Marty thanked Dr. Spath for his presentation.

c. Guest Speaker, Tamara Cook, PACE and NCTCOG Region Program

Tamara Cook, with the North Central Texas Council of Governments, explained that the region currently has 9 entities, 3 counties and 6 cities, that have adopted a PACE program. She explained that COG is under contract

NORTH CENTRAL TEXAS ECONOMIC DEVELOPMENT DISTRICT (NCTEDD)

Virtual Zoom Webinar Meeting: June 7, 2021 | 10:00 AM

with the State Energy Conservation Office (SECO) and has funds set aside through the contract to assist local counties/cities with the adoption of the PACE program for a variety of assistance. More information will be forthcoming in the next month with regards to the goal of having a regional PACE program. She explained that a roundtable was held on May 3rd which included presenters from HARC, City of Dallas, and Tarrant County informing local governments about their options for implementing PACE. The presentation can be viewed at <http://conservenorthtexas.org/article/2021/regional-property-assessed-clean-energy-pace-roundtable-local-governments>.

She provided an example of a conceptual North Central Texas Regional PACE Program and the steps involved in creating a regional program. In conclusion, Ms. Cook explained that COG is asking local governments to provide their thoughts on and/or support of a Regional PACE program offered by COG. Member governments interested should contact Tamara via email, tcCook@nctCOG.org.

d. **NCTEDD Board Member, Lisa McMillan, Assistant County Administrator, Tarrant County**

Ms. McMillan explained that the Tarrant County PACE program, Texas PACE Authority, was established in November 2017. The Tarrant County PACE program has completed 8 projects in total with an investment of \$24.7 million. Ms. McMillan gave an overview of the benefits of the PACE Program for Tarrant County, property owners, and lenders. The program increases property values, provides savings with low up-front costs, and provides low risk loans. She gave examples of Tarrant County PACE projects and highlighted the economic benefits of the project.

Marty thanked everyone for their presentations.

5.) **NCTEDD Board Member, Pamela Mundo Update: Entrepreneurial Training Tool**

Pamela provided an update on the Entrepreneurial Training Tool. She explained that the committee continues to build the PowerPoint presentation tool in hopes it will be of assistance to professionals making presentations on supporting entrepreneurship. She explained they are still building the slides for the program and anticipate maybe two or three more months before presenting the PowerPoint to the Board. It will then be available to be used as a presentation tool in supporting entrepreneurship.

Marty thanked Pamela for her leadership.

6.) **NCTEDD Board Member, Mary Ann Moon: Post COVID Forum**

Ms. Moon explained that a group of regional economic development professionals have been discussing hosting a post-COVID forum for the region. The forum would focus on the challenges that the economic development community has faced during COVID. The forum would focus on a post-COVID landscape and the changing dynamics that economic developers face. The forum would be a 1-day event with roundtable discussions, speakers, etc. She explained they are looking at a late summer or early fall timeframe. She further explained there are currently volunteers that have formed an initial forum committee, but they would like to have other volunteers from the Economic Development District participate. Interested participants may send their interest to Mary Ann, Prit, or Lucille. Ms. Moon will send a draft agenda that the initial group has created to the NCTEDD Board.

Marty thanked Mary Ann for the update.

7.) **District Update – Prit Patel**

Prit updated the members on the progress and activities of the NCTEDD, including:

a. **CEDS 2021 Update**

She explained current the CEDS was adopted in 2016 and is updated every five years and we are at that mark of updating the CEDS document. Having a CEDS allows the region to apply for EDA funding opportunities under the Public Works projects. She explained that since the last meeting, Clusters 1, 2, 3, and 4 remain as they are, and she further explained that Cluster 5 decided to break up into individual clusters due to the size and uniqueness of the counties. Thus, resulting in 8 geographic clusters and two industry clusters to include Education and

NORTH CENTRAL TEXAS ECONOMIC DEVELOPMENT DISTRICT (NCTEDD)

Virtual Zoom Webinar Meeting: June 7, 2021 | 10:00 AM

Workforce. Cluster meetings are taking place to conduct SWOTs for the region. They hope to finish the SWOT analyses by end of July. She expressed thanks for all the feedback and response from the clusters. Moving forward, the goal after SWOT analysis is completed is to identify the goals and objectives in the CEDS documents. Once identified, all clusters will be brought back together to provide additional feedback.

b. Board In-Kind Hours

Prit displayed some categories for submitting in-kind hours and asked for feedback. Lucille Johnson mentioned that the categories used were borrowed from another COG and wanted to make sure the categories relate appropriately to our region. Lucille explained that feedback can be forwarded to Prit.

8.) New Business

Marty mentioned that there was one new business item from Craig Hulse regarding the Small Business Administration's (SBA) Community Navigator Program. He explained that Craig sent information to Lucille and Prit to gauge regional interest in applying for the Program. Lucille mentioned the information was received and she and Prit are currently reviewing the information and will get it sent out to the region today.

Prit mentioned that NCTCOG has not received any guidance regarding the American Rescue Plan Act (ARPA). She explained that as soon as they have that information, they will send it out to the region. She encouraged meeting attendees to have applications ready if they have a project in mind. Lucille mentioned that they anticipate the rules will be similar to the CARES Act, but we are uncertain of the match.

Lucille made mention of the NCTCOG offices starting to reopen and asked for a show of hands on hosting both virtual and in-person meetings. The majority of the Board members present voted for a hybrid meeting environment.

9.) The meeting was adjourned at 11:31 a.m.

ATTENDANCE

Board Attendees

Alexis Jackson
Bruce Payne
Bryan Haywood
Chris Fuller
Craig Hulse
Dr. Maria Martinez-Cosio
David Schleg
Erica Sullivan
Fred Schmidt
Dr. James Quick
Janie Havel
Jeff Sandford
Jennette Espinosa
Jim Wehmeier

John Boswell
Judy McDonald
Kassandra Carroll
Leah Clark
Leslie Leerskov
Lisa McMillan
Luis Tamayo
Marty Wieder
Mary Ann Moon
Michael Grace
Michael Talley
Mickey Hillock
Nika Reinecke
Orlando Campos
Pamela Mundo

Roberts Sturns
Shane Shephard

Guests Speakers

Brian Salvesen
Kevin Spath
Wayne Emerson
Dr. Gavin Dillingham

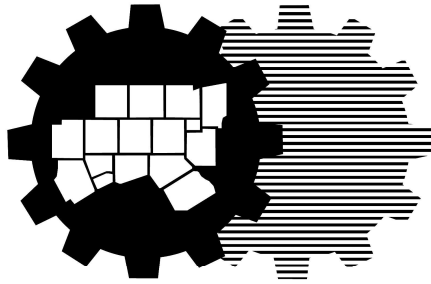
NCTCOG Staff:

Lucille Johnson
Prit Patel
Tamara Cook
Rick Norman
Jerri Watson

I hereby certify that these minutes were approved by the North Central Texas Economic Development Board on August 2, 2021.



Kassandra Carroll, CECD
Secretary-Treasurer, North Central Texas Economic Development District Board
Economic Development Coordinator, City of Waxahachie



**North Central Texas
Council of Governments**

Expanding Property Assessed Clean Energy (PACE) Programs in North Central Texas

June 7, 2021

Tamara Cook, AICP

Senior Program Manager

NCTCOG Environment and Development

Why NCTCOG Supports PACE Program Adoption

- Reduce energy and water use within commercial buildings
- Provide economic benefits and economic development opportunities and spur investment in communities
- Improve regional air quality through reduced need for electricity generation



Source: <https://pace.harcresearch.org/>

Moving PACE Forward in North Central Texas – Next Steps at the Regional Level

Regional Efforts under State Energy Conservation Office (SECO) Contract

- *Goal:* Three local or county governments adopt PACE per fiscal year.
- NCTCOG will provide ongoing technical assistance and coaching to increase PACE participation.

