



TEXAS ★ PACE
AUTHORITY

2018 Annual Report

TEXAS PACE AUTHORITY

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I. EXECUTIVE SUMMARY

Texas PACE Authority (TPA) submits this 2018 annual report as the nonprofit authorized representative of the twenty-three local governments with established commercial, industrial, and multifamily Property Assessed Clean Energy (TX-PACE) programs served by TPA.

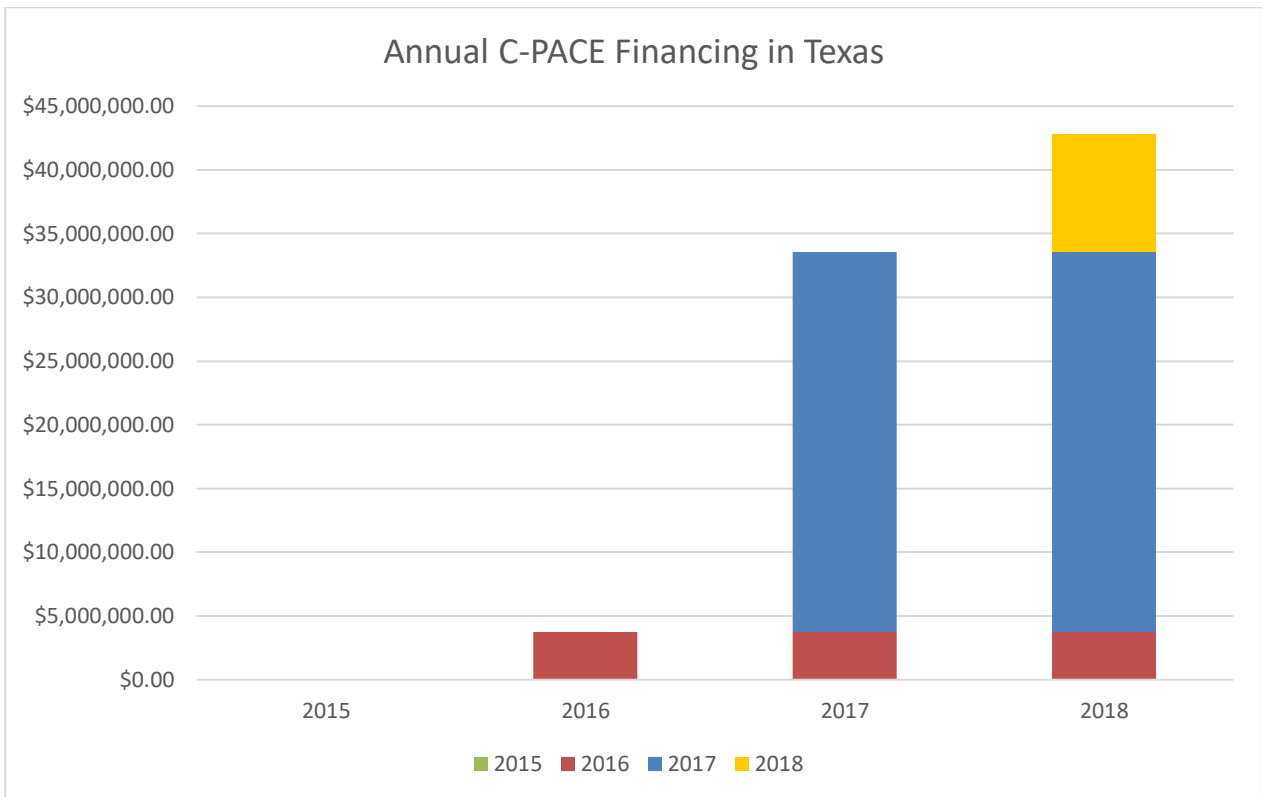
Highlights

In 2018, five PACE projects resulted in new investment in Texas of \$9,227,000, making the total PACE investment in Texas property to \$42,765,000. Project sizes in 2018 ranged from \$74,000 to \$6,448,000.

- 40% of the 2018 TX-PACE projects improved the property of minority-owned businesses
- Texas' first Latino PACE project, also the smallest PACE project in Texas – \$74,000, occurred in the southern portion of the City of Dallas (Dallas' first retail PACE project)
- Spanish translations of the TPA Program Guide and Keeping PACE in Texas' Technical Standards Manual are available with the help of the Texas Commission on Environmental Quality (TCEQ)
- A rural PACE project in Bastrop County was the first Texas PACE project to also benefit from a USDA REAP grant, demonstrating the flexibility of PACE to complement other sources of capital
- A Texas Attorney General Opinion that the Texas PACE Act establishes an assessment on property satisfies a US Housing and Urban Development's key requirement for consenting to affordable housing PACE projects
- 60% of the 2018 PACE projects received consent from mortgagees
- The non-exclusive list of knowledgeable capital providers increased from 5 to 12
- Texas community banks make up 25% of the Texas PACE capital providers participating on the non-exclusive TPA Capital Provider list
- The first local bank funded PACE project occurred in Bastrop County
- TPA's new property owner workshops, focus on post-Hurricane Harvey education and outreach, efforts to promote rural PACE, and efforts to promote PACE along the border all served to make more Texas organizations aware of the TX-PACE program
- City of Amarillo closed its first PACE project (historic office building conversion to hotel)
- El Paso County closed its first PACE project (mall)

- Travis County closed its first minority-owned business PACE project (Travis County's first office building)

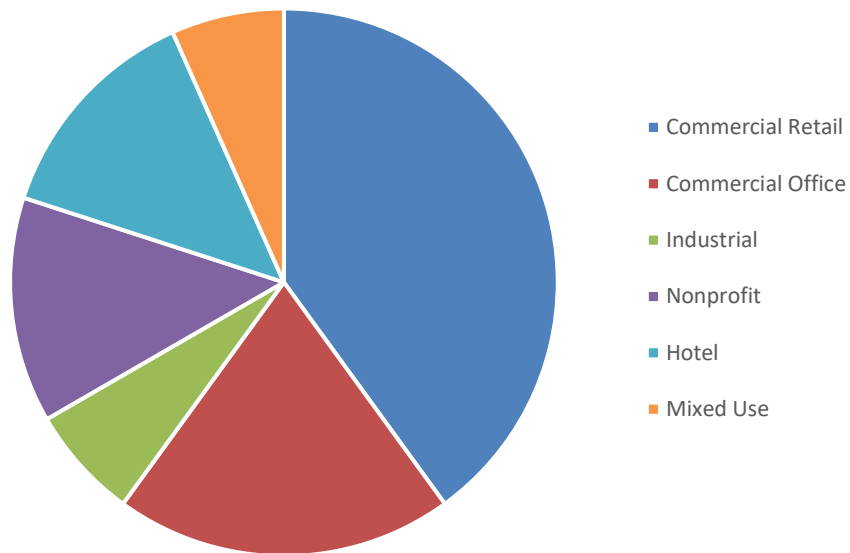
The number of PACE regions increased to twenty-three as six new local PACE regions were established: Bastrop County, McLennan County, Jacinto City, Johnson City, City of Rockdale and Town of Prosper. These PACE regions bring the uniform TX-PACE program to over 43% of the Texas population.



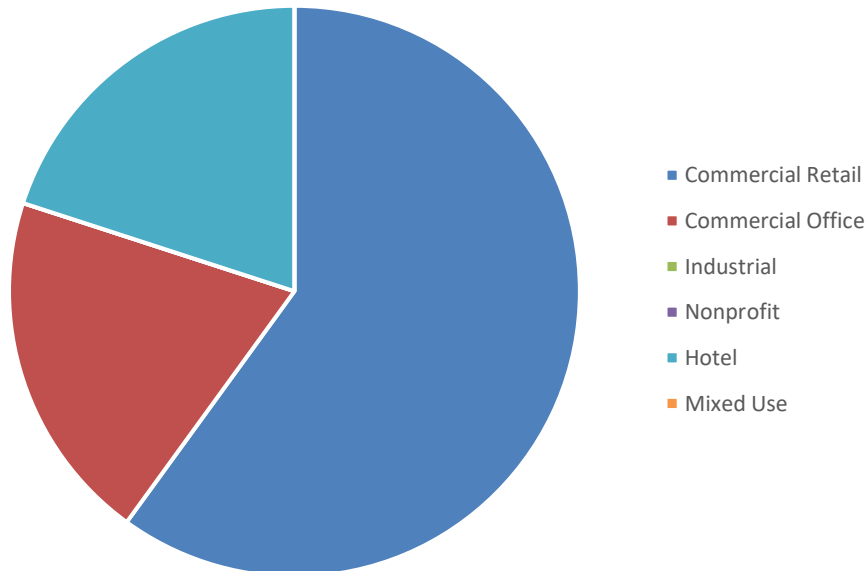
Annual number of PACE Project completions:

- 2016 – 5
- 2017 – 7
- 2018 – 5

2016-2018 - Cumulative Total Projects by Property Type
(# of projects)



2018 Total Projects by Property Type
(# of projects)



The first TX-PACE program established by Travis County in March 2015 is now joined by 14 other counties and 8 municipalities by the end of 2018. Combined, these uniform programs reach over 43% of the Texas population. Each selected Texas PACE Authority, a nonprofit, to administer the TX-PACE programs as a public service. The local governments that chose to establish the public service-oriented TX-PACE program with best practices to achieve the maximum amount of economic and environmental benefit for their communities are:

Counties: Bastrop*, Brazos, Cameron, El Paso, Fort Bend, Hays, Hidalgo, Jefferson, McLennan*, Navarro, Nueces, Tarrant, Travis, Willacy and Williamson counties; and

Cities: Amarillo, Dallas, Farmers Branch, Houston, Jacinto City*, Johnson City*, Town of Prosper*, and Rockdale*

*Adopted the PACE in a Box model program in 2018

Texas PACE Authority continues to build a growing PACE network among capital providers, engineers, architects, contractors, property owners and managers, local lenders, and other stakeholders. As anticipated, the start-up of TX-PACE programs using the uniform, user-friendly, sustainable, and scalable PACE in a Box model continues to require herculean outreach, education, and patience. The investment in this model created for Texans by Texans is beginning to show economic and environmental benefits for the communities establishing the program.

