

PACE Program

Jeremy Druhot – Manager of
Programming and Projects

**Columbus-Franklin County
Finance Authority**





Overview of the Finance Authority

The Columbus-Franklin County Finance Authority is a public agency that provides creative and timely financing solutions for economic development projects in Central Ohio. We were established in 2006 by legislative action of the Columbus City Council and the Franklin County Board of Commissioners and are organized as a port authority under Ohio law.



Overview of the Finance Authority

- In partnering with economic developers, government entities and banks, the Finance Authority provides creative funding options for projects in the private, non-profit and public sectors. Our portfolio of projects includes:
 - Public improvement projects
 - Mixed-use properties
 - Capital leases
 - Energy efficiency improvements
- In business for over 10 years, the Finance Authority has facilitated more than \$2 billion in financing and has an A- bond fund rating from Standard & Poor's Rating Services for our Central Ohio Bond Fund



PACE Financing

Property Assessed Clean Energy (“PACE”) allows property owners to voluntarily make energy efficiency and alternative energy improvements and pay for them through a special assessment on the property.



Columbus-Franklin County Finance Authority

Financing the Future of the Columbus Region

Energy Financing Program

*In partnership with Franklin County's **Energy Works** program*

- Investment to date: over **\$20 million**
- Annual energy cost savings: over **\$1.4 million**
- Average utility bill reduction: over **32%**
- Utilizes PACE (Property Assessed Clean Energy)
- Up to **100% financing** of project, off balance sheet



Overview of the PACE Program

- Financing amount within Franklin County can be between \$200,000 to \$6 million or more. Per funding restrictions, projects outside of Franklin County must be at least \$2 million.
- Up to 100% financing of project costs
- Fixed, market rate financing up to 20 years or more



Eligible Improvements

Measurement

- **Retrofit:** improvements that reduce energy consumption of building
- **New build:** improvements that are more efficient than building code