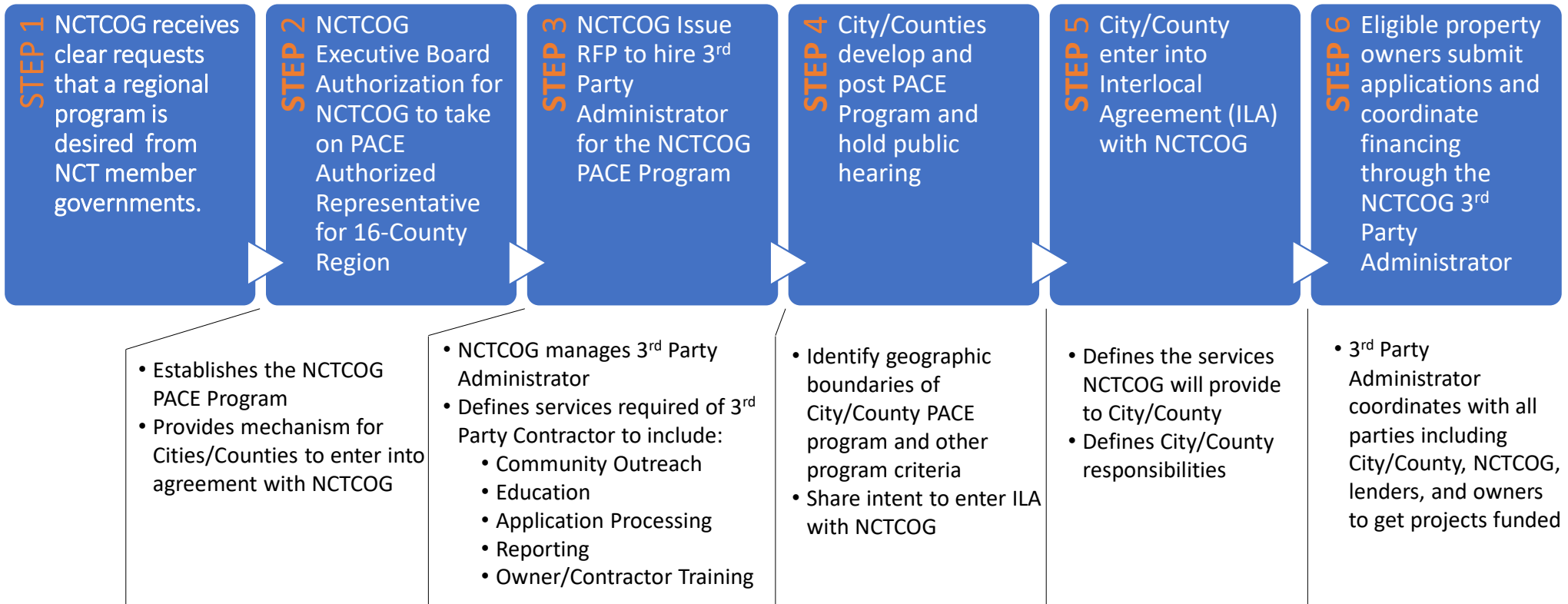
NCTCOG Regional PACE Efforts

- On May 3rd, NCTCOG held a Regional PACE Local Government Roundtable to inform Local Governments about their options for implementing PACE.
- Presenters included the Houston Advanced Research Center (HARC), the City of Dallas, and Tarrant County.
- To view presentations and a recording of the event, visit <http://conservenorthtexas.org/article/2021/regional-property-assessed-clean-energy-pace-roundtable-local-governments>

CONCEPTUAL NORTH CENTRAL TEXAS REGIONAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM

DRAFT

AUTHORIZED REPRESENTATIVE - NCTCOG



NCTCOG Regional PACE Program Next Steps

- NCTCOG is asking for Local Governments to provide their thoughts on and/or support of a Regional PACE Program offered by NCTCOG.
- Should there be interest from member governments in North Texas, NCTCOG would initiate efforts to implement a program and become a PACE Authorized Representative for 16-County Region.
- Member governments interested in NCTCOG providing a regional PACE program, please contact Tamara Cook, tcook@nctcog.org.

NCTCOG Environment and Development Contacts

Tamara Cook, AICP

Senior Program Manager

Environment and Development

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tcook@nctcog.org

Edith Marvin, P.E.

Director

Environment and Development

817-695-9211

emarvin@nctcog.org

Sign up for Email Updates on Energy Related Items in the North Central Texas Region
at: www.nctcog.org/envir/mail

Kevin Spath,

Assistant Economic Development Director, City of Dallas



City of Dallas: Looking Back



- 2013** City supports Texas PACE Act; signed into law June 14, 2013
- 2013-2014** City participates in PACE in a Box Working Groups
- 2015** City adopts Resolution of Intent to establish PACE Program (based on PACE in a Box model); initiates competitive procurement process to solicit a third-party Program Administrator
- 2016** City establishes first City-enacted PACE Program in Texas; selects Texas PACE Authority (TPA) as Program Administrator
- 2017** City closes first PACE project (\$24M PACE financing); largest PACE project in Texas to-date
- 2020** City adopts first Comprehensive Environmental and Climate Action Plan (CECAP); identifies PACE Program as specific action to help achieve Goal 1 (increase energy efficiency of existing buildings) and Goal 2 (ensure affordable access to renewable energy)



City of Dallas: Closed PACE Transactions



City of Dallas: Projects



Continental Gin



JW Marriott Hotel



Red Bird Mall Redevelopment

| Project | PACE Financing | Property Type | Jobs Created | CO2 Avoided (tonnes) | Annual electricity savings (kWh) | Annual Natural Gas savings (BTU/yr) | Annual Water Savings (Gal/yr) |
|-----------------------------|----------------|---------------|--------------|----------------------|----------------------------------|-------------------------------------|-------------------------------|
| Butler Brothers | \$23,912,325 | Mixed Use | 193 | 3,507 | 6,691,648 | 460,000 | 692,000 |
| Dallas Paint and Body | \$74,140 | Retail | 1 | 21 | 40,572 | 0 | - |
| Jackson Street Garage | \$5,140,164 | Retail | 61 | 266 | 511,524 | 0 | - |
| Continental Gin | \$5,250,000 | Mixed Use | 72 | 1,318 | 1,398,812 | 11,124,000 | 515,000 |
| JW Marriott Hotel | \$5,059,884 | Hospitality | 55 | 252 | 448,135 | 350,000 | 577,000 |
| Red Bird Mall Redevelopment | \$3,350,000 | Mixed Use | 40 | 351 | 673,784 | 0 | 3,420,000 |