The commitment of these local governments to the fundamental principles of the PACE in a Box model enable the TX-PACE program to grow uniformly and improve. These Texas jurisdictions' patience and appreciation for the multi-year effort necessary to build a comprehensive, transparent public service model program provide the time necessary to achieve the goals of the program. This foundation enables TPA to serve large and small property owners with best practices, and to allow for the development of the high-volume, low cost business model that will bring about economic and environmental results for these communities. There is no short cut to these desired outcomes.

Thus, it is with great appreciation for the trust and commitment of these local governments that enabled the significant success in the laying of the foundation for the TX-PACE programs in 2018.

Education and training remained a main focus for 2018. TPA took a multifaceted approach. Workshops for property owners were well-attended. Contractors continue to learn a new way to serve customers, providing a financial solution in an industry that is often accustomed to quick-turn, cash projects. Capital providers continue to learn new processes, requirements, and paperwork; and ultimately, property owners had to learn the opportunity was available. Local lenders continue to learn about TX-PACE as they are asked to grant consent to PACE projects and are beginning to offer PACE financing to their customers. TPA's commitment to the education and training necessary to build the foundation of knowledgeable stakeholders is evidenced by the 2018 projects of varying sizes and markets. Growth in the number of participating stakeholders (capital providers, engineers, architects, property managers, local economic development officials, PACE consultants, etc.) is resulting in an increased number of projects in pipelines throughout Texas PACE regions. Specific focus in 2018 included:

- PACE as a recovery and resiliency tool for organizations recovering from Hurricane Harvey and interested in making property more resilient for future storms and unexpected loss of power
- PACE for agricultural properties and rural communities
- Property owner workshops highlighting property owners and managers of successful PACE projects as relevant examples of this new economic and environmental tool
- PACE for border communities

TPA continued its efforts to increase access to TX-PACE in underserved communities and small businesses through education, outreach, and Spanish translation of key documents.



2018 was another year marked by hard work, continued foundation building, and program growth. This long-term approach and investment will pay significant dividends in the PACE regions throughout the state in 2019 as property owners continue to learn about and take advantage of the program where TX-PACE continues to spread in a uniform manner.

The value and success of the PACE in a Box program goals continued to be evidenced in 2018, but face challenges:

- Uniform: All local governments establishing TX-PACE and selecting TPA as authorized representative have uniform programs. The result has benefited property owners in these areas. For example, Simon Property Group completed 6 PACE projects on malls in Austin, Cedar Park, El Paso, Houston, Round Rock, and San Marcos using uniform documents with one lender. They plan to close several additional mall projects in 2019.

Since the creation of the PACE in a Box model, every state across the country establishing a commercial PACE program has fostered the single-administrator model in order to realize the benefits of program uniformity. This would not be possible without the long-term commitment of Texas local governments to the building of the PACE in a Box infrastructure. In contrast, California and Florida have multiple administrators operating in the same jurisdictions with differing programs, processes, and documents. PACE in a Box was intentionally designed to avoid this byzantine system with limited competition. Uniformity will in turn promote investor confidence in project performance and returns, ultimately enabling local banks to become PACE capital providers and unlocking true scalability with PACE financing. However, two Texas counties selected a different path and now Texas has three sets of PACE documents, challenging the core principles of the PACE in a Box model and wrestling away the intended benefits of a uniform program.

PACE in a Box authorized representatives behave as an extension of the local government and do not profit from the market they oversee. The authorized representative must act with the highest ethics and transparency, refraining directly or indirectly from self-dealing, conflicts of interest, favoritism, or other behaviors that bring into question the quality of program and project oversight. TPA is fully committed to ethics and transparency; it believes there must be a firewall between the authorized representative and the free market competition in project development. TPA acts as

“Switzerland” in its interactions with market competitors – treating market stakeholders fairly and objectively.

- **User-friendly:** The ability to work with uniform documents and one process reduces project transaction costs and administrative overhead. A singular user-friendly program is a significant advantage to local governments and all participants. The program is designed to foster economic and environmental benefits with best practices, consumer protection, minimal impact to local government, and complete transparency. Texas PACE Authority provides uncompromised oversight and does not compete with or in the marketplace it is designed to oversee. Instead, TPA serves the local government, provides education, outreach, and training and is committed to ensuring that TX-PACE is available to all local businesses and organizations regardless of size. This model enables TPA to focus on underserved communities, affordable housing, border communities and other important sectors. The PACE in a Box model was designed to avoid the conflict of interest evidenced in early adopter programs where the government-selected, vertically integrated administrator-lenders cherry-pick the most exclusive projects, charge many hidden fees, have different documents and processes, and play favorites among lenders and other competitors in the marketplace.

Texas PACE Authority has among the lowest administrative rates in the nation and does not charge additional undisclosed, non-administration fees. TPA’s fiscal sustainability plan is based on high project volume at low cost and has committed to lower its rates once the program is self-sufficient based on volume. Other states allow administrator-lenders to charge many additional types of fees besides administrative fees for services regardless of whether the property owners require those services or prefer to obtain those services in the marketplace. Some administrator-lenders require the property owners to use their capital provider(s) or pay even more fees to use their own capital providers in order to participate in that program.

- **Sustainable:** TPA provides only those services required of the local government so that the property owner has the ability to control the project and participating parties, and to negotiate the best possible PACE project. This enables the PACE in a Box program administration to reflect a small government role with best practices while affording the highest amount of free market flexibility for the property owners.
- **Scalable:** The ability of Texas PACE Authority to use one overhead to serve 23 local governments (and counting) significantly reduces costs by avoiding unnecessary duplication of services. This scalability enables TPA to control costs and to eventually lower fees. The use of uniform process and documents furthers TPA’s efficiency and effectiveness throughout the state. TPA offers training programs throughout the state on a regular basis. Once contractors, capital providers, architects, property managers and other stakeholders understand their local program, that knowledge base can be applied to all other TX-PACE programs. Texas state-wide uniformity has significant value for businesses and other organizations with property and service providers with customers throughout the state of Texas and for all other Texas PACE stakeholders.

The collaborative effort to develop the PACE in a Box model throughout Texas was generously supported by the Meadows Foundation, the Rockefeller Brothers Fund and the Environmental Defense Fund. The State Energy Conservation Office (SECO) and the Meadows Foundation provided additional funding to other

nonprofit organizations to provide TX-PACE education and outreach to local governments. The Mitchell Foundation provided a \$50,000 grant to the Houston Advanced Research Center (HARC) to establish a tool for recording the environmental benefits of TX-PACE projects. This financial support enabled the significant TX-PACE work without requiring expenditures from the local governments establishing TX-PACE programs and demonstrates significant support for and investment in the TX-PACE model program.

In 2018, Texas PACE Authority received a \$95,000 grant from the Meadows Foundation and a \$50,000 grant from the Rockefeller Brothers Fund for administrative expenses. The Texas Commission on Environmental Quality (TCEQ) granted TPA a \$25,000 grant to promote TX-PACE along the Texas – Mexico border. SECO made grants to Houston Advanced Research Center (HARC) and South-central Partnership for Energy Efficiency as a Resource (SPEER) for PACE in a Box local education and outreach.



II. PROGRAM AND PROJECT GROWTH IN 2018

Local Governments with PACE in a Box Model Programs

Fifteen counties and eight municipalities have established PACE in a Box model programs. Combined, these uniform programs reach 43% of the Texas population.

The following jurisdictions have adopted the PACE in a Box model program:



Amarillo, City of, September 5, 2017
Bastrop County, September 24, 2018
Brazos County, October 18, 2016
Cameron County, January 12, 2016*
Dallas, City of, May 11, 2016
El Paso County, August 29, 2016
Farmers Branch, City of, December 12, 2017
Fort Bend County, September 6, 2016
Hays County, January 17, 2017
Hidalgo County, November 22, 2016*
Houston, City of, November 4, 2015
Jacinto City, November 8, 2018
Jefferson County, March 20, 2017
Johnson City, October 23, 2018
McLennan County, November 6, 2018
Town of Prosper, October 23, 2018
Navarro County, August 14, 2017
Nueces County, December 14, 2016
Rockdale, City of, July 9, 2018
Tarrant County, November 21, 2017
Travis County, March 24, 2015
Willacy County, January 14, 2016*
Williamson County, April 5, 2016

*The Lower Rio Grande Valley Development Council (LRGVDC) has an interlocal agreement with the three counties in the regional council of government to participate in a single PACE program administered for the LRGVDC by Texas PACE Authority.

Local governments are encouraged to access information regarding the TX-PACE program on the SECO website. *How to Create a TX-PACE Region: A Guide for Local Government*, identifies barriers and recommendations to overcoming obstacles, as well as outlining regional program creation best practices; <https://comptroller.texas.gov/programs/seco/funding/pace.php>.