Examples

- Lighting
- HVAC
- Roofing
- Windows and insulation
- Solar
- EV Charging



Benefits of PACE

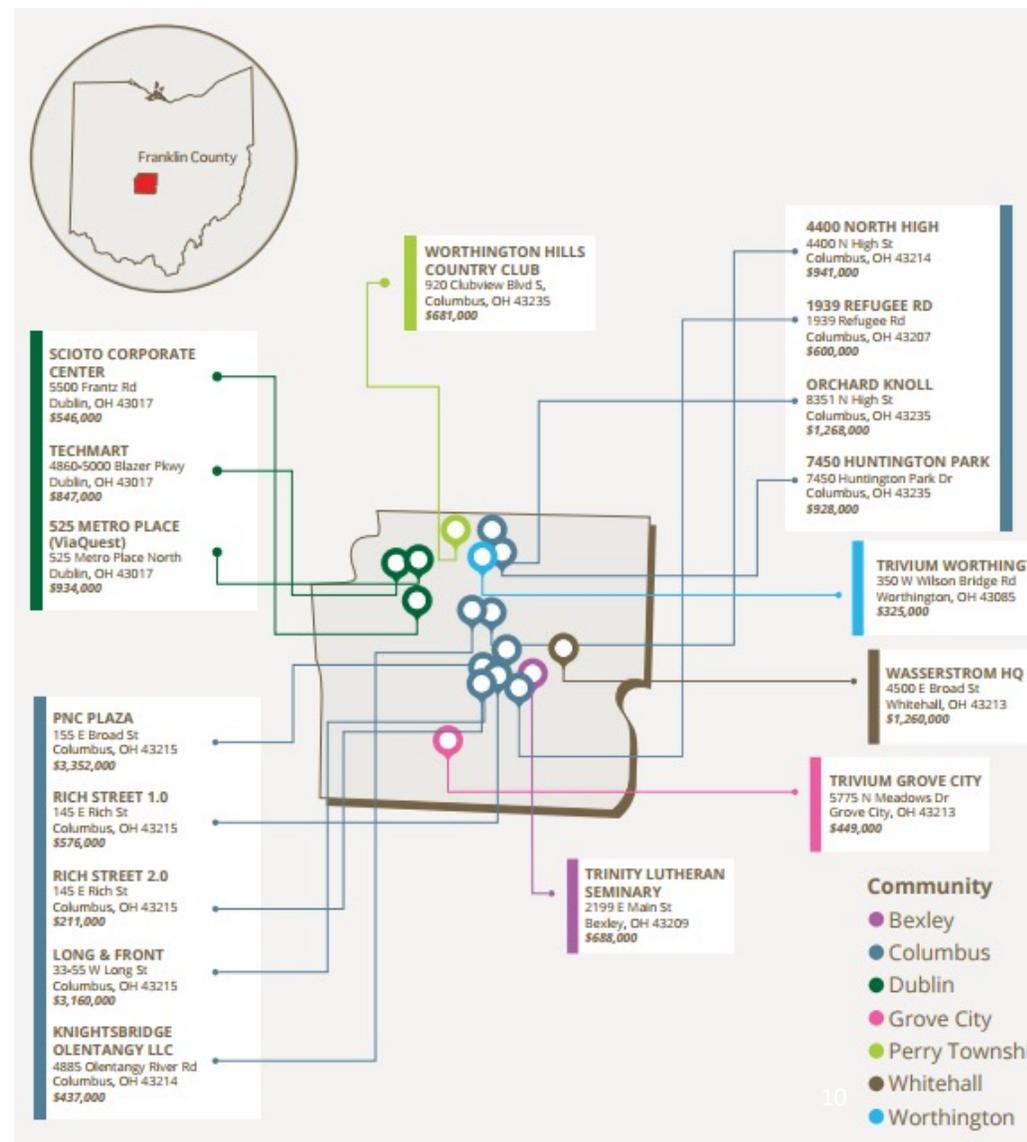
- Financing is tied to the property, not to the property owner
- Off-balance sheet financing
- No upfront cash required. 100% of the cost of improvement is provided including evaluation and design, equipment, labor, and professional fees
- Reduction of operating budget expense
- Energy and maintenance savings can pay for the improvements
- Improvements can be made quickly when needed
- Vehicle for local governments to modernize their available commercial properties



Energy Special Improvement District (ESID)

- ESIDs are special improvement districts that are necessary in order to financing any PACE project
- They can be formed by a municipality, township, or a collection of adjoining communities. They are governed by a common non-profit corporation. Locally, this is the Columbus Regional Energy Special Improvement District
- While more communities can join, the Columbus Regional ESID is currently comprised of Columbus, Worthington, Dublin, Whitehall, Hilliard, Perry Township, Grove City, and Bexley