City of Dallas: Butler Brothers Building



Measures

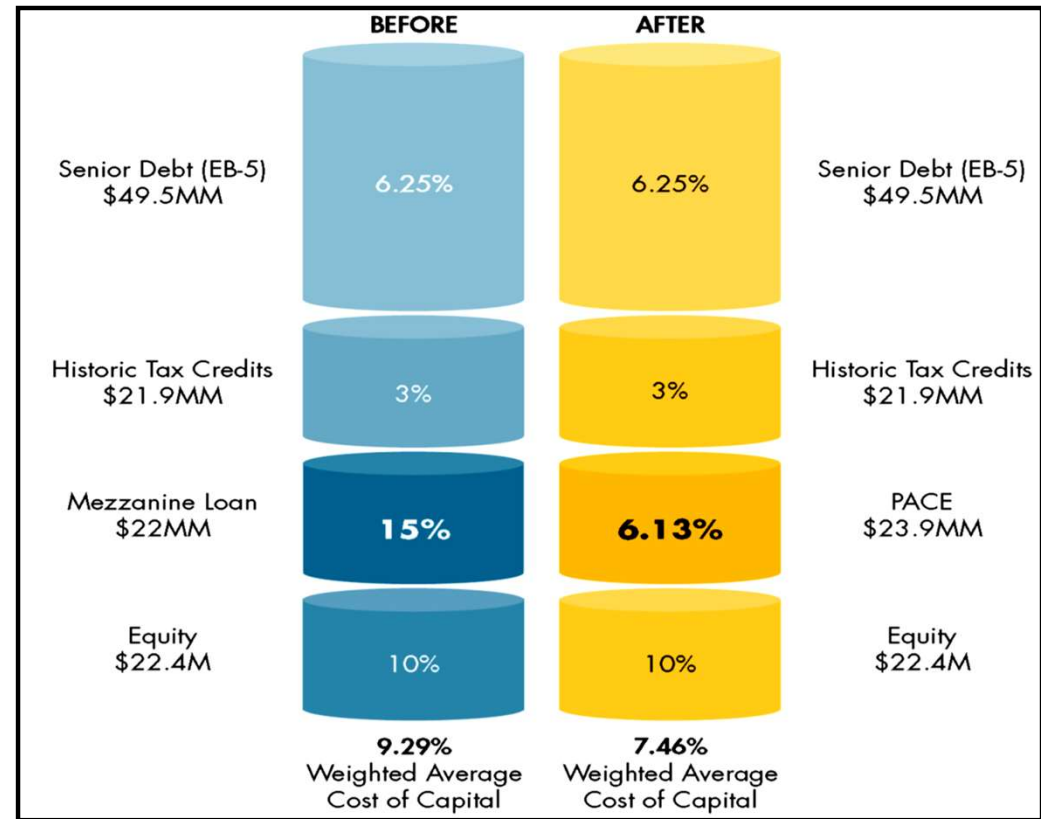
- HVAC
- Lighting
- Insulation
- Roofing
- Glazing
- Plumbing
- Irrigation
- Exterior Waterproofing and Plaster

Assessment Total

- \$24 million

Annual Savings

- 40% energy reduction
- 700,000 gallons of water
- 3,500 metric tons CO₂



City of Dallas: Dallas Paint & Body



Measures

- LED lighting
- Solar PV

Assessment Total

- \$ 74,000

Annual Savings

- 92% reduction in electric consumption



City of Dallas: Continental Gin Building



Measures

- Roofing
- Glass/Glazing
- Ext. Walls
- Mechanical/HVAC
- Lighting Solar
- Elevators

Assessment Total

- \$5 million

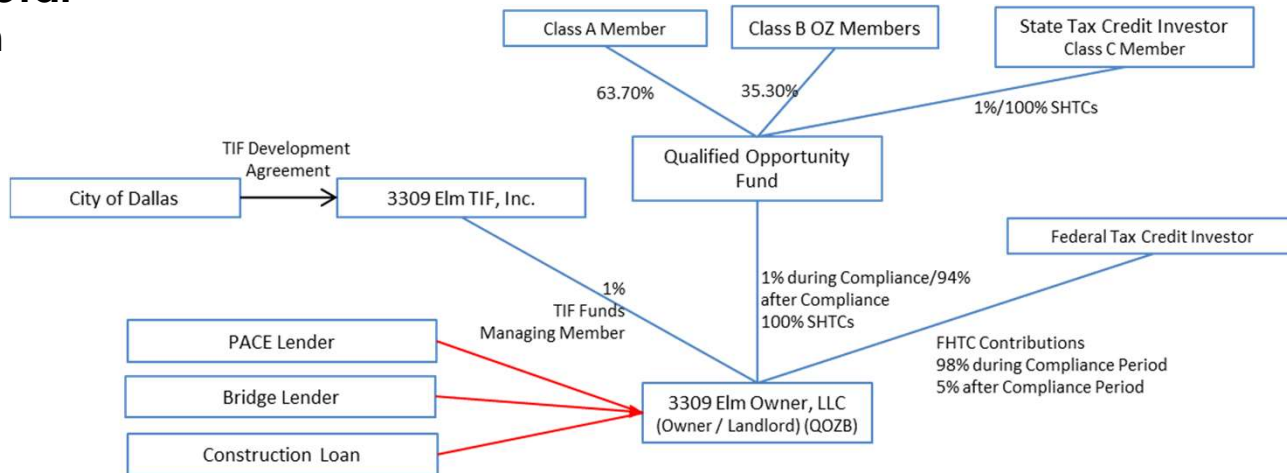
Source

| | | | |
|--|----|-------------------|--------|
| Sponsor Equity | \$ | 7,000,000 | 18.79% |
| Federal Investor Equity | \$ | 4,056,282 | 10.89% |
| State Investor Equity | \$ | 5,236,925 | 14.06% |
| 3309 Elm TIF, Inc. (TIF Contributions)* | \$ | 1,000 | 0.00% |
| PACE Lender | \$ | 5,250,000 | 14.10% |
| Frontier State Bank | \$ | 12,500,000 | 33.56% |
| 3309 Elm Developer, LLC (Sponsor DDF Loan) | \$ | 3,200,000 | 8.59% |
| Subtotal | \$ | 37,244,207 | |

Use

| | | |
|--------------------------|----|-------------------|
| Acquisition | \$ | 3,307,462 |
| Soft Costs | \$ | 5,554,086 |
| Hard Costs | \$ | 24,182,659 |
| Deferred Developer Fee | \$ | 3,200,000 |
| Operating & Debt Reserve | \$ | 1,000,000 |
| Subtotal | \$ | 37,244,207 |

*City of Dallas TIF Grant of \$3,000,000 to be paid by City from 2021 through 2026



City of Dallas: Reimagine RedBird Mall



Measures

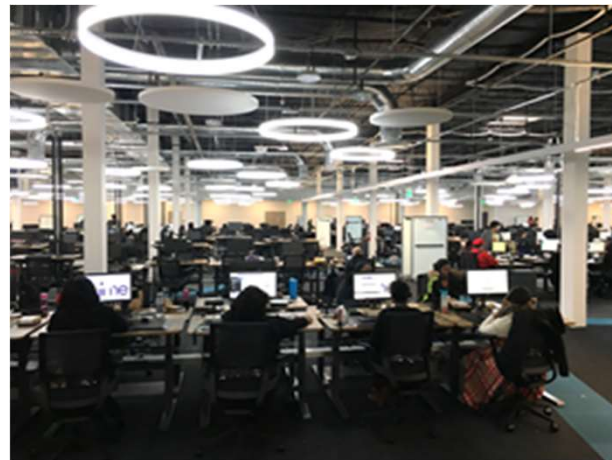
- HVAC
- Lighting
- Plumbing

Assessment Total

- \$3.35 Million

Annual Savings

- 673,784 kWh
- 3,420,000 gallons of water
- 351 metric tons CO₂





Tarrant County PACE Program

June 7, 2021

Lisa McMillan, Assistant County Administrator

lmcmillan@tarrantcounty.com

Tarrant County PACE Program



- ❖ Program Established November 2017
- ❖ Program Administrator: Texas PACE Authority
- ❖ 8 Local PACE Projects Since 2019
- ❖ \$24.7 Million PACE Investment in Tarrant
- ❖ 306 Jobs Created
- ❖ Resulting Annual Energy Savings:
 - 10 million Gallons of Water
 - 6 million kWh Electricity
 - 20 million BTU Natural Gas
 - 4,157 tonnes CO2 avoided

Benefits of PACE Program to County's Economic Development Toolbox



❖ For County:

- Increases Property Values
- Provides job opportunities
- Reduces electrical demand and water usage
- Increases Business Retention and Expansion

❖ For Property Owners:

- Up to 100% financing; low up-front costs
- Savings from energy improvements expected to exceed annual loan payment
- PACE assessment tied to property; owner responsible only during property ownership

❖ For Lenders:

- Low Risk Loan
- Assessment Lien Same Priority As Tax Lien
- Existing Mortgage Holder Must Approve

Tarrant County PACE Projects



Historic ISIS Theater – Fort Worth

- Non-Profit - Theater
- Assessment: \$2,383,000
- HVAC, Building Envelope, LED Lighting, Water Saving Features