Two companion webinars, TX-PACE: An overview for local government officials; <https://vimeo.com/250351065/868cdc5e25> and How to establish a TX-PACE Program; <https://vimeo.com/250351396/25d7ccd6e2> are available for on-demand viewing on the State Energy Conservation Office website. These materials were created by the Houston Advanced Research Center (HARC) with a grant from SECO.

Completed Projects in 2018



In 2018 a total of 5 PACE projects were completed for a total investment in Texas of \$9,277,000. Project sizes ranged from \$74,000 to \$6.4 million, demonstrating that the PACE in a Box model can support projects of all sizes. Projects occurred in urban, rural and mid-sized cities.

PACE financing was provided for the following projects in 2018:

January 2018 – El Paso County - retail

Cielo Vista Mall, \$2.3 million (HVAC and LED lighting with controls)

July 2018 – Travis County - office

First minority-owned business PACE project in Travis County, Softex Headquarters, \$291,000 (HVAC, roof, Solar PV, thermostats)

October 2018 – Dallas, City of – retail/repair

First Latino project and smallest project – Dallas Paint and Body, \$74,000 (Solar PV and LED lighting)

December 2018 – Bastrop County - retail

First local bank funded PACE project, First project paired with a USDA REAP Grant, Elgin General Store, \$120,000 (Solar PV)

December 2018 – Amarillo, City of - hotel

Barfield, \$6.4 million (HVAC, windows, roof, insulation, LED lighting, water heating, and water efficiency)

A broad spectrum of project measures is reflected in these projects:

Energy Efficiency:

Interior and exterior LED lighting, HVAC, cool roof, building controls, Smart Glass, water heating efficiencies and insulation

Water Efficiency:

A variety of water conserving plumbing fixtures.

Distributed Generation:

Solar PV

On average, the PACE projects completed in 2018 have reduced energy use and operating costs for targeted Energy Conservation Measures (ECMs) by:

Electricity: 57%

Water: 40%

Natural gas: 79%

| Property Name | 2018 Savings | | |
|----------------|-------------------------|-------------------|-------------------------|
| | Electricity Consumption | Water Consumption | Natural Gas Consumption |
| Elgin | 26% | | |
| Barfield | 73% | 60% | 79% |
| Dallas P&B | 92% | | |
| Softex | 47% | | |
| Cielo Vista | 48% | 20% | |
| Average | 57% | 40% | 79% |

PACE in a Box Updates

One of the benefits of a large collaborative process of stakeholders is the ability to receive feedback and guidance on best practices. In July 2018, PACE in a Box working groups issued additional guidance regarding the appropriate role and behavior of the authorized representative: **ROLE OF THE ADMINISTRATOR OF A PACE IN A BOX PROGRAM ADDITIONAL GUIDANCE (July 20, 2018)**. From its inception, TPA's behavior is consistent with the guidance and TPA commits to continuing to adhere to this guidance.

The guidance can be found in the [Keeping PACE in Texas Document Library](#) and would not be possible without the large stakeholder group and the continued commitment of so many volunteers to the PACE in a Box model program.



III.COMMUNITY OUTREACH

Community Engagement

Texas PACE Authority continues to be committed to community outreach. In 2018, the following engagement was completed for the communities we serve:

- 33 statewide outreach presentations and conferences
- 83 local engagement presentations and outreach meetings
- 4 webinars
- 4 national outreach presentations and conferences
- 2 publications
- Numerous individual company and project specific meetings that are not included for respect of privacy

Outlined in Appendix A is a more detailed list of the outreach events completed by geography.

Property Owner and Manager Workshops – In 2018, TPA engaged in a new format for outreach and education focusing on panels consisting of participants in successful PACE projects reaching out to their colleagues to explain the benefits of successful and relevant case studies. These programs have been well received, and TPA plans to replicate this format.

Service Provider Training Workshops – These workshops are focused on training contractors, engineers, architects, property managers and others to understand how PACE can help finance their energy and water saving improvement projects:

- Amarillo - January 24, 2018
- Austin – Travis County, April 3, 2018
- Houston - April 10, 2018
- Arlington – Tarrant County, August 28, 2018
- El Paso – Eco El Paso Training Workshop, October 24, 2018
- El Paso – El Paso County, December 5, 2018

PACE Webinars - TPA leadership presented in the following webinars in 2018:

- Department of Energy, Better Buildings Challenge Resiliency Webinar, presentation – February 6, 2018
- Cushman Wakefield Webinar, presentation – August 20, 2018
- Developing and Funding Green, USGBC, ICP & TPA Webinar, presentation – August 23, 2018
- IREM Picking up the PACE: Property Assessed Clean Energy Financing Webinar, presentation – September 18, 2018

Servant Leadership

Affordable Housing

Given the growth of population in Texas, maintaining the existing stock of multifamily affordable housing is critical. Aging structures and increasing utility costs threaten both the quality and affordability of these properties. PACE can improve both challenges, and TPA is committed to making PACE a genuinely useful tool in multifamily housing and to navigating the unique challenges in the affordable multifamily sector.

On January 17, 2017, the US Department of Housing and Urban Development (HUD) issued guidelines for obtaining HUD and Federal Housing Authority (FHA) consent for multifamily properties wishing to utilize PACE financing.

TPA is grateful to the Williamson County District Attorney's Office for requesting an opinion from the Texas Attorney General. The [Attorney General's opinion](#), stating that the Texas PACE Act creates an assessment on property is one of the requirements for receiving HUD approval. With this opinion, TPA is working to qualify its uniform program with HUD and the FHA.

A TPA study of using PACE for affordable housing resulted in a white paper, <http://www.texaspaceauthority.org/Documents/PACE-for-Affordable-Housing.pdf?dl=0> and a webinar, <https://www.youtube.com/watch?v=j4i7DIYul4I&t=30s>.

Post-Hurricane Harvey Recovery and Resiliency Efforts

As owners across the state are searching for financial solutions to make their properties more resilient and fix properties damaged by Hurricane Harvey, TPA worked with local governments to help communicate Texas PACE as an effective recovery and resiliency tool. Communities across the state are preparing for future extreme weather events and TPA has responded by posting information on its website, presenting to local government officials, chambers and economic development groups and reaching out to previously impacted communities and organizations such as FEMA and Texas A&M Agrilife Extension Service to learn how we might best engage and share information about the program.

The Texas PACE program is a viable resiliency as well as storm damage replacement financial tool as it can be used to upgrade energy efficiency, water conservation and install distributed generation systems. Many of these upgrades not only save energy or water, but can also make not only the property, but also the community, more resilient and disaster-proof. A flyer providing information on the use of the PACE program as a recovery and resiliency tool was prepared and posted on local government websites.

- Beaumont: Hurricane Harvey Community Forum, presentation – April 16, 2018
- Rosenberg: Harvey Community Forum, presentation – April 17, 2018

Industrial Sector Outreach

TPA is honored to be part of the Texas Industrial Energy Efficiency Network (TIEEN) organized by the [Texas Industries of the Future](#) and made up of SECO grantees. TIEEN collaborates on outreach and education regarding energy and water efficiency to the industrial sector. The group meets quarterly to coordinate efforts and share best practices and industry information.

[Targeted outreach to educate the industrial community](#) about the PACE program is an emphasis for Texas PACE Authority. Through the [Industrial Ambassador Network](#), subject matter experts have collaborated with TPA to develop tools and resources targeted to the specific needs of this vertical market.

Meeting the needs of underserved communities

With the help of TCEQ, the TPA Program Guide and Technical Standards manual is now available in Spanish, https://www.texaspaceauthority.org/wp-content/uploads/Program-Guide-Version-3.0-SPANISH_2018-12-02.pdf. TPA is pleased to have closed the first Latino project in the southern portion of the City of Dallas. This project is also the smallest PACE project to date, evidencing the ability of the TX-PACE program to assist small businesses. For more information about the Dallas Paint and Body project, see: https://www.texaspaceauthority.org/wp-content/uploads/CS_Dallas-Paint-Body-2019-01-15.pdf

Meeting the needs of underserved communities is a TPA core objective. TX-PACE can help owners within these communities access private, affordable financing to make updating property and lowering operating expenses a reality. As indicated above, TX-PACE can also be used to upgrade multifamily housing. Projects providing energy and water savings for landlords and tenants help address the shortage of affordable housing across many parts of the state. TX-PACE enables property owners to make much needed building upgrades while keeping lease rates and utility costs reasonable. These updated structures can become catalysts for thoughtful investment within the community.

Outreach, training, and education are essential to creating and sustaining community partnerships. Through collaboration with community development partners, Texas PACE Authority is providing leadership, data, support, tools, and resources along with program orientation and service provider trainings to property owners, managers, industry organizations and the industry professionals who update the buildings (contractors, architects, engineers, etc.) in the regions it serves. Service provider training workshops will continue to build capacity and foster economic growth as the TX-PACE program retrofits create additional demand for local jobs that will not need to be outsourced.

TX-PACE Along the Border

TPA administers PACE programs on each end of the Texas-Mexican border: El Paso County to the west and Cameron, Hidalgo, and Willacy Counties on the south east end of the border with Mexico. With a grant from TCEQ, TPA is hosting training and outreach efforts in these PACE regions. Several PACE lenders are working with the North American Development Bank to access funding for PACE projects within 62 miles of the Texas-Mexico border.

Agricultural Sector

The Gulf Coast agricultural sector was severely damaged by Hurricane Harvey and subsequent flooding. TPA reached out to these sectors and will continue to build ties and connections leading to presentations and collaborative efforts in the coming years to farmers, ranchers, and food processors throughout the state. TPA will focus on tools that will reduce costs and result in water and energy efficiency for this critical economic sector in Texas in collaboration with the Texas A&M AgriLife Extension and the USDA. The 2018 Elgin General Store PACE project also received a \$68,000 USDA Rural Energy for America Program (REAP) grant, demonstrating that the TX-PACE program can be paired with other resources targeted to help rural and agriculture organizations decrease operating costs by becoming more energy efficient.