Energy Loans Closed

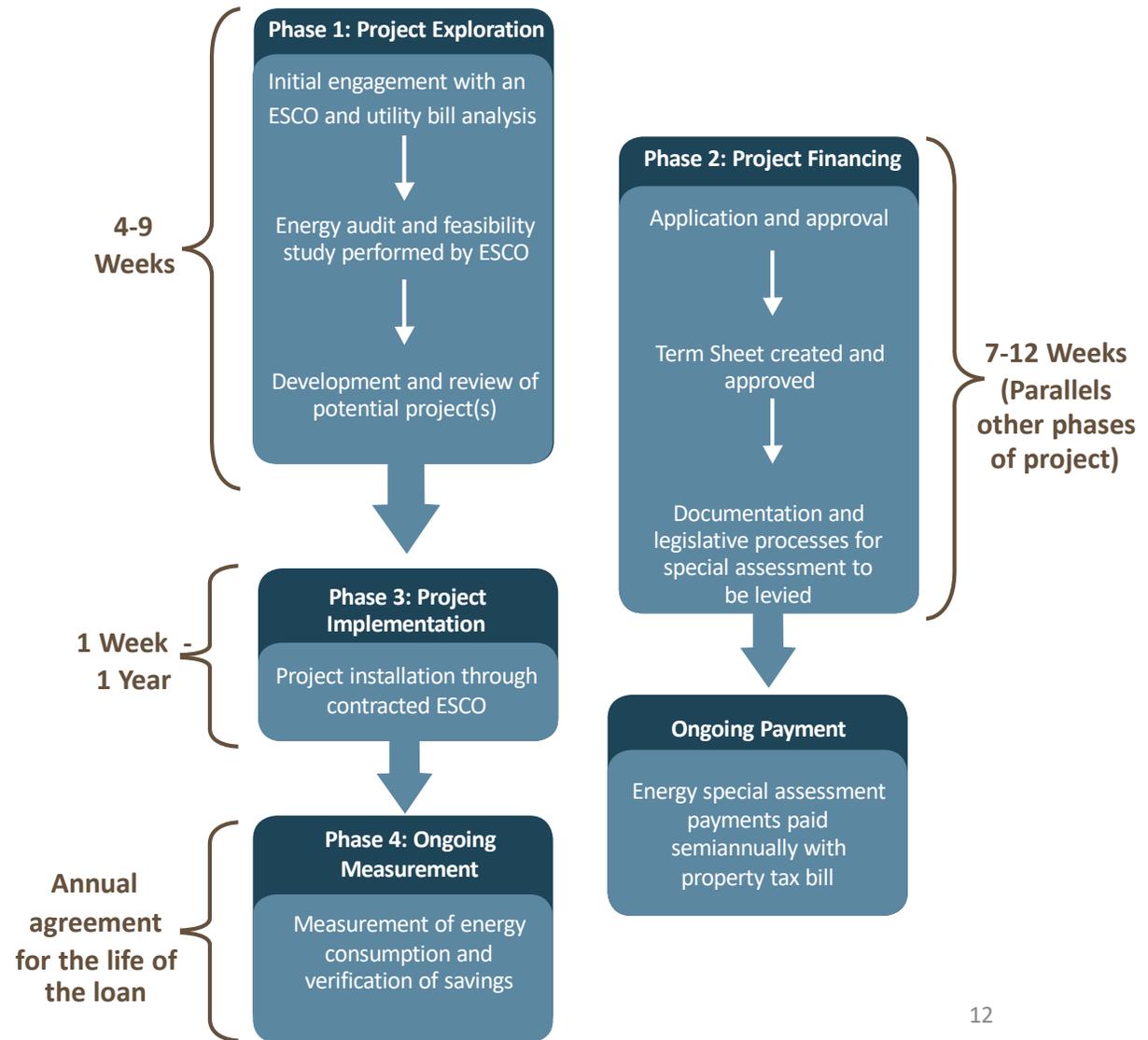




What role does local government play in the ESID and PACE?

- City councils levy PACE special assessments through legislative action
- As a property owner pays for PACE financing through their property tax bill, the funds are rerouted to the Finance Authority
- As a PACE transaction is finalized, the PACE project's parcel joins the ESID. The jurisdiction's executive and legislative arms each elect one representative to the ESID (this can be the same person)

Estimated Project Process and Timeline





PNC Plaza

Retrofit

- **Financing:** \$3.3 million
- **Energy Savings:** \$187,000 annually
- **Upgrades:** Lighting, roofing, domestic water supply pumps, energy controls





Trivium Development

Tim Spencer



Trivium Worthington

- **Financing:** \$325,000
- **Savings:** \$37,000 annually
- **Upgrades:** Lighting, HVAC







Trivium Grove City

New build construction

- **Financing:** \$448,500
- **Energy Savings:** \$59,000 annually
- **Upgrades:** Building automation system, domestic hot water heater, roofing, walls, windows, LED lighting, HVAC