ACH-Child & Family Services – Fort Worth

- Non-Profit - Service
- Assessment: \$556,495
- HVAC, Lighting, Insulation, Roof, Water Saving Fixtures





Hilton Garden Inn – Grapevine

- Hospitality - Hotel
- Assessment: \$6,655,000
- Lighting, HVAC Plumbing, Building Envelope

Kimpton Hotel – Fort Worth

- Historic; Built 1921 - National Register
- Office to Hospitality - Hotel
- Assessment: \$5.8 million
- HVAC, LED Lighting, Natural Gas Water Heater



Sterling Building – Fort Worth

- Office
- Assessment: \$448,055
- HVAC, LED Lighting



Sinclair Hotel – Fort Worth

- Hospitality - Hotel
- Assessment: \$8,219,116
- Lighting/Electrical, HVAC, Plumbing, Building Envelope

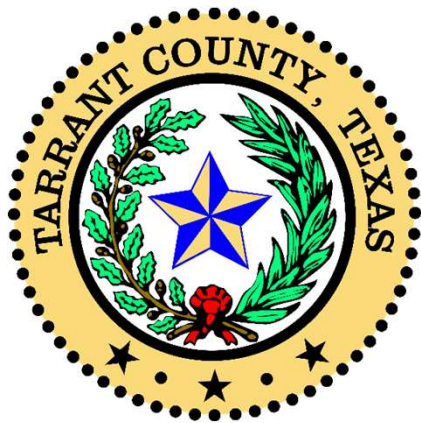
New Birth Baptist Church – Fort Worth

- Non-Profit - Religious
- Assessment: \$152,130
- Solar



221 Bedford Rd. – Bedford

- Office
- Assessment: \$499,994
- HVAC, Lighting, Windows, Bldg Controls



Tarrant County PACE...
the Future is Bright
and Energy Efficient!

Tamara Cook, Regional PACE



Questions for all Guest Speakers

DISTRICT UPDATE

North Central Texas

Economic Development District

June 7, 2021



COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) UPDATE

- Regional document that serves as a guide for economic development for our region. → Mapping the future
- The current CEDS was approved in 2016 and is updated every five years.
- An approved CEDS provides an opportunity for communities and businesses in the region to be eligible to apply for federal funding assistance through the Economic Development Administration's (EDA) Public Works and Economic Adjustment Assistance programs.

PUBLIC WORKS FUNDED PROJECTS

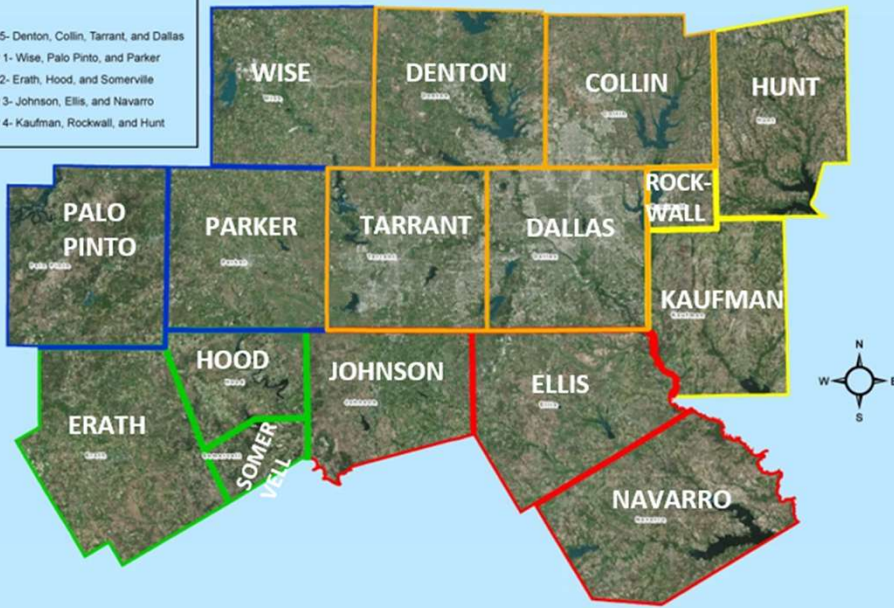
- Water and Sewer systems
- Industrial Access Roads
- Business Parks
- Port Facilities
- Rail Spurs
- Skill-training Facilities
- Business Incubator facilities
- Brownfield Redevelopment
- Eco-industrial Facilities
- Telecommunications and Broadband Infrastructure



2021 REGIONAL CEDS COMMITTEE: CEDS CLUSTERS

Comprehensive Economic Development- Cluster Overview

- Legend**
- Cluster5- Denton, Collin, Tarrant, and Dallas
 - Cluster 1- Wise, Palo Pinto, and Parker
 - Cluster2- Erath, Hood, and Somerville
 - Cluster 3- Johnson, Ellis, and Navarro
 - Cluster 4- Kaufman, Rockwall, and Hunt



CLUSTER 1 - Palo Pinto, Parker, Wise

CLUSTER 2 - Hood, Erath, Somervell

CLUSTER 3 - Johnson, Ellis, Navarro

CLUSTER 4 - Hunt, Kaufman, Rockwall

CLUSTER 5 - Collin, Dallas, Denton, Tarrant

EDUCATION CLUSTER

WORKFORCE CLUSTER

| | |
|------------------|-----------------------|
| CLUSTER 5 | COLLIN COUNTY |
| CLUSTER 6 | DALLAS COUNTY |
| CLUSTER 7 | DENTON COUNTY |
| CLUSTER 8 | TARRANT COUNTY |



COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) UPDATE

CEDS CLUSTERS

- SWOT Analysis (Strengths, Weakness, Opportunities, Threats)
- Cluster Industry Ranking

2021 WORK TO UPDATE THE CEDS

- Cluster kickoff meetings: late March through middle of April (7 meetings)
- Cluster SWOT Analysis meetings: April through middle of June (15 + meetings)
- NCTCOG Staff Meeting: CEDS guidance
- CEDS Goals and Objectives
- Committee of the Whole



DISTRICT UPDATE: NCTEDD BOARD IN-KIND HOURS

CATEGORIES, CURRENT:

- Business development/Entrepreneurship
- Job Creation/Retention
- Workforce issues
- Planning/Engineering
- Education/Job Training
- Business expansion/new site location
- Business retention efforts
- Financing
- Transportation
- Legal/Legislative issues
- Zoning/Code Enforcement concerns

RECOMMENDATION 1, ADD:

- Preparation for board and council meetings for projects

RECOMMENDATION 2, REWRITE:

- Small Business Development/Entrepreneurship
- Workforce Skills Development
- Planning/Engineering
- Business Recruitment
- Business Expansion
- Business Retention
- Public-Private Partnerships/ Public Financing
- Transportation
- Legal/Legislative
- Zoning/Land Use Planning
- Development Standards/Code Enforcement



| POPULATION or COUNTY CATEGORIES FOR NCTEDD BOARD | SEATS |
|---|---|
| 16-COUNTIES: Collin, Dallas, Denton, Ellis, Erath, Hunt, Johnson, Navarro, Rockwall, Tarrant, Wise, Hood, Kaufman, Palo Pinto, Parker, Somervell | 1 SEAT EACH (5 VACANCIES/1 INTEREST) |
| >500,000 (<i>Dallas, Fort Worth</i>) | 2 SEATS |
| BETWEEN 200,000 - 500,000 (<i>Arlington, Garland, Irving, Plano</i>) | 2 SEATS |
| BETWEEN 100,000 - 200,000 (<i>Carrollton, Denton, Frisco, Grand Prairie, McKinney, Mesquite</i>) | 2 SEATS |
| BETWEEN 50,000-100,000 (<i>Allen, Euless, Flower Mound, Lewisville, Mansfield, North Richland Hills, Richardson, Rowlett</i>) | 2 SEATS (1 VACANCY/1 INTEREST) |
| BETWEEN 25,000 - 50,000 (<i>Bedford, Burleson, Cedar Hill, Cleburne, Coppell, DeSoto, Duncanville, Farmers Branch, Grapevine, Greenville, Haltom City, Hurst, Lancaster, Little Elm, Rockwall, Southlake, The Colony, Waxahachie, Weatherford, Wylie</i>) | 4 SEATS |
| <25,000 (10 SEATS) 122 cities | 10 SEATS (6 VACANCIES/2 INTERESTS) |
| PRIVATE SECTOR | 3 SEATS |
| PRINCIPAL ECONOMIC INTERESTS | 10 SEATS |