- TX A&M AgriLife Extension, Beef Economic Seminar, presentation, Winnie – January 8, 2018
- Texas A&M AgriLife Extension, Fort Bend Regional Vegetable Conference, presentation, Rosenberg – February 8, 2018
- Texas Department Of Agriculture, Economic Development Office, presentation – February 14, 2018
- Texas Tribune, Future of Rural Texas Summit, booth – November 12 – 13, 2018

National Impact

The PACE in a Box model is being copied in other states, and TPA is increasingly asked to participate in efforts to improve and standardize commercial and industrial PACE best practices. TPA leadership participated in a PACENation Summit panel titled PACE Administration Models in March 2018, regarding the PACE in a Box model programs in Texas.

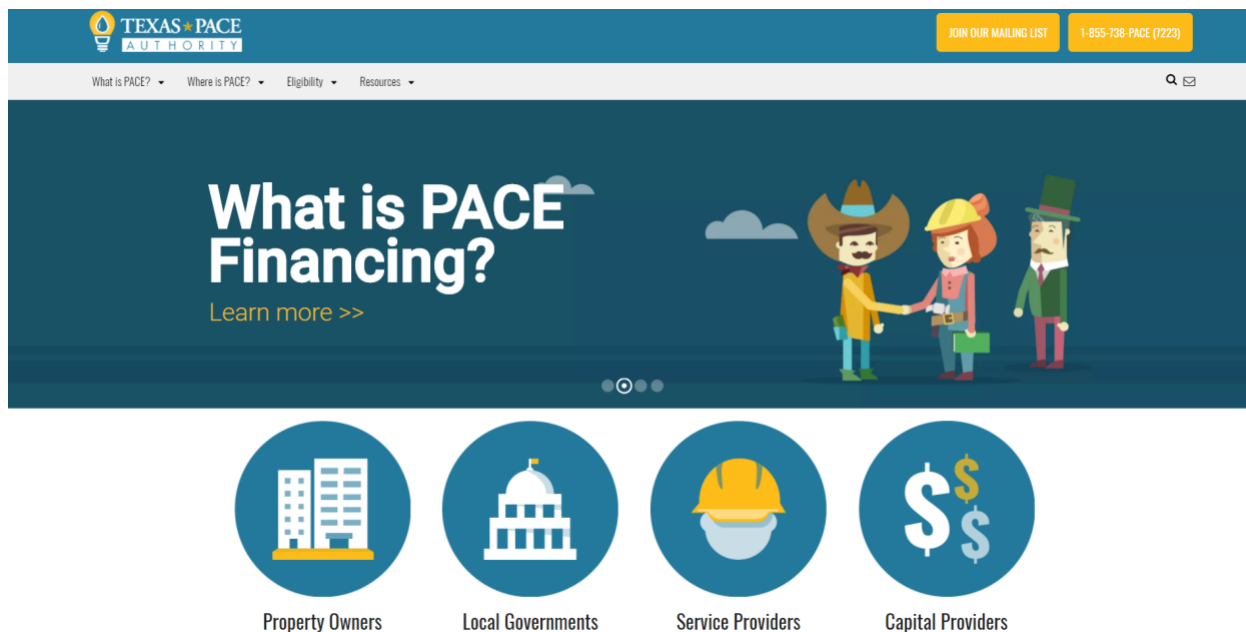
At a US House of Representatives Climate Solutions Caucus Workshop in June 2018 at the US Capitol, Charlene Heydinger presented the TX-PACE program to Members of Congress and stakeholders from several states.

On December 3, 2018, Charlene Heydinger met in Pierre, South Dakota with representatives of the South Dakota Governor's Economic Development office and representatives from the banking, utility, and environmental communities to provide background and information on the TX-PACE program and the Texas PACE Act.

Throughout 2018, input from TPA was requested by organizations developing commercial PACE programs in Illinois, New Jersey, New York City, and Virginia. TPA participates on monthly conference calls with PACENation and with open market commercial PACE program administrators from other states to exchange best practices.

TPA is a Market Partner in the Department of Energy's C-PACE Working Group. The City of Dallas is also a member. <https://www.energy.gov/eere/slsc/commercial-pace-working-group>.

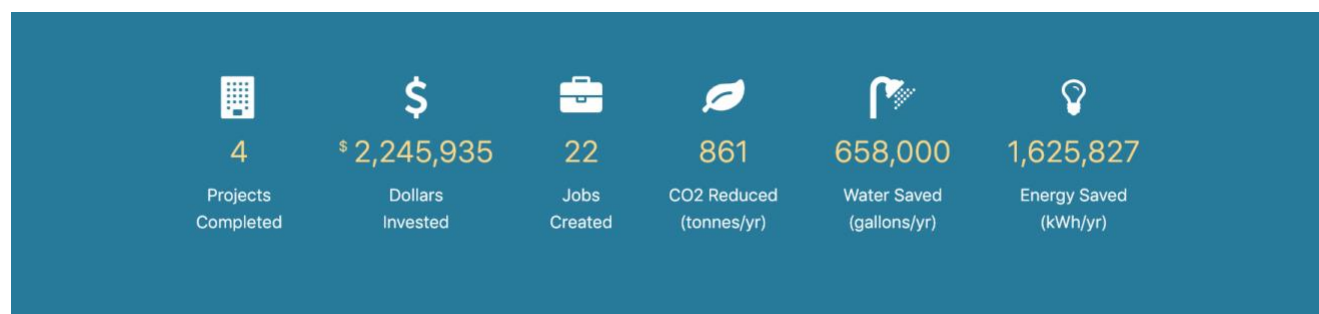
Program Website and Database



TPA continues to develop a more user-friendly and organized website by improving the appearance, effectiveness, and streamlining the availability of stakeholder resources and the application process. Texas PACE Authority's website hosts hundreds of unique visitors each month.

(<http://www.texaspaceauthority.org/>).

The website includes a local program page for each county and municipality highlighting the benefits of PACE projects to that community: <https://www.texaspaceauthority.org/service-areas>. In programs with completed projects, the website displays the cumulative number of projects completed, total local PACE investment, jobs created (using DoE formula), tonnes of Co2 reduced annually, kilowatts of energy saved annually, and gallons of water saved annually. This example is from the Travis County PACE page on the TPA website:



TPA is establishing content and will be reaching out to each local government to make these pages and corresponding pages on the local government's website more informative and helpful.

Eligibility Assessment Tool

An eligibility assessment tool on the TPA website allows prospective stakeholders to quickly vet project eligibility. Using this tool, the contractor or owner answers a series of basic questions about the property, project, and owner, and receives instant feedback on whether the project is likely to be eligible for PACE financing.

(<http://www.texaspaceauthority.org/eligibility/eligibility-check/>)

Calculator

Texas Pace Authority has developed a PACE project pro formula model to quickly demonstrate the benefits of a PACE loan to property owners by comparing the impact of benefits of PACE financing with self-funding and traditional loan financing. This model allows a user to take project inputs (namely, cost and savings assumptions) and prepare a consolidated financial report for presentation to the property owner. One must be able to accurately produce such a report in order to properly evaluate a project. In addition, this tool helps contractors and project developers present projects using metrics that property owners want to see. It is also used to demonstrate the benefits of PACE financing to a mortgage holder.

(<http://calculator.texaspaceauthority.org/>)

| Project Inputs | |
|---------------------------|-----------|
| Project Cost | \$1100000 |
| Annual Savings | \$125000 |
| Cap Rate (Discount Rate) | 5% |
| PACE Loans Inputs | |
| Term (years) | 20 |
| PACE Interest Rate | 6.5% |
| Conventional Loan Inputs | |
| Loan Term (years) | 5 |
| Loan Interest Rate | 4% |
| Down Payment | 20% |
| Self-Funded Inputs | |
| Include Opportunity Cost? | no |
| Opportunity Cost | 3% |

| Summary of Results | | | |
|------------------------------------|-------------|-------------------|-------------|
| | Self-Funded | Conventional Loan | PACE |
| Out-of-Pocket Investment | (\$1100000) | (\$220000) | \$0 |
| Average Annual Savings | \$125000 | \$125000 | \$125000 |
| Annual Payment | \$0 | (\$247090) | (\$99832) |
| Cash Flow Impact Year 1 | (\$975000) | (\$342090) | \$25168 |
| Net Project Cash Flow Year 2 | (\$850000) | (\$464180) | \$50336 |
| Years to Positive Project Cashflow | 8.8 | 11.64 | IMMEDIATE |
| Debt Service Over Finance Term | \$0 | (\$1235449) | (\$1996641) |
| 10-Year Project NPV | (\$134783) | (\$324553) | \$194340 |
| 20-Year NPV | \$457776 | \$268007 | \$313648 |

Marketing Plan

TPA informs and engages the market about the PACE program based on the marketing strategies outlined in Section 5 of [PACE in a Box](#). Texas PACE Authority has a promotional video:

<https://www.youtube.com/watch?v=1zybcEAWYoQ&t=5s>.



<https://www.youtube.com/watch?v=5gnN72buvw4>

Logo:



Building Outreach Infrastructure

TPA continues to build community awareness of the TX-PACE program and establish a complete local TX-PACE community – one that includes all the necessary participants to provide property owners with competitive choices for each of the services necessary to establish a successful PACE project. This ongoing effort to build outreach infrastructure is a necessary first and ongoing step in the education, outreach, and marketing effort to establish a vibrant PACE community and a positive, efficient, user-friendly experience for property owners interested in the PACE program.

