



**ENERGIZE  
KENTUCKY**

**PACE  
FINANCING**

## Efficient Financing for Building Efficiency



### What is PACE Financing?

PACE is a simple and effective way to finance energy efficiency and renewable energy building improvements. PACE can pay for qualifying improvements for almost any type of property including commercial, retail, industrial, nonprofit, and multi-family.

Property owners across the United States are using PACE because it saves them money and makes their buildings more valuable. PACE provides financing for 100% of an energy project's cost and is repaid for up to 25 years with a voluntary special assessment added to the property's tax bill.

### Why PACE Financing?

#### **No Down Payment**

PACE covers 100% of the hard and soft costs of an energy project eliminating the need for up-front capital.

#### **No Personal Guarantee**

PACE financing is "guaranteed" by the Special Assessment added to the property's tax bill, therefore, no personal or business guarantees are needed.

#### **Off Balance Sheet Treatment**

Because PACE financing is solely repaid via a Special Assessment added to the property's tax bill, "off balance sheet treatment" is recommended by some accountants because the repayment "runs with the land" and not the business.

#### **Fixed Rate / Fixed Payment**

PACE financing rates and terms are fixed for the life of the PACE loan.

#### **15-25 Year Term**

Repayment terms can be extended to match the useful life of the eligible improvement.

#### **Triple Net Lease Pass-through**

Because repayment of PACE funding is via a Special Assessment on the property's tax bill and is technically an increase in property taxes, the property owner can seamlessly share the PACE-financed improvement costs (and energy savings) with the tenant under some lease structures such as "triple nets".

### PACE Benefits for the Property Owner

No Down Payment  
No Personal Guarantee  
+ Off Balance Sheet Treatment

**Preserved Credit  
Lines & Freed Up  
Capital Budgets**

Energy Savings  
Low Fixed Payment  
+ Extended Term

**Increased  
Cash Flow  
& NOI**

Energy Savings  
Low Fixed Payment  
+ Triple Net Pass Through

**ZERO Net Cost  
to Property  
Owner**

