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Covington development is first new construction project in state to use PACE financing for energy- efficiency improvements

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Energize Kentucky works with developer, city to finance \$4 million in energy improvements at “Riverhaus” project in Mainstrasse



River Haus will be located at the southwest corner of Fifth and Main streets in Covington.

COVINGTON, Ky. (Aug. 22, 2017) — A new residential and commercial development project being built by Flaherty & Collins Properties at the southwest corner of Fifth and Main Streets in Covington's Mainstrasse neighborhood will be the first new construction project in Kentucky to use an Energy Project Assessment District (EPAD) to finance energy-efficiency improvements.

In 2015, the Kentucky General Assembly passed legislation that allowed local governments to establish EPAD districts to finance energy-efficiency improvements on commercial, industrial, and multi-family properties. These districts allow Property Assessed Clean Energy (PACE) financing to pay for the improvements.

Shortly after the EPAD law was enacted in 2015, the City of Covington became the first city in the state to create the special taxing district and the first to utilize the financing tool when it authorized \$750,000 in energy-efficiency

improvements to the Ivy Knoll Senior Retirement Community building on Highland Avenue in the city's Peaselburg neighborhood.

While property owners in Covington and other Kentucky cities have used PACE to finance energy improvements in existing structures, the Flaherty & Collins "RiverHaus" project in Covington is the first new-construction project in state to utilize this financing tool, said Chris Jones, director of Energize Kentucky, the PACE-financing program that the nonprofit Greater Cincinnati Energy Alliance operates in Kentucky.

"We are excited to plow new ground for PACE financing in Kentucky by participating in this exciting new construction development in Covington," Jones said. "PACE allows commercial property owners to finance energy-saving improvements with no down payment and the sole repayment is a voluntary special assessment that is added to the property's tax bill."

PACE financing will allow Flaherty & Collins to incorporate more than \$4 in million energy improvements and upgrades — such as energy-efficient windows, LED lighting, heating and cooling systems, programmable thermostats, and insulation upgrades for the wall and roofing systems — into the Riverhaus project, Jones said.

Deron Kintner, lead project developer for Flaherty & Collins, said “PACE financing is a great fit for us, as we always build our projects in a high-quality and environmentally friendly, efficient manner.”

The RiverHaus is a high-end, residential development that includes 187 one- and two-bedroom units, a 314-space parking garage, and retail commercial space on the ground floor. Demolition of the existing building on the site — the former First Federal Savings & Loan building — is expected to start soon and construction of the new project is expected to start this fall.

About Energize Kentucky

Energize Kentucky is a program available to commercial, industrial, and multi-family building owners and developers in Kentucky to provide them with access to low-cost, extended term capital to finance energy-efficiency and water-efficiency projects. Energize Kentucky is operated by the Greater Cincinnati Energy Alliance, a nonprofit organization whose mission is to promote energy efficiency in Kentucky and Ohio. For more information about Energize Kentucky and its Ohio counterpart, Ohio PACE, contact Chris Jones at cjones@greatercea.org or 513-621-4232.