Franklin County Finance Authority



Residential PACE

Mayor Ben Kessler



Residential PACE



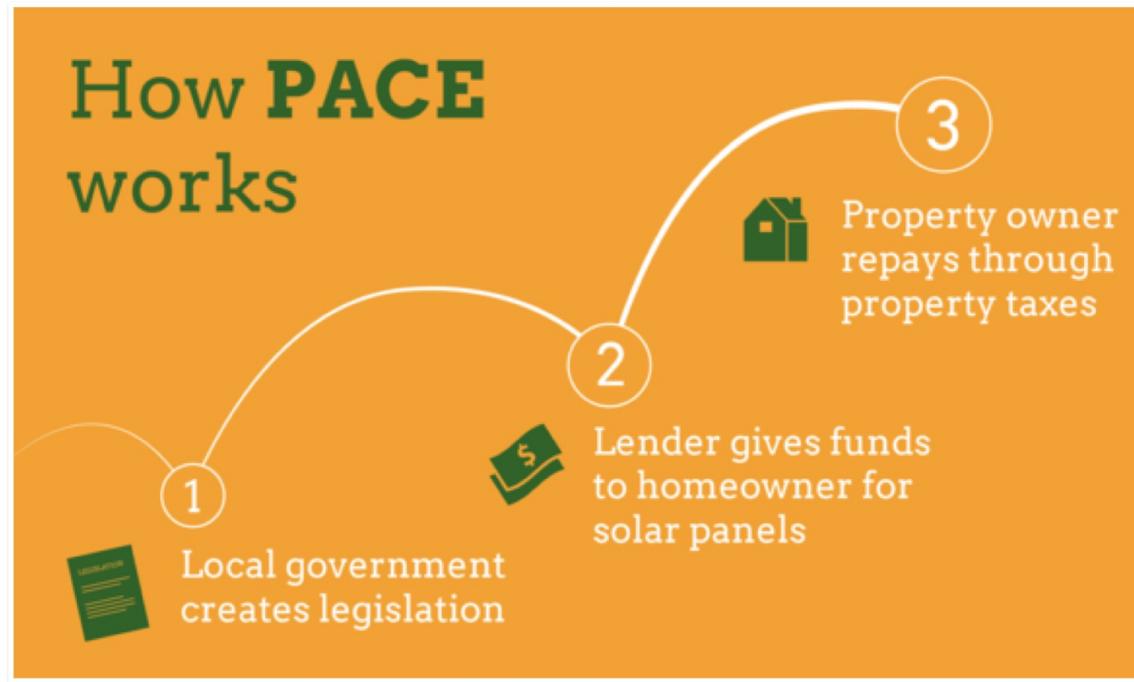
- In collaboration with port authorities, municipalities, and ESIDs across the state, R-PACE will soon be available for private residences
- Estimated for availability in the first half of 2020, municipalities can opt in to allow their residents to take advantage of Residential PACE
- One initial lender: Renovate America. More lenders may enter the market as the program develops
- Bexley began laying Residential PACE groundwork for their residents in 2018 through updating zoning codes, joining the ESID, and streamlining the PACE approval process
- Other central Ohio cities that have since either enabled R-PACE or are in the process of doing so include the City of Columbus and Hilliard



Residential PACE



**Renovate
America®**





Residential PACE



R-PACE can fund a variety of energy efficiency improvements in the home



Solar



Heating & Cooling



Windows & Doors



Roofing



Residential PACE



Potential advantages of R-PACE over non-collateralized options currently in the market:

- No upfront costs
- Lower interest rates
- Interest may be tax deductible
- Fixed rates for up to 25 year terms



Residential PACE



For more information on Residential PACE, you can reach out to:

John Caleb Bell, Bricker & Eckler
jbell@bricker.com

Dustin Reilich, Vice President – Market Development
dreilich@renovateamerica.com



Thank you

Jeremy Druhot

Manager of Programming and Projects

O: 614-429-0438

C: 419-591-6640

jdruhot@columbusfinance.org

<http://www.columbusfinance.org>