

THE STATE OF PACE

▼ 2019 IN REVIEW



2019 PACE WISCONSIN IMPACT REPORT

Creating jobs, increasing property values and improving sustainability in communities across the state.

Since 2017, PACE Wisconsin has given commercial property owners throughout Wisconsin a low-cost way to improve the energy efficiency and value of their facilities. We've seen impressive growth in the program since our first project closed in December 2017 and are excited to provide an overview of both 2019 highlights and overall program success.

2019 HIGHLIGHTS



16 PACE-funded transactions—double 2018 levels



\$21.3 M of direct investment—three times 2018 investment totals



Doubled statewide clean energy benefits over 2018 levels



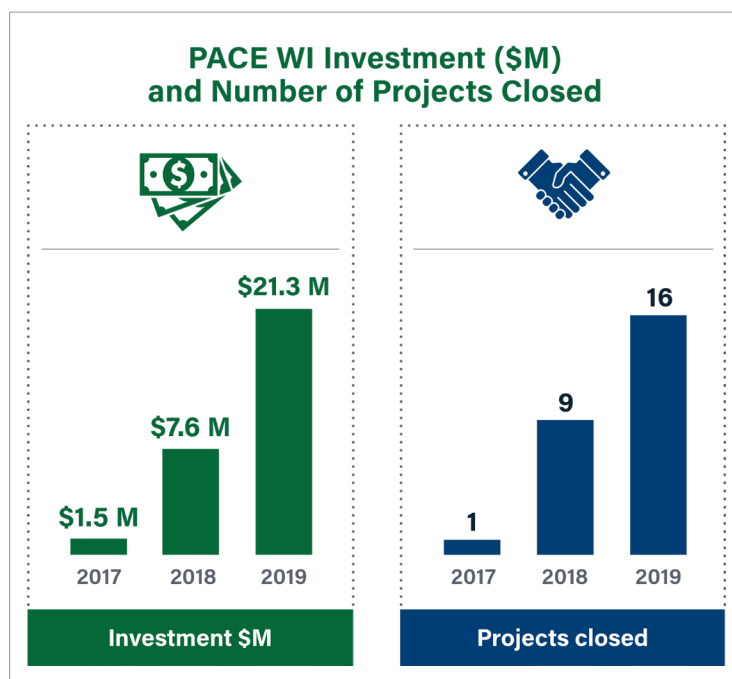
Increased water conservation benefits by five times 2018 levels



11 new counties joined the program

PROGRAM HIGHLIGHTS (DECEMBER 2017-2019)

- **\$30.4 M of direct investment;**
leveraged to create over \$250 M of total commercial value
- **26 projects funded**—including renovations, new construction, solar arrays and more
- **456 job equivalents created**
(both direct and indirect)
- **Collective savings** (for all participating counties):
 - 63,828 MMBtu in annual energy savings thanks to both energy efficiency and renewable energy production
 - 16.3 million gallons in annual water savings
- **45 participating counties**—representing over 85% of the state’s population
- **19 capital provider partnerships;**
10 providers have funded projects to date.
 - McFarland State Bank was the largest by number of transactions and total dollars funded (capital providers)
 - Other provider leaders were Greenworks Lending and Twain Financial Partners
- Half of all projects occurred in the hospitality property category. Other categories include: healthcare, industrial, mixed use, multifamily and office.



26
TRANSACTIONS
- EQUALS -
\$30.4 M
**OF DIRECT INVESTMENT
IN COMMERCIAL CLEAN
ENERGY IMPROVEMENTS**

COMPELLING PROGRAM GROWTH

Since our first Wisconsin funding closed in December 2017, PACE has financed 26 transactions for a combined \$30.4 M of direct investment in commercial clean energy improvements. We've seen strong year-over-year growth and anticipate the program will play a vital—and expanding—role in Wisconsin's economic development in the years to come.