OTHER DISTRICT UPDATES

| 2021 NCTEDD BOARD SCHEDULE | | |
|----------------------------|--------------------|---------|
| MONTH | DATE | TIME |
| AUGUST | Monday, August 2 | 10:00am |
| NOVEMBER | Monday, November 1 | 10:00am |

ARPA (American Rescue Plan Act)

- We have not received any updates or guidance
- We will update the NCTEDD Board and Regional Economic Development Distribution Group
- Recommendation: Prepare EDA applications



Questions



Lucille Johnson

North Central Texas Council of Governments

ljohnson@nctcog.org

Prit Patel

North Central Texas Council of Governments

ppatel@nctcog.org





HARC

PICKING UP THE TEXAS PACE

Gavin Dillingham, PhD
Program Director | Clean Energy Policy

June 7, 2021

AGENDA

What is PACE?
Texas PACE History
Current Status



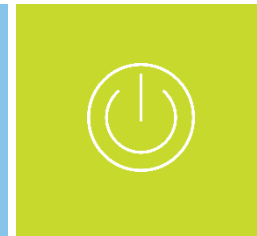
Mission

Providing independent analysis on energy, air, and water issues to people seeking scientific answers.

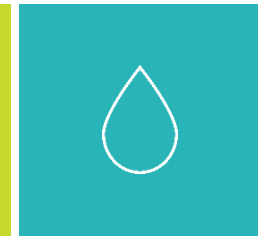
Programs & Competencies



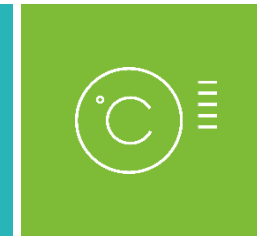
Air
Quality



Clean
Energy



Water
Resources



Climate
Risk



Geospatial &
Analytics

HARC is a nonprofit research organization established in 1982.

We specialize in sustainability research and research management.

We engage in research that helps people thrive and nature flourish.



HARC

HARCresearch.org

AGENDA

What is PACE?

Texas PACE History

Current Status



WHAT IS C-PACE?

- **Economic Development Tool - Property Assessed Clean Energy (PACE) financing**
- 100% long-term, low-cost financing
- For **energy efficiency, water conservation, and distributed generation** projects
- On **commercial** (including non-profit, hospitality, and healthcare);
industrial (including manufacturing and agricultural);
and **multi-family** (5+ units); **previously developed property**
- Repaid via special voluntary property assessment over the useful life of the improvements
 - State Authorized
 - Voluntary & Open Market
 - Local Government Enabled



HARC

HARCresearch.org

ELIGIBLE IMPROVEMENTS

Projects that:

- Reduce onsite energy usage
- Reduce onsite water usage
- Generate energy onsite

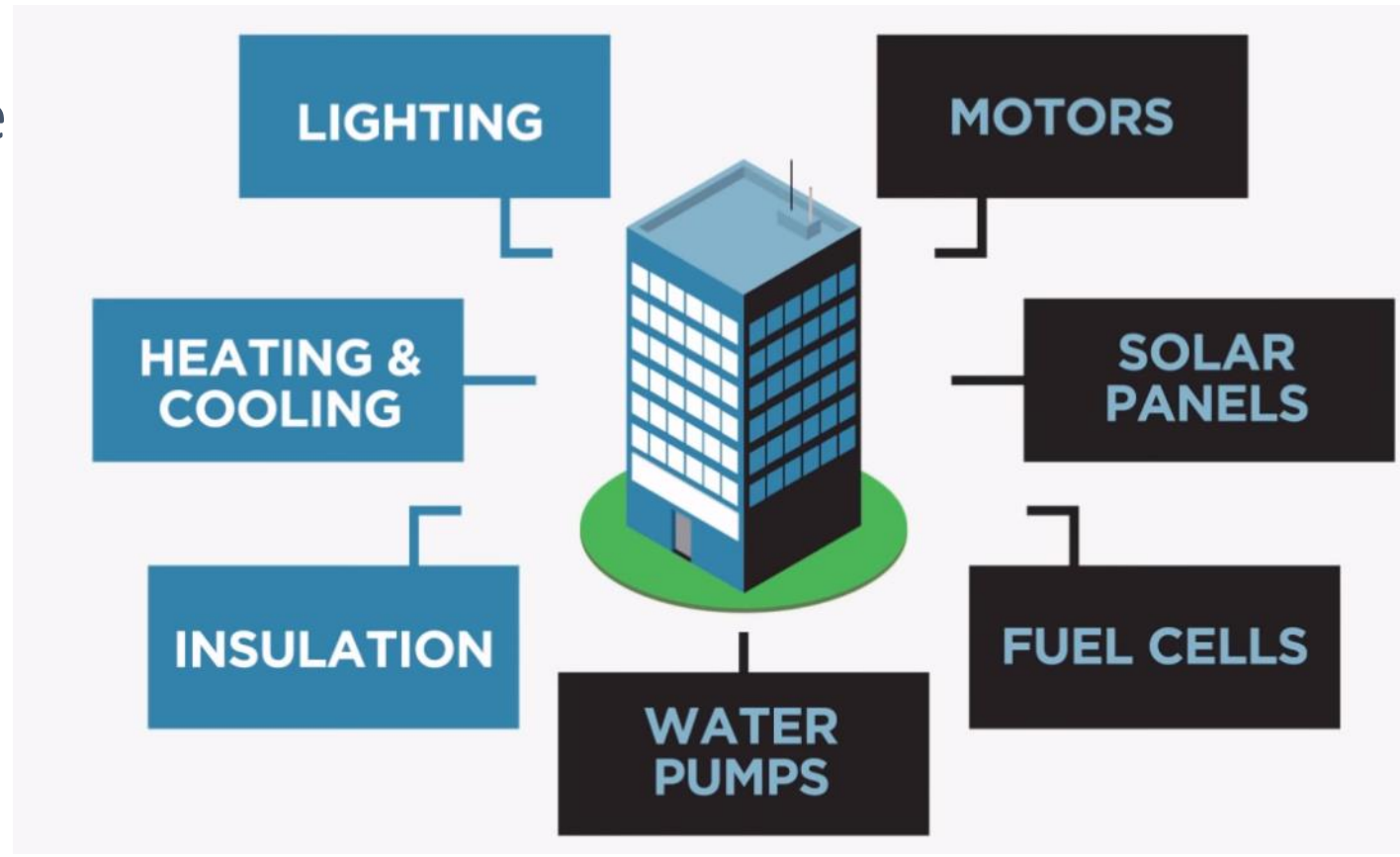


Image Source: <https://www.pacenation.org/>



HARC

HARCresearch.org

HOW PACE WORKS – PROGRAM ADOPTION



Image Source: Department of Energy



HARC

HARCresearch.org

HOW PACE WORKS – PROJECT FLOW

A Building Owner:



If the owner, building and project all meet PACE requirements:

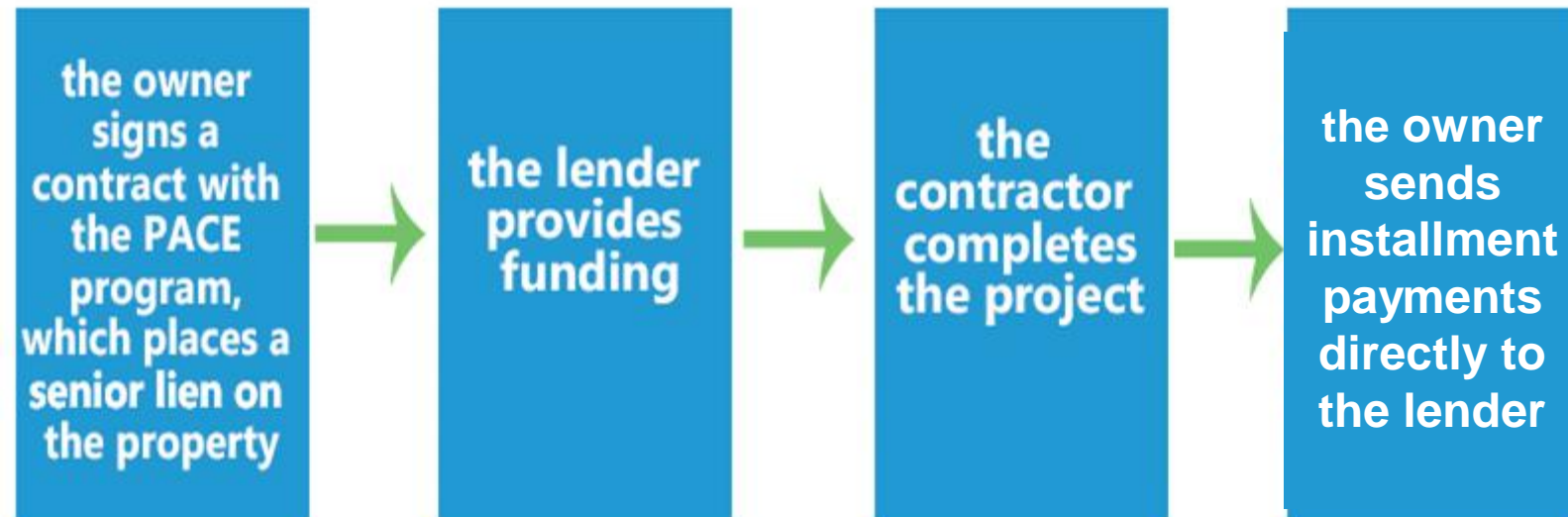


Image Source: Keeping PACE in Texas

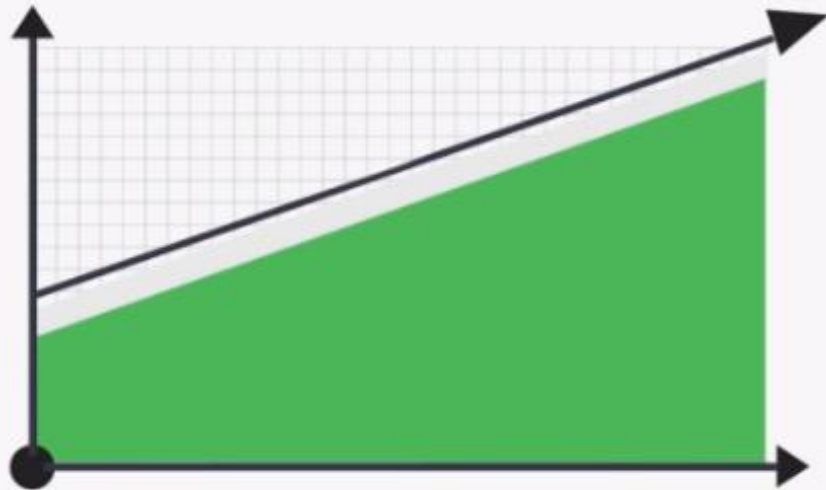


HARC

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WHAT PACE DOES

INCREASE
BOTTOM LINE



LOWER
ENERGY COSTS

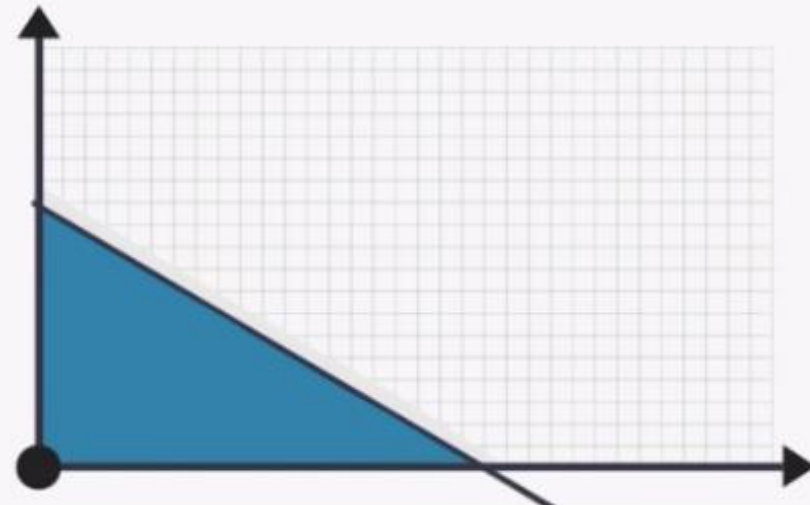


Image Source: <https://www.pacenation.org/>



HARC

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WHAT PACE DOES ENERGY / WATER SAVINGS