TPA continues the ongoing outreach and education to the stakeholders necessary to serve property owners interested in utilizing the Texas PACE program. Capital providers, mortgagees, project originators and others working to provide the necessary capital for TX-PACE improvements need to be familiar with and understand the program in order to serve the property owners and prospective property owners interested in utilizing TX-PACE. Contractors, architects, engineers, manufacturers of energy and water saving equipment and their service organizations need to know about the program and understand the underwriting and technical requirements, so they can advise property owners on how to put together a successful PACE project in an efficient manner.

Flyers

Texas PACE Authority currently has six general flyers for market use:

- Commercial: <https://www.texaspaceauthority.org/wp-content/uploads/Commercial-Flyer.pdf>;

- Industrial: <https://www.texaspaceauthority.org/wp-content/uploads/Industrial-Flyer.pdf>;
- Nonprofit: <http://www.texaspaceauthority.org/wp-content/uploads/NonProfit-Flyer-17-03-24.pdf>;
- TX-PACE For Local Governments: <https://www.texaspaceauthority.org/wp-content/uploads/Public-Sector-Flyer-092617.pdf>
- TX-PACE For the Business Community: <https://www.texaspaceauthority.org/wp-content/uploads/Private-Sector-092617.pdf>
- TX-PACE for Recovery/Resiliency: https://www.texaspaceauthority.org/wp-content/uploads/Texas-PACE-Program-Provides-Businesses-another-Tool-for-Disaster-Recovery_final.pdf

Case Studies

Successful projects are superb advertisements for the PACE program. To help distribute information about these successful projects, TPA has created the following case studies that are available on the resources page of the website: <https://www.texaspaceauthority.org/resources/case-studies-marketing>:

Commercial:

[Butler Brothers Building, City of Dallas](#) (First mixed-use project, first use of PACE in a capital stack at purchase)

[1225 N Loop, Houston](#) (First office building)

[Dallas Paint and Body](#) (First Latino, small business)

Industrial:

[R.J. Liebe Athletic Lettering Company, Navarro County](#) (First industrial project)

Nonprofit:

[Congregation Beth Israel, Travis County](#) (First PACE project in Texas, nonprofit), and [video case study](#)

[Family Eldercare, Travis County](#) (First solar project, nonprofit)

Project case studies are created on an ongoing basis as projects close.

Social Media

TPA uses WordPress to effectively connect with target market and online community. Information and content are shared via Twitter, Facebook, and a TPA website blog. TPA is leveraging LinkedIn to engage business professionals who primarily use one form of social media. Measures are in place to increase traffic to website and social media sites.

Constant Contact Email Distribution List and Blasts

More than 5,000 people receive emails from Texas PACE Authority. In 2018, subscribers received 23 email blasts that included updates about new programs, project closings, TPA's trainings and workshops, as well as industry news and events.

Stakeholder Inquiries

The complexities of PACE for the various stakeholders created a need for an accessible repository of Frequently Asked Questions. The 65 questions listed on the TPA website are broken into categories to apply to property owners, service providers, capital providers, and local governments.

<https://www.texaspaceauthority.org/resources/faqs>.

A toll-free number was established to encourage inquiries: 1-855-738-PACE (7223). In addition, stakeholders are able to submit email inquiries by using the 'Contact Us' webpage link to the TPA Administrator account: admin@texaspaceauthority.org.

Technical Standards Manual

TPA uses a Technical Standards Manual which was designed by one of the PACE in a Box stakeholder working groups, chaired by Dub Taylor, Director of the State of Texas Energy Conservation Office. It relies primarily on the Investor Confidence Project (ICP) Energy Performance Protocols (EPP) for standard and large commercial facilities contributing to the ICP nationwide effort to standardize the technical review of energy efficiency. The manual is a key component of the TPA Program Guide and service provider training. [The Program Guide and Technical Standards Manual](#) have been updated to include additional guidance from the PACE in a Box working groups as it becomes available.

The Program Guide and Technical Standards Manual are now available in Spanish. TPA is grateful to TCEQ for its assistance.

A dark blue banner with white text and yellow buttons. The text reads "Program Guide & Technical Standards" in a large, bold font. Below it, in a smaller font, is "Now Available In English & Spanish". To the right of the text are two yellow buttons with black text: "ENGLISH >" and "SPANISH >". There are also small white cloud icons in the background.

Program Guide & Technical Standards

Now Available In English & Spanish

ENGLISH >

SPANISH >

Helping Property Owners Identify PACE Capital Providers

The following link provides a list of interested and qualified capital providers to enable property owners to easily identify potential sources of private third-party financing. Texas PACE Authority neither recommends

nor endorses any particular PACE capital provider. Under the TPA's open market model, property owners are free to use financing of their choice. Thus, this directory is by no means an exclusive list of available capital providers. It is provided solely for convenience in consolidating a list of PACE capital providers. <http://www.texaspaceauthority.org/home/capital-provider-list>

The non-exclusive list of capital providers doubled in 2018, and 25% of the capital providers are Texas community banks. These capital providers are competing robustly for PACE projects of all sizes throughout Texas.



Service Provider Training

The Texas PACE Authority's service provider training sessions are designed to inform contractors, capital providers, and other stakeholders about the financial intricacies of PACE and introduce them to a suite of tools, resources, and reports designed to generate owner enthusiasm for a specific project. The traditional contractor focus is on quick payback projects. This is a result of property owner requirements that projects meet a two to three-year simple payback. Energy and water efficiency projects rarely meet this requirement without PACE.

Few, if any contractors have the existing knowledge, experience, and tools to fully integrate the compelling reasons to use PACE financing in a business proposal. To address this problem, TPA regularly conducts service provider training sessions throughout the state. Continued outreach, education, training, tools, and ongoing support services to both the energy efficiency (EE) and distributed generation (DG), e.g. solar photovoltaic contractor and water efficiency contractor, communities are critical.

Training workshops were conducted in the following Texas PACE regions in 2018:

- Amarillo - January 24, 2018
- Austin – Travis County, April 3, 2018
- Houston - April 10, 2018
- Arlington – Tarrant County, August 28, 2018
- El Paso – Eco El Paso Training Workshop, October 24, 2018
- El Paso – El Paso County, December 5, 2018

The service provider training sessions usually run about 4-5 hours and typically include a meal or snack and a spiral bound PACE Program Guide and Technical Standards Manual. A rotating panel of PACE capital providers participates in the service provider training sessions.

The sessions typically cover in-depth PACE topics, such as:

- Introduction to PACE ("How to Market PACE")
- Overview of steps in a PACE Project
- Available Energy and Solar Rebates and Commercial Incentives
- Available Water Commercial Rebates
- Technical Standards as part of a PACE Project
- The Role of the Independent Reviewer

- Financial Modeling: PACE Project Report
- PACE Network and Project Development
- Current ICP Protocol and its use in PACE

Helping Property Owners Identify PACE Service Providers

Texas PACE Authority partnered with the US Green Building Council's (USGBC) Texas Green Building Marketplace (TGBM) to develop a directory of PACE service providers, including contractors, attorneys, engineers, capital providers, and other PACE stakeholders. Participants of TPA's service provider training workshops are eligible to be listed on the PACE page:

<http://texasgreenbuildingmarketplace.org/listing/guide/pace-related>. TPA is planning to provide similar information on the TPA website in 2019.

TPA is collecting best practices from other states to determine alternative means for helping property owners identify PACE knowledgeable service providers.

Quality Assurance and Antifraud Measures

TPA reviews each PACE application for completeness and supporting documents through independent review and verification procedures. TPA uses checklists and a legal review of required documents supplied by the capital provider to ensure that all statutory and PACE in a Box best practices are satisfied. The application and required documents identify and supply the information necessary to ensure that the property owner, the property itself, and the proposed project all satisfy PACE program underwriting and technical standard requirements.

TPA also reviews the report submitted by an independent third-party reviewer (ITPR), who must be a registered professional engineer, before the project can proceed. The report confirms that the energy and water savings baseline and projected savings are in compliance with the Technical Standards Manual. The ITPR performs an initial site visit, and then issues a report and a letter certifying that he or she has no financial interest in the project and is an independent reviewer. After the construction of the project is complete, an ITPR conducts a final site inspection and determines whether the project was properly installed and operating as intended. The reviewer's certification for this 2nd review also includes a statement that the reviewer is qualified and has no financial interest in the project.



IV. APPLICATION & APPROVAL PROCESS

The Texas Pace Authority application form is based on the PACE in a Box model application form. Upon invitation (after pre-application review) from Texas PACE Authority, property owners and capital providers can use the website to submit applications. This platform provides a confidential forum for the submission and review of required materials. Texas PACE Authority reviews the forms for completeness and notifies applicants of any missing information. When applications are complete, Texas PACE Authority makes a preliminary determination of eligibility explained in the process below and informs owners whether, subject to verification of all requirements at closing, the information submitted indicates that the proposed project meets all program requirements. TPA then performs closing verification reviews and schedules assessment transaction closings when all requirements are met.