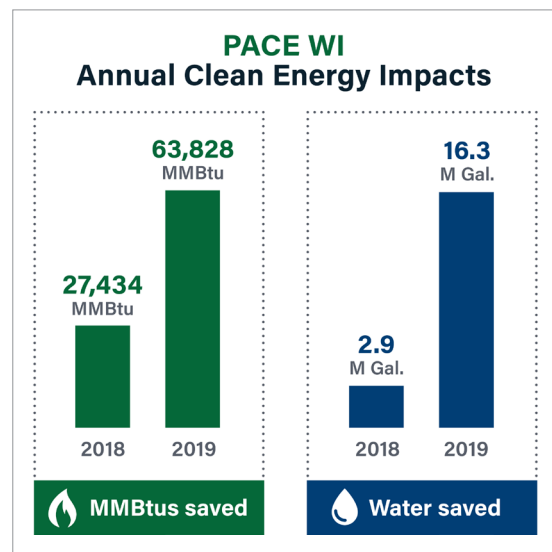
For more information visit: www.pacewi.org/projects

INVESTMENTS IN ENERGY EFFICIENCY SPUR ECONOMIC DEVELOPMENT

Although improved sustainability is at the heart of the PACE program, these investments also drove an array of broader economic benefits.

The \$30.4 million invested to date:

- Created the equivalent of **456 jobs** (both direct and indirect)
- Generated **over \$250 M** of total investment in commercial buildings and real estate in participating Wisconsin communities. Because PACE financing represents 5% to 20%+ of the total capitalization or value of a commercial building or development project, each program dollar creates additional benefits worth 12 times the original amount.





IMPROVEMENTS
GENERATING

**63,828
MMBTU**



FINANCING
GENERATING

**16.3 M
GALLONS**

ROBUST CLEAN ENERGY & WATER CONSERVATION SUPPORT

PACE-funded projects will generate substantial energy and water savings, with many of these benefits accruing annually for the life of the equipment, usually 20-25 years.

Electricity and natural gas savings.

Typical improvements in this area include both easy updates like efficient lighting, and more extensive ones like building controls, heating and cooling equipment and windows. In addition, three projects incorporated solar photovoltaic installations. Together, these improvements are generating 63,828 MMBtu in annual savings through improved equipment performance and reduced operation costs.

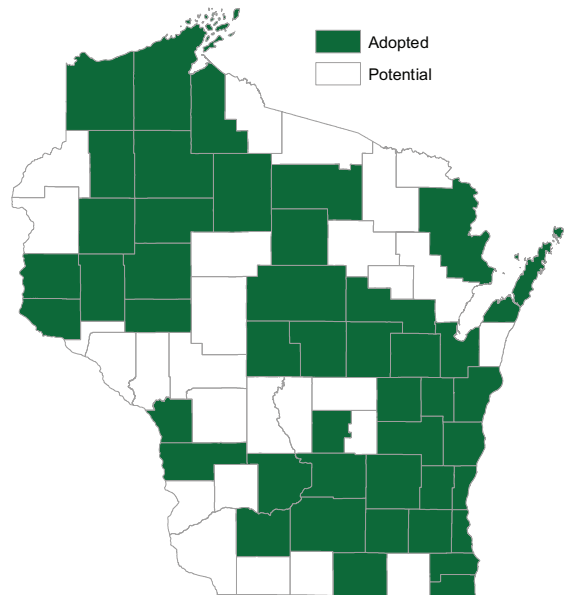
Water conservation benefits. By encouraging building owners to install low-flow fixtures, PACE financing generates an astounding 16.3 million gallons of water savings each year. Not only do these changes cut operating expenses, they also reduce demands on already strained municipal wastewater treatment and drinking water facilities in Wisconsin communities.

During 2019 alone, PACE Wisconsin doubled its contributions to statewide clean energy benefits and increased water conservation by five times.

STATEWIDE REACH

Since its formation in 2016, the PACE Wisconsin program has partnered with the League of Wisconsin Municipalities and the Wisconsin Counties Association to promote and support program outreach across the state. Thanks to these efforts, there are now 45 participating Wisconsin counties that collectively represent over 85% of the state's population. The program added 11 new county members in 2019.

Statewide benefit is a top program priority. The 26 PACE projects funded to date supported programs in 16 different counties, while the 16 PACE projects funded in 2019 were in 11 counties.



For more information visit: www.pacewi.org/participating-communities

A STRONG AND GROWING CAPITAL PROVIDER NETWORK

PACE Wisconsin relies on a diverse network of 19 qualified capital providers, made up of both local and national financial institutions and advisors. The number and variety of providers ensures property owners have access to an open and competitive financing market and that PACE Wisconsin has capacity to serve a wide range of businesses and property types. We anticipate adding providers to accommodate program growth.

To date, 10 providers have already funded transactions in the PACE

Wisconsin Program and are actively working on subsequent transactions. McFarland State Bank is the largest capital provider by number of transactions and total dollars funded. It's funded nine transactions, five of which were launched in 2019, with a total dollar value of \$10,063,500.00. The next two most active PACE capital providers are Greenworks Lending (\$3,157,469.00) and Twain Financial Partners (\$2,471,000.00).