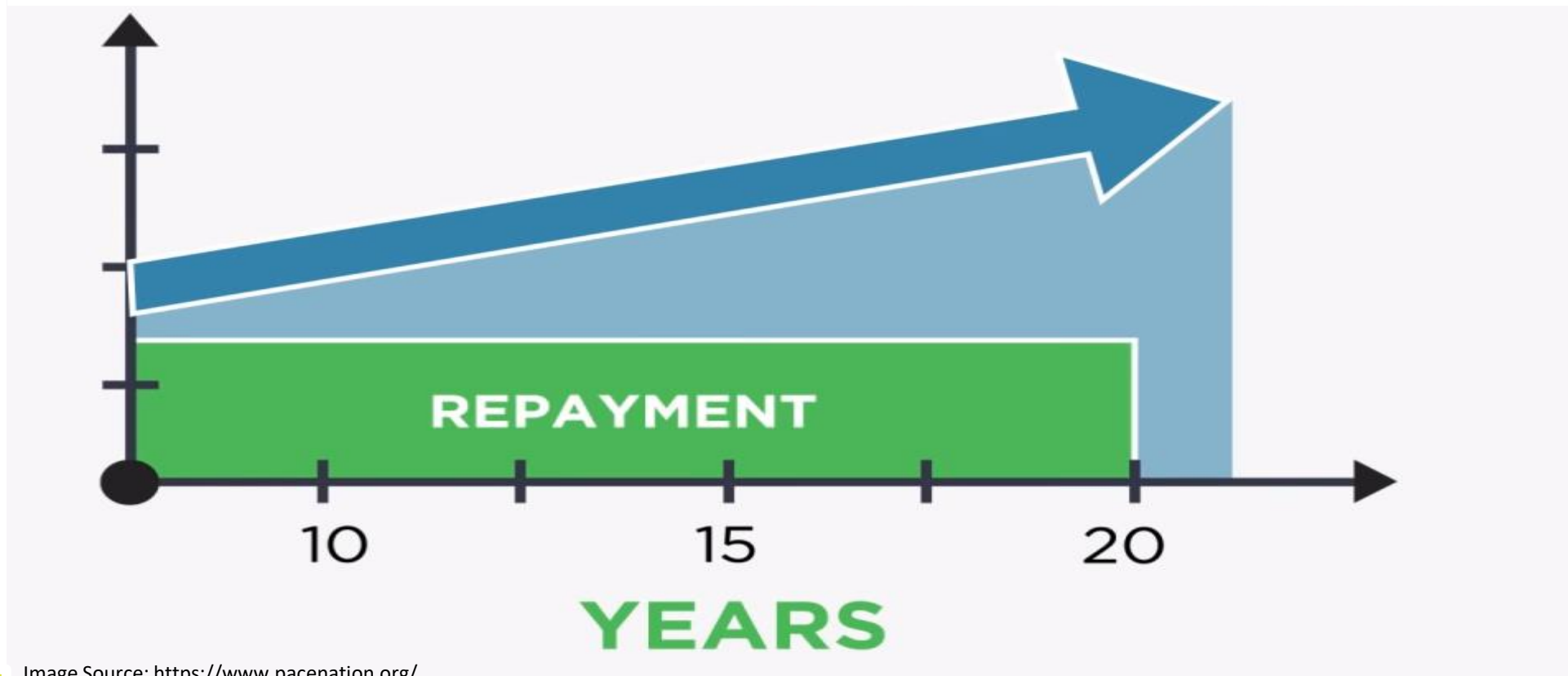


Image Source: <https://www.pacenation.org/>



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WHAT PACE DOES



BEFORE



AFTER

Barfield Building City of Amarillo

Upgrades: Building Envelope, Domestic Hot Water Heating, Lighting, Water Efficiency

PACE Assessment: \$6.4M

HTC: \$9M

Savings: 73% Electric, 79% Natural Gas, 40% Water

Source: https://www.texaspaceauthority.org/wp-content/uploads/CS_Amarillo-Barfield-2019-02-27B.pdf



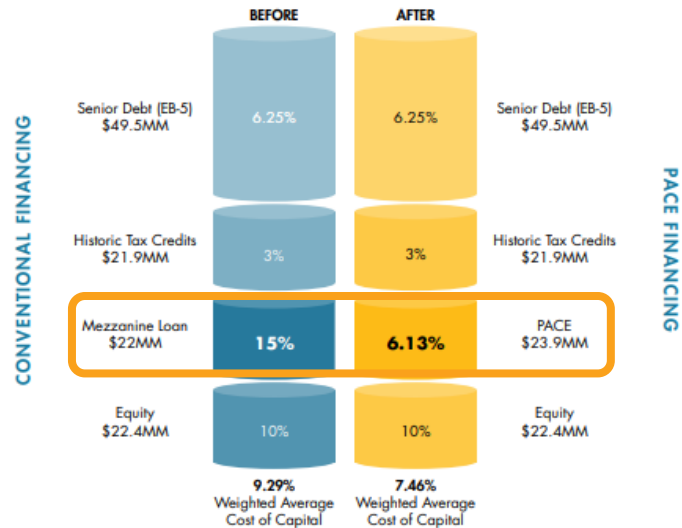
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WHAT PACE DOES



CAPITAL STACK COMPARISON



Butler Brothers Building City of Dallas

Upgrades: HVAC, Glazing, Envelope, Insulation, Irrigation, Lighting, Plumbing, Roofing

PACE Assessment: \$24M

Savings: 40% Energy

Source: https://www.texaspaceauthority.org/wp-content/uploads/CS_Butler-Brothers_2018-11-05.pdf



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WHAT PACE DOES



Elgin General Store
Bastrop County

Upgrades: Solar PV

PACE Assessment: \$120,000

*USDA REAP Grant & Oncoor
Incentives:* \$62,000

Annual Energy Savings: 26%

Source: https://www.texaspaceauthority.org/wp-content/uploads/CS_Elgin-General-2019-03-04.pdf



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WHAT PACE DOES



Congregation Beth Israel
Travis County

Upgrades: HVAC, BAS
controls, window film

PACE Assessment: \$452,105

Utility Incentives: \$11,000

Annual Energy Savings: 20%

Source: <https://www.texaspaceauthority.org/wp-content/uploads/CBI-CaseStudy.pdf>



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WHAT PACE DOES



**RJ Liebe Athletic
Lettering Company
Navarro County**

Upgrades: HVAC, LED

PACE Assessment: \$324,559

Annual Energy Savings:
187,177kWh

Source: https://www.texaspaceauthority.org/wp-content/uploads/CS_RJL-Navarro_8-2.pdf



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PACE BENEFITS

Property Owners: overcome investment barriers, decrease utility bills, increase property value, align landlord and tenant interests

Contractors: increase local hiring, remove customer financial barriers, accelerate project timelines

Capital Providers: new loans, fully collateralized, improved asset value, stable process

Local Communities: job growth, economic development, improved building infrastructure /stock

State: reduce peak demand, improve grid loading, enhanced water conservation



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AGENDA

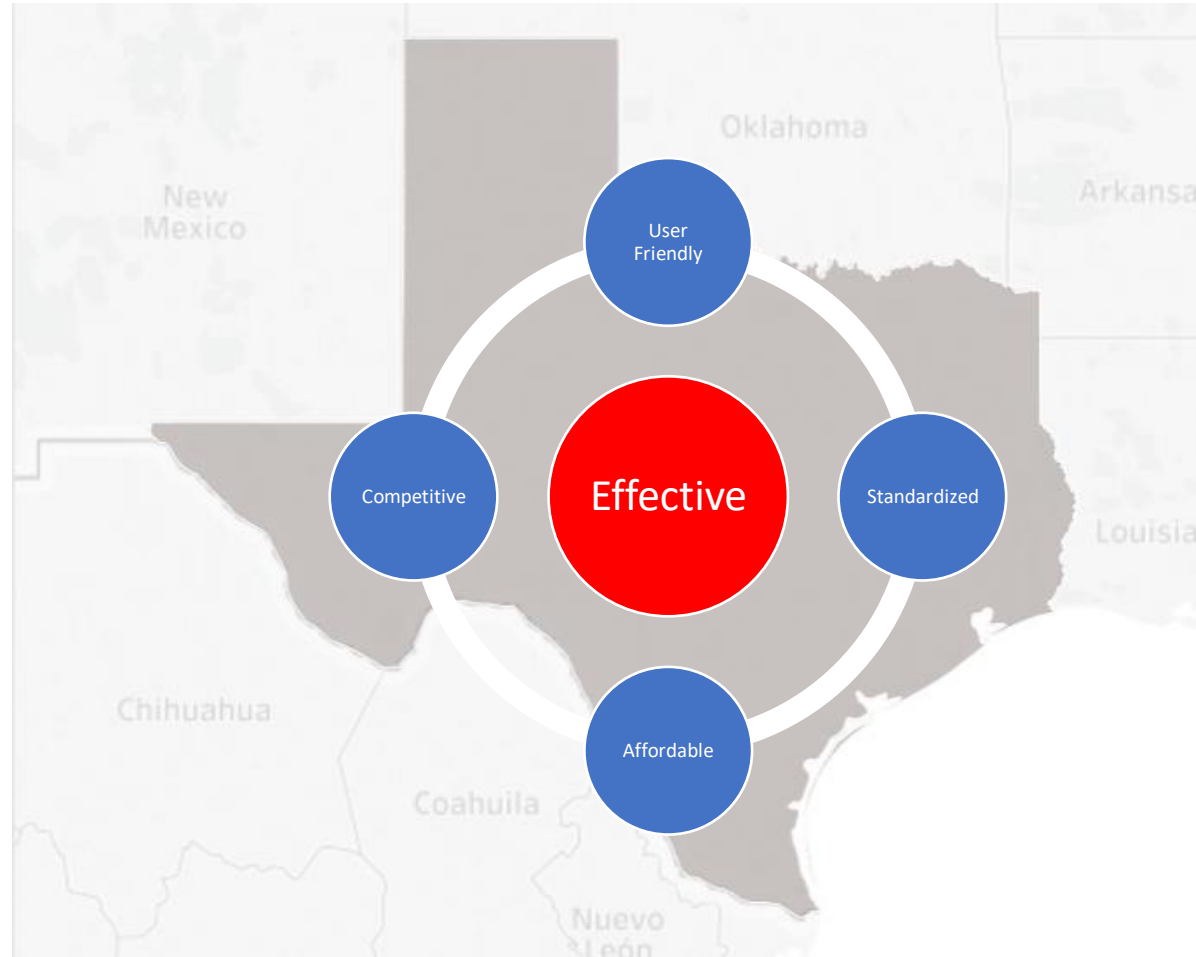
What is PACE?