Technical Standards

Texas PACE Authority:

- Requires independent third-party reviewer verification (ITPR), according to the PACE in a Box Technical Standards Manual and the PACE statute;
 - Requires ITPR verification of the property's baseline and expected energy or water savings resulting from a project, according to the PACE in a Box Technical Standards Manual; and
 - Requires ITPR verification that each project was properly completed and is operating as intended;
- Assumes an oversight role over the ITPR on each project. Texas PACE Authority is available to discuss the technical standards that apply and provide insight into how a project should be reviewed. TPA reviews the findings of each ITPR to verify that a project meets technical standards and that the ITPR has no financial or personal connection to the project under review; and
- Performs closing verification reviews and schedules assessment transaction closings when all requirements are met.

Financial Underwriting Standards

Texas PACE Authority certifies:

- A preliminary determination of eligibility when applications are complete and issues preliminary letters to owners and capital providers indicating whether, subject to verification of all requirements at closing, the information submitted indicates that the proposed project meets program requirements;
- The capital provider has determined, based on appropriate underwriting factors, that the owner has demonstrated the financial ability to repay financial obligations through PACE assessments; and
- The qualification of each approved project for PACE financing to the property owner and capital provider.

Legal Standards

Texas PACE Authority:

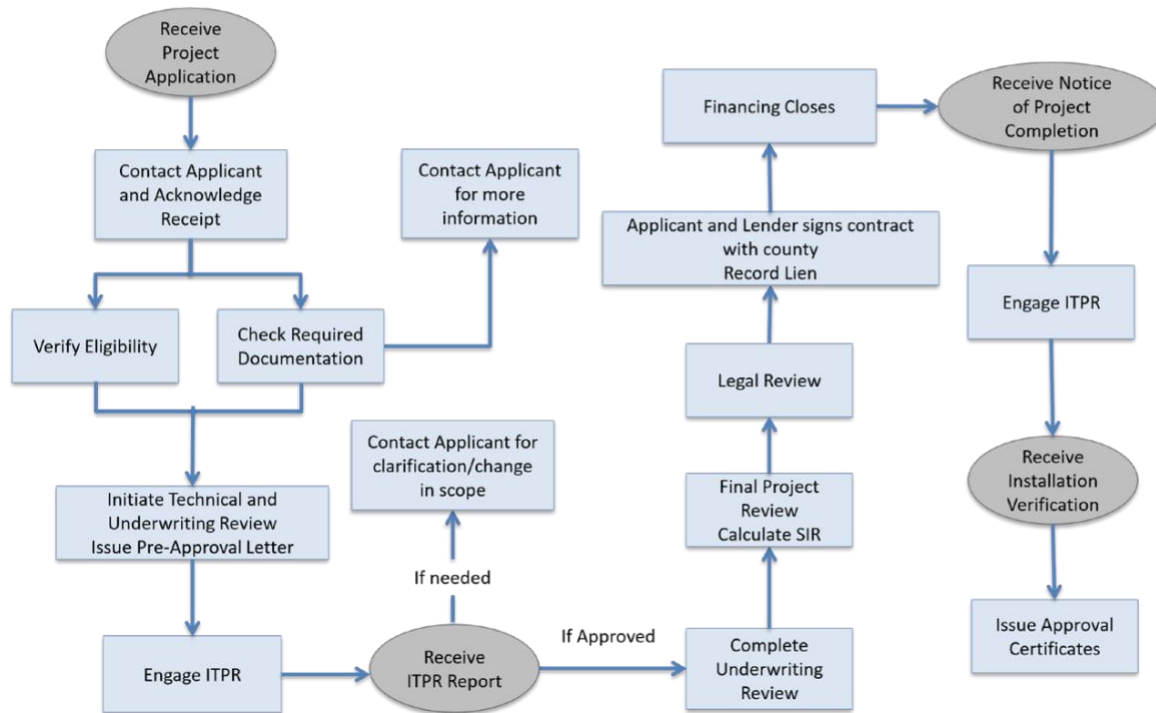
- Reviews and finalizes the terms of every owner contract and lender contract prior to execution;
- Ensures the recording of a Notice of Contractual Assessment Lien for each approved project in the Official Public Records of the County;
- Requires the owner to notify the holder of any mortgage lien on the property of the owner's intention to participate in the program and obtain the mortgage lienholder's written consent prior to the imposition of the PACE assessment; and
- Coordinates and participates in assessment transaction closings.

Administrative Fees

The goal of TPA is to have a well-funded, efficient, and financially healthy organization, while keeping costs to a minimum and operating in a lean fashion. To that ends, initially TPA will charge two types of fees as part of administration, an application fee and an ongoing interest rate residual. These fees cover the basic administrative service to complete a PACE project as well as the ongoing reporting program to local governments that establish a PACE region.

- Application Fee
 - Amounting to 1% of total project cost of first \$5mm, 0.5% of marginal amount above \$5mm
 - Initial \$500 to be paid at application. Balance to be paid as part of loan closing as an origination fee.
- Ongoing Residual Fee
 - Amounting to 10 basis points annually on the loan, resulting in a declining payment based on the outstanding principal balance.
 - To be paid as part of annual assessment.
 - Note: This fee can be capitalized and paid in full at closing.

Application Process



The above diagram shows the typical flow of a project application. TPA's review is designed to ensure that all requirements from the PACE statute and the County PACE Report are being met. Broadly, the application review consists of a technical review and a financial/legal review. The following main issues are vetted for compliance with the PACE statute and the TX-PACE program requirements.

TECHNICAL REVIEW

- **Project Scope** – TPA first reviews the scope of the project to verify the eligibility of all Utility Cost Reduction Measures (UCRMs), and internally evaluates the project's cost/benefit analysis.
- **Savings Analysis** – TPA reviews the Savings to Investment Ratio (SIR) and corroborates the Cost/Benefit analysis as submitted by the contractor.
- **SIR and Cost vs. Benefit Validation by ITPR** – TPA ensures that the cost/benefit analysis has been appropriately vetted by a qualified Independent Third-Party Reviewer (ITPR). The ITPR must submit a signed and sealed "Project Verification Certificate" and a summary table of savings.

LEGAL/FINANCIAL REVIEW

- Required Documents Checklist - TPA confirms that all documents in the TPA required documents list have been submitted. That list can be found in the TPA Program User Guide – [https://www.texaspaceauthority.org/Documents/Program Guide.pdf?dl=0](https://www.texaspaceauthority.org/Documents/Program%20Guide.pdf?dl=0)
- Verify Property Ownership and Assessed Value – TPA verifies the property ownership, improvements, and value listed in the publicly available County Appraisal District database.
- TPA requires proof that the owner is a legal entity able to do business in Texas. Primarily this verification comes from certificates issued by the Texas Secretary of State and the Texas Comptroller.
- Signatory Authority – TPA confirms that the persons signing on behalf of the owner and capital provider have legal authority to do so. This is commonly known as a Certificate of Incumbency.
- Property Title Report – All properties must submit an updated title report, detailing all liens on the property and confirming the ownership structure of the property.
- Lender Consent Form – Any existing mortgage holder is required to submit a written form of consent to the PACE lien.
- No undeveloped lots – As PACE is not statutorily eligible for undeveloped lots or lots undergoing development at the time of the assessment, TPA requires at its discretion a Certificate of Occupancy.
- Confirm Underwriting – TPA confirms that proper financial underwriting has been performed by the capital provider.
- Prepare PACE Contracts – TPA prepares the form PACE contracts to be executed at closing. TPA acts as the closing agent and completes the PACE process by filing a Notice of Contractual Assessment Lien at the County Clerk's Office to be recorded in the County land records.



V. MANAGEMENT AND REPORTING

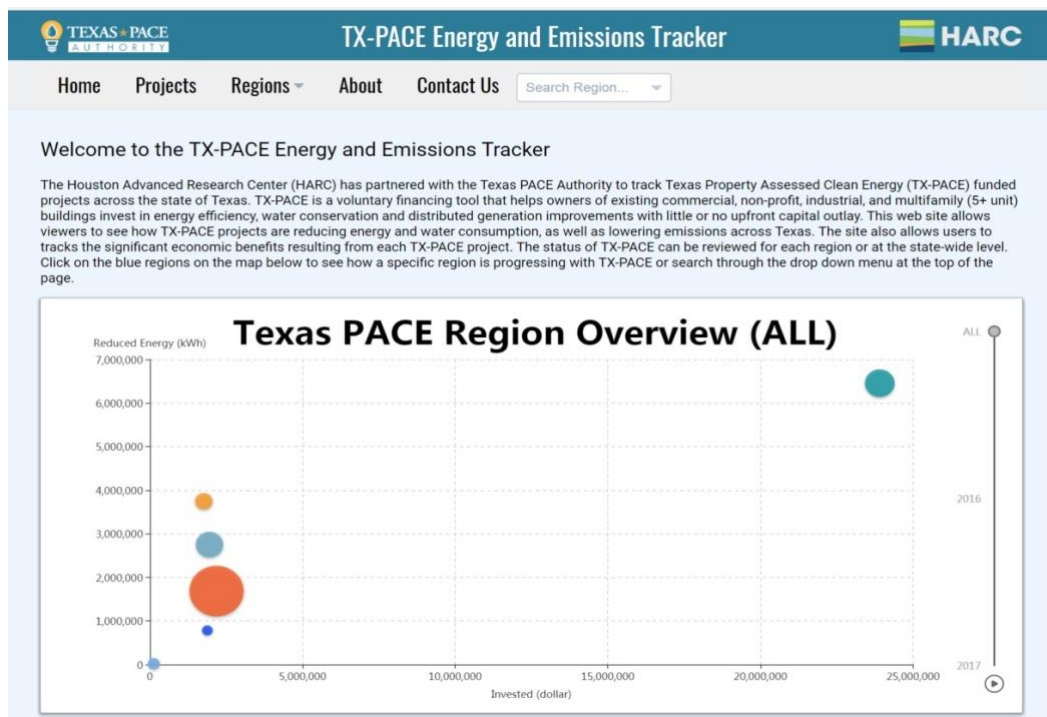
Annual Notices of Assessment Lien

Each participating local government program has established a procedure for the sending of a notice of annual assessment for the coming year to be sent by the appropriate local government authority. TPA prepares and provides these notices for distribution to the property owners. At the request of the property owner, TPA provides the notice to the local government, which sends the notices for properties with PACE assessments according to the Owner Contract and financing documents.