For more information visit: www.pacewi.org/participating-pace-lenders

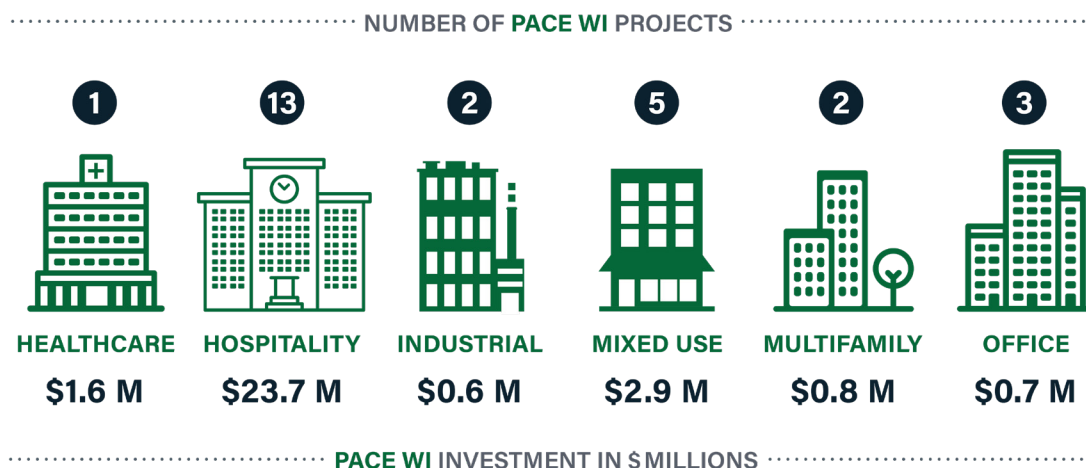
PACE PROJECT ACTIVITY

PACE Wisconsin has launched 26 projects across a range of property types. To date, half of all PACE projects have been in the hospitality sector. This is mostly due to the energy and water intensity of companies in this industry—making them a good target for improvements—and the capital structure of this asset class.

PACE Wisconsin is committed to expanding the range of real estate sectors and property ownership groups that benefit from C-PACE financing.

2019 Project highlights					
Project	Description	Amount Financed	City	County	Unique Attribute
Hotel Northland	Historic renovation	\$8.8 Million	Green Bay	Brown	Largest financing to date
Spooner Civic Center	Roof-top solar array	\$210,000	Spooner	Washburn	Largest solar array
Riverwood Eagle's Nest Assisted Living	New construction	\$1.6 Million	Wisconsin Dells	Columbia	First senior care facility
Avant Apartments	New construction multi-family	\$600,000	Appleton	Outagamie	First urban infill multifamily building

PACE WI Investment by Property Type



WHAT IS PACE WISCONSIN

PACE Wisconsin is a statewide Commercial Property Assessed Clean Energy (C-PACE) program. It currently operates in 45 Wisconsin counties that collectively represent over 85% of the state's population.

PACE Wisconsin drives economic development by authorizing participating local governments to work with private sector lenders to provide upfront financing for qualified energy efficiency, renewable energy and water conservation improvements on commercial properties.

Each participating county adopts a model ordinance and elects to join in the PACE Wisconsin Program, which offers a uniform, open-market financing solution. The financing is secured and enforced by a property tax assessment. PACE Wisconsin is represented by von Briesen & Roper and administered by Slipstream, a Wisconsin-based nonprofit corporation.

For more information visit www.pacewi.org

Board of Directors of PACE Wisconsin:
www.pacewi.org/board-of-directors

PACE Wisconsin partnership:
www.pacewi.org/the-partnership

WHAT IS C-PACE

C-PACE is an innovative public/private partnership that leverages private capital to offer property owners access to low-cost, long-term financing for energy efficiency, renewable energy, and water conservation improvements to commercial properties. Projects financed using C-PACE are non-recourse to the borrower and can generate positive cash flow upon completion. Because there are no up-front, out-of-pocket costs to property owners, C-PACE eliminates financial barriers that impede investments in clean energy improvements to new construction and existing buildings. Projects funded with C-PACE financing improve business profitability, boost property values, and drive community-wide clean energy benefits.

Could C-PACE financing be right for you?
Learn more today!