Texas PACE History

Current Status



TEXAS DESIGN = TEXAS PACE



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TEXAS PACE HISTORY

- Keeping PACE in Texas -> Texas PACE Coalition
- 2013 – 83rd Session: SB 385; HB2654 -> PACE Act - Local Government Code Chapter 399
- PACE in a Box
- 2015 – 1st program adopted in Travis County
- 2017 – HB 2654 – Amends PACE Act relating to the personal liability of certain elected officials
- 2021 - \$150MM invested across Texas



PACE in a Box

- **Toolkit** for Texas municipalities and counties to create **uniform, user-friendly, scalable** and **sustainable** PACE programs throughout Texas.
- **Minimize local government administrative responsibilities** and **burden**.
- **Best practices, model documents** and **contracts**.



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PACE in a Box

Local Government Risk Avoidance

- **Financial –**
 - No tax dollars and TX-PACE poses no risk to a local treasury.
 - All PACE contracts acknowledge there is no recourse to the local government.
 - Government costs covered if foreclosure
- **Fiduciary –**
 - Best practices with consumer protection
 - Strong local stakeholder support



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AGENDA

What is PACE?
Texas PACE History
Current Status



TEXAS PACE LANDSCAPE

Counties

| | | |
|---------|-----------|--------------|
| Aransas | Fisher | Midland |
| Bastrop | Freestone | Milam |
| Bell | Fort Bend | Navarro |
| Bowie | Galveston | Nueces |
| Brazos | Guadalupe | San Patricio |
| Burnet | Harris | Tarrant |
| Cameron | Hardin | Tom Green |
| Comal | Hays | Travis |
| Dawson | Hidalgo | Washington |
| Denton | Jefferson | Wichita |
| Dickens | Medina | Willacy |
| | McLennan | Williamson |

Cities

| | | |
|--------------|----------------|-------------|
| Abilene | Dallas | Leon Valley |
| Amarillo | Eagle Pass | Panhandle |
| Balcones | Farmers | Poteet |
| Heights | Branch | Princeton |
| Boerne | Fredericksburg | Prosper |
| Borger | Freeport | Rockdale |
| Burleson | Hondo | San Antonio |
| Cameron | Houston | Snyder |
| Castle Hills | Jacinto City | |
| Corinth | Johnson City | |



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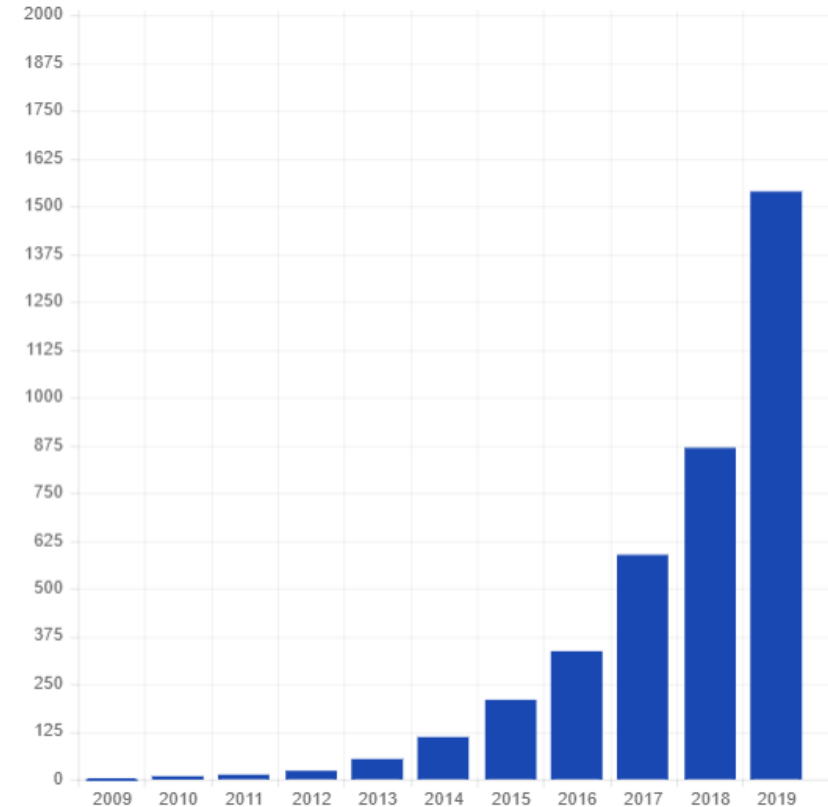
U.S. C-PACE MARKET

2, 560 commercial projects
\$2.074 million investment
24,000 jobs created

Project Types

- Energy efficiency 49%
- Renewable energy 23%
- Mixed 22%
- Resiliency 7%

CUMULATIVE C-PACE INVESTMENT, MM (2009-2019)



Source: <https://www.pacenation.org/pace-market-data/>

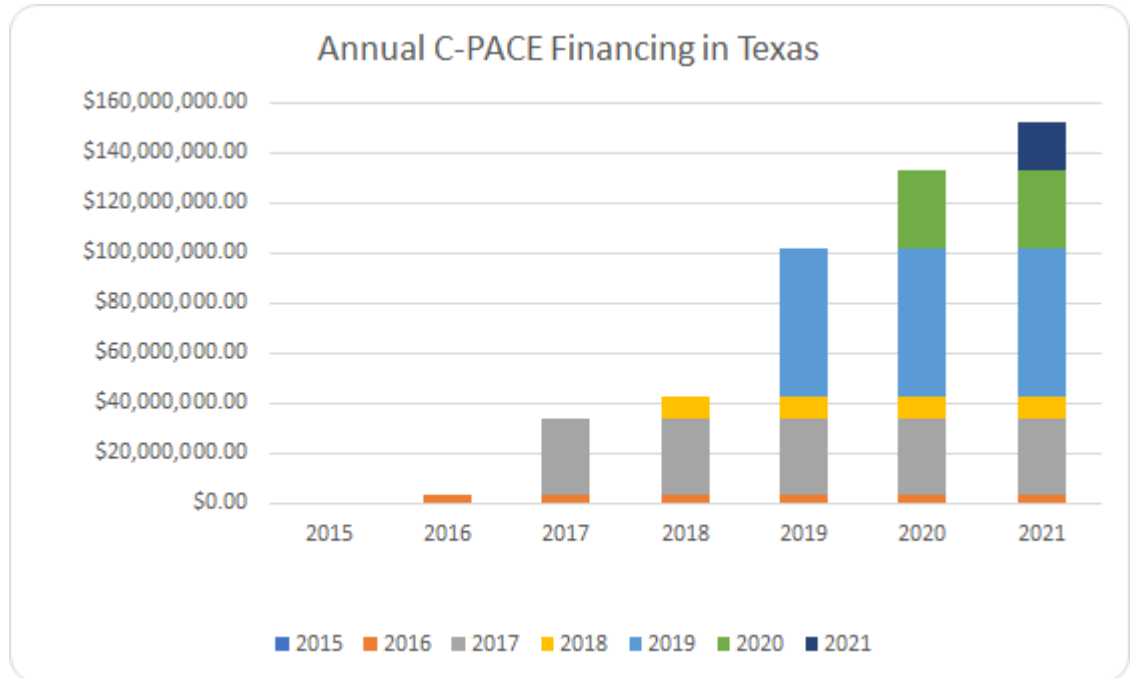


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TEXAS PACE MARKET

47 commercial projects
\$155 million investment
1,500 jobs created



Source: <https://www.texaspaceauthority.org/>



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THANK YOU



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