Economic and Environmental Results

Texas PACE Authority has agreed to certain management and reporting standards with local governments and will perform these tasks once PACE projects close in the PACE jurisdiction. Owners will be required to submit annual reports during the life of the assessment. Reports will be filed using EPAs ENERGY STAR® Portfolio Manager Account to make reporting a user-friendly experience for property owners.

The Houston Advanced Research Center (HARC), with a grant from the Mitchell Foundation, is designing the process for collecting the project data from property owners in a user-friendly, uniform manner for input into a statewide database that will enable the data to be available on a county-wide and statewide basis in aggregated manner (not project specific). The tracking website, which will be further expanded in 2019, can be viewed at: <http://pace.harcresearch.org>.





VI. OUTCOMES

Project Closings

Five TX-PACE projects closed in 2018 for a total investment of \$9,277,000 million.

1. El Paso County – Retail, \$2.3 million, HVAC and LED lighting with controls
2. Travis County – Office, \$291,000, HVAC, roof, Solar PV, thermostats
3. Dallas, City of – Retail, \$74,000, Solar PV and LED lighting
4. Bastrop County – Retail, \$120,000, Solar PV
5. Amarillo, City of – Hotel, \$6.4 million, HVAC, windows, roof, insulation, LED lighting, water heating, and water efficiency

PACE projects typically take more than 12 months for design, savings calculations, third-party review, and financing. Texas PACE Authority is currently in the late stages of several additional PACE projects which are expected to close in 2019.

Servant Leadership

Texas PACE Authority is committed to serve all of Texas businesses and communities while setting a nationwide example for administrative transparency and public service. Reaching out to underserved communities is a fundamental element of Texas PACE Authority's outreach, education, and training effort.

Building the foundation of the Texas PACE in a Box program - providing only the services required of the local government and leaving the competition to those in the marketplace requires commitment and patience. Although an increased number of projects would please everyone, a race to close projects for its own sake would be short sighted and short-lived resulting in short-shifting consumer protections and retarding the development of a larger competitive field. Texas PACE Authority will continue its education, outreach, and training efforts for projects of all sizes in all communities. Giving the private sector time to design the highest and best use of the TX-PACE program will ultimately result in the greatest use of TX-PACE with lower risk than models from early adopter states.

Capital Provider Expansion



Texas PACE Authority neither recommends nor endorses any particular PACE capital provider. Under the TPA's open market model, property owners are free to use the PACE lender of their choice. Seven new PACE capital providers entered the TX-PACE market in 2018, including two additional Texas community banks. TPA is working with several additional capital providers who have not yet decided to be listed on the capital provider page but are actively working with property owners to develop TX-PACE projects. These capital providers represent a wide range of institutions from traditional banks to private equity funds to PACE-specific investment vehicles. All capital providers have certified that they are ready to loan on PACE projects and conduct business in Texas. Together, they represent billions of dollars ready to invest.

Local Lender Participation

In 2018, Frontier Bank financed the Elgin General Store PACE project in Bastrop County, becoming the first Texas bank to finance a PACE project.

Three Texas community banks now offer PACE capital: Green Bank NA, Frontier Bank, and TNFB. Local lenders are critical to the availability of PACE capital for projects in small communities and rural Texas. TPA welcomes this interest and works to ensure that local lenders also benefit from the TX-PACE economy. The Independent Bankers Association of Texas (IBAT) magazine, *The Texas Independent Banker*, published an article about TX-PACE in its Jan/Feb 2018 issue: https://www.texaspaceauthority.org/wp-content/uploads/Texas_Sets_the_PACE-for-website.pdf.

Mortgagee Consent Success

The development of a business case is required to gain written mortgagee consent for PACE financing from an existing mortgagee. In 2018, mortgage consent was granted in 60% of closed projects.

Mortgagee consent can be a common bottleneck to PACE projects because of the nature of a PACE senior lien and the unfamiliarity with the new commercial PACE program in Texas. Yet despite initial objections, consent can often be obtained once the advantages to the mortgagee, the property and the property owner have been explained. Education and outreach to mortgage lenders continues to be a priority because achieving lender consent remains a hurdle to many PACE projects.

Lessons Learned

A successful commercial PACE marketplace requires an intricate network of educated capital providers, property owners, and contractors. Creating this educated network through outreach and providing successful examples are keys to alleviating property owners' and mortgage lenders' initial apprehensions.

Texas PACE Authority has learned several other valuable lessons.

- “If you build it, they will come” is not a viable aphorism for Texas PACE. In other words, a system and infrastructure must be built;
- A TX-PACE program provides local economic development offices with a significant, no-cost economic development tool for business expansion, retention and revitalization. These professionals know where property activity is occurring that can benefit from TX-PACE;
- PACE projects have long sales cycles, so persistence is key;
- Operating an open market program in which the administrator performs as a public servant leaving the property owners, capital providers, and contractors to operate in the free market provides the basis for programmatic trust from stakeholders, including local lenders; and
- Transparency about fees, structure and cost is critical to building trust in PACE as a new financing tool.

Recognition

TPA is deeply honored to have been selected as its “Access to Capital Champion of the Year” by the US Dept. of Commerce’ Minority Business Development Center operated by the El Paso Hispanic Chamber of Commerce.

The City of Dallas’ [Butler Brothers Building PACE project](#) won recognition from one international and three local organizations in 2018:

- Excellence in Economic Development, International Economic Development Council
- 2018 Best Private-Public Partnership, D CEO Commercial Real Estate Awards
- 2018 Sustainability Leadership Award, CoreNet Black White & Blue Awards of Excellence
- Most Creative Financing, Dallas Business Journal

Remaining Objectives

- To continue education and outreach with property owners, service providers, and local lenders to increase awareness of the TX-PACE program;
- To promote the TX-PACE program throughout the commercial, industrial, and multifamily sectors in rural and urban areas;
- To promote the TX-PACE program to commercial, industrial, and multifamily property owners of all sizes;
- To develop a vibrant TX-PACE network of local banks and capital providers, property owners, and contractors;
- To continue to support the development and completion of TX-PACE projects; and
- To promote the core principles of PACE in a Box to provide best practices and ethical operations as the local government authorized representative committed to uniformity.

Next Steps

TPA will continue to faithfully execute the PACE in a Box core principles and program in a public servant, ethical manner, including best practices in program administration, underwriting and technical standards. TPA will continue:

- Outreach efforts to underserved communities, including improving education materials and increasing availability of these materials in Spanish
- Continued collaborative work to expand awareness
- Training workshops for market stakeholders
- Expansion of the PACE in a Box uniform model program to additional local governments

As projects close and continue to prove the PACE in a Box model, TPA will redouble its efforts to capture the attention of key stakeholders that have resisted engaging in PACE until program success was demonstrated.

Texas PACE Authority staff will reach out to elected officials, economic development staff, and other public servants for recommendations and collaborative opportunities for outreach throughout the PACE regions.



VII. TEXAS PACE AUTHORITY LEADERSHIP

Board of Directors

Charlene Heydinger, President
Steve Block, Secretary
Michael Gromacki
John Hall
Hon. Penny Redington

Texas PACE Authority Team

Charlene Heydinger, President
Amy Vanderbilt, Operations and Compliance Manager
Marina Badoian-Kriticos, Senior Program Advisor
Craig Smith, Counsel
Jonathon Blackburn, Technical Advisor
Deborah Camp, Creative Manager

Advisory Committee

Hon. Kip Averitt
Tony Bennett
Hon. Warren Chisum
Kathey Ferland
Debbie Kimberly
Luke Legate
Steve Minick
Terrie Salinas
Carlton Schwab



VIII. CONCLUSION

The work completed in 2018 laid the foundation for the creation of a holistic TX-PACE program. In 2019, education of contractors, local lenders, and capital providers remains key to achieving the goals of this unprecedented collaboration, and outreach to property owners, developers, and real estate experts will be elevated. The successful project closures in Texas in 2018 are already paving the way to a new level of PACE project activity in 2019.

Texas PACE Authority's focus on uniformity, property owner autonomy, and open market financing has been uniquely adapted from other states' PACE programs to suit Texas' needs. As TX-PACE programs are established by more local governments, the network of providers and increase in project completions will eventually result in measurable economic benefits for individual property owners and their communities.

Thank you for your continued support for the PACE in a Box model program and the Texas PACE Authority's efforts to administer it consistently throughout Texas as a nonprofit public service.

Respectfully submitted,

Charlene Heydinger

President

charlene@TexasPACEAuthority.org

APPENDIX A

Outreach Presentations and Conferences – Statewide

Amarillo

- Service Provider Training Workshop – January 28, 2018

Arlington

- Service Provider Training Workshop - August 28, 2018

Austin

- Texas Dept. of Banking, PACE presentation – January 12, 2018
- Water Symposium, PACE presentation – February 1, 2018
- Service Provider Training Workshop – April 3, 2018
- Texas Department Of Agriculture, Economic Development Office, presentation – February 14, 2018
- SPEER Summit, presentation – April 12, 2018
- Conference of Urban Counties Quarterly Meeting, presentation – May 24, 2018
- Rural Rental Housing Association Rural Housing Preservation Academy, Preservation Financing and Deal Structuring, presentation - June 7, 2018
- SPEER Summit, presentation – August 6-7, 2018
- Texas Senate Committee on Natural Resources hearing on Hurricane Harvey and Industrial Safety, testimony – September 5, 2018
- Texas Energy Poverty Research Institute meeting with Texas Public Utility Commission Chair, discussion – September 19, 2018
- C-PACE Alliance, presentation – October 22, 2018
- TCEQ Border Office, presentation – December 6, 2018

College Station

- Texas Tribune, Future of Rural Texas Summit, booth – November 12-13, 2018

Dallas

- Technical Management and Consulting (TMAC), PACE presentation – January 12, 2018
- North Texas Association of Energy Engineers (NTAEE), PACE presentation – January 18, 2018
- METROCON Conference, booth – August 9-10, 2018
- Community Development Finance Association (CDFA) National Summit, presentation – November 8, 2018

El Paso

- 14th Annual International Women's Business Conference, panel presentation – March 8, 2018
- ECO El Paso Service Provider Training Workshop – October 24, 2018
- Service Provider Training Workshop hosted by the El Paso Hispanic Chamber of Commerce, December 5, 2018

Fort Worth

- Texas Municipal League Annual Conference, presentation – October 8, 2018

Galveston

- Empowering Texas Communities Conference, presentation – March 5, 2018
- Texas Chemical Council's Environmental Health and Safety Seminar, booth – June 4-6, 2018

Houston

- Gulf Coast Water Symposium, presentation – March 22, 2018
- Service Provider Training Workshop – April 10, 2018
- Industrial Energy Management Forum Seminar, presentation – April 5, 2018
- Texas A&M Energy Systems Laboratory's Texas Energy Summit, presentation – September 24, 2018
- USGBC Energy Summit, presentation – October 11, 2018
- HARC Lunch and Learn Workshop Series, Workshop 3: How to Build the Business Case and Get Financing for Energy Efficiency Projects – October 30, 2018

New Orleans

- Texas A&M Energy Systems Lab Industrial Energy Technology Conference, presentation – June 13, 2018

San Antonio

- Texas Economic Development Council (TEDC) Winter Meeting, presentation – February 21, 2018

Washington, DC

- US House of Representatives Climate Solutions Caucus, Clean Energy Finance Briefing, presentation – June 7, 2018

Regional and Local Engagement – Events

Amarillo

- Amarillo Chamber of Commerce, PACE presentation – January 24, 2018

Austin

- Texas Water Conservation Symposium, announcement – February 1, 2018
- Travis County Economic Development Roundtable, input – February 2, 2018
- Austin Energy, Key Accounts, presentation – February 20, 2018
- Energy Thought Summit, presentation – March 28, 2018
- Travis County Commissioners Court, 2017 Annual Report presentation – May 1, 2018
- USGBC Annual Stakeholders meeting – May 7, 2018
- Austin Water Forward Task Force, announcement – June 5, 2018
- Endeavor property managers, presentation – August 15, 2018
- Huston-Tillotson University, presentation – August 24, 2018

- Austin Chamber of Commerce Regional Partners, presentation – September 13, 2018
- Solar Austin, PACE announcement – September 25, 2018
- Clean TX, PACE announcement – September 26, 2018

Beaumont

- Hurricane Harvey Community Forum, presentation – April 16, 2018
- Jefferson County Commissioners Court, 2017 Annual Report presentation – June 18, 2018
- South East Texas Economic Development District, presentation – September 13, 2018

Blanco

- Blanco County Commissioners Court, presentation – June 26, 2018

Bryan/College Station

- Texas Industrial Energy Efficiency Network, meeting – May 24, 2018
- Research Valley Economic Development Corporation, presentation – June 11, 2018
- Brazos County Commissioners Court, 2017 Annual Report presentation – June 12, 2018
- Research Valley Economic Development Corporation, presentation – August 15, 2018

Bulverde/Spring Branch

- Bulverde/Spring Branch Economic Development Foundation Board, presentation – July 17, 2018

Cameron, City of

- City officials, presentation – November 1, 2018

Corsicana

- Navarro County 2017, Annual Report presentation – June 11, 2018
- Mayoral Partnership Meeting, presentation – July 3, 2018

Corpus Christi

- Corpus Christi Regional Economic Development Council, meeting – May 4, 2018
- Nueces County Commissioners Court, presentation – December 12, 2018
- Corpus Christi Regional Economic Development Council, meeting – December 12, 2018

Dallas

- Small Business Development Center, presentation – February 26, 2018
- Dallas 2030 Lunch and Learn, presentation – March 7, 2018
- D CEO Real Estate Awards, Butler Brothers award acceptance – March 28, 2018
- City of Dallas Business Diversity Advisory Council, presentation – April 5, 2018
- CoreNet Black White and Blue Awards, Butler Brothers award acceptance – April 5, 2018
- EarthX, booth – April 20-22, 2018
- Commercial Real Estate Women (CREW), presentation – May 1, 2018
- ULI Small Development Council, presentation – August 21, 2018
- Commercial Real Estate Expo, booth – August 29, 2018
- Operations Engineer Conference, presentation and booth – October 4, 2018

- City of Dallas Office of Economic Development, presentation – November 9, 2018

El Paso

- City of El Paso, unveiling of the City's *100 Resilient Cities report* and presentation – February 1, 2018
- County Commissioners Court, 2017 Annual Report presentation and Dept. of Economic Development, presentation – May 7, 2018
- 14th Procurement and Contractor Symposium, presentation – May 7, 2018
- Commercial Real Estate Women (CREW), presentation – May 31, 2018
- Texas A&M AgriLife Extension Office, meeting – May 31, 2018
- El Paso County Commissioners Court, presentation – June 25, 2018
- El Paso Realtors Commercial Alliance Group, presentation – August 16, 2018
- El Paso Apartment Association, presentation – August 28, 2018
- YMCA, presentation – August 29, 2018
- El Paso Community College Small Business Development Center Lender Roundtable, presentation – August 30, 2018

Farmers Branch

- Dallas Medical Center, presentation – October 10, 2018

Fort Worth

- BOMA Fort Worth, presentation – March 6, 2018
- ASHRAE Fort Worth, presentation – April 18, 2018
- Mayor's Council, presentation – June 4, 2018

Frisco

- Economic Development officials, presentation – December 1, 2018

Georgetown

- Williamson County, 2017 Annual Report presentation – April 17, 2018

Granbury

- Hood County Clean Air Coalition, PACE presentation – February 1, 2018

Houston

- USGBC Regional Council, presentation – February 9, 2018
- Greater East End Management District - Board of Directors, presentation – February 22, 2018
- City of Houston / USGBC TX-PACE, seminar – February 28, 2018
- Houston Area Sustainability Network, meeting – March 1, 2018
- City of Houston Quality of Life Committee, 2017 Annual Report presentation – June 28, 2018
- German Consulate, Energy Future Exchange, presentation – September 27, 2018
- Texas Renewable Energy Industry Alliance (TREIA), presentation – November 14, 2018

Laredo

- County Judges and Commissioners Association District 12, presentation – December 14, 2018

McKinney

- City of McKinney, presentation – June 28, 2018

Port Isabel

- Chamber and Port Isabel-San Benito Navigation District office, presentation – April 23, 2018

Richardson

- City of Richardson, presentation – June 28, 2018

Richmond

- Fort Bend County Commissioners Court, 2017 Annual Report presentation – June 26, 2018

Rockdale

- City Council, presentation – July 9, 2018

Rosenberg

- Texas A&M AgriLife Extension, Fort Bend Regional Vegetable Conference, presentation & booth – February 8, 2018
- Harvey Community Forum, presentation – April 17, 2018

San Antonio

- San Antonio 2030 District, presentation – February 8, 2018
- San Antonio Business Journal Solar Event, presentation – March 1, 2018

San Marcos

- Hays County Commissioners Court, 2017 Annual Report presentation – June 5, 2018
- Hays County Commissioners Court, presentation – July 10, 2018

Socorro

- City of Socorro, presentation, October 24, 2018

South Padre Island

- SPI EDC and Chamber, presentation – April 23, 2018

Taylor

- Economic Development Corporation, presentation – September 21, 2018

Texarkana

- Texarkana city officials, presentation – November 21, 2018

Waco

- Waco/McLennan Joint Economic Development Council meeting, presentation – April 2, 2018
- McLennan County Commissioners Court, workshop – July 17, 2018

- McLennan County Commissioners Court, workshop – August 21, 2018
- Waco Chamber of Commerce, Industry Managers Quarterly Meeting, presentation – December 10, 2018

Weslaco

- LRGVDC board, 2017 Annual Report presentation – April 25, 2018

Winnie

- TX A&M AgriLife Extension, Beef Economic Seminar, presentation – January 8, 2018

Outreach Presentations and Conferences – National

Denver, CO

- PACENation Summit panel, PACE Basics – PACE Administration Models, presentation - March 20, 2018

Pierre, SD

- Dakota Rural Action meeting with governor’s economic development staff, bank and utility association, and environmental representatives, presentation - December 3, 2018

Washington, DC

- US House of Representatives Climate Solutions Caucus, Clean Energy Finance Briefing, presentation – June 7, 2018

Webinars

- Department of Energy, Better Buildings Challenge Resiliency Webinar, presentation – February 6, 2018
- Cushman Wakefield Webinar, presentation – August 20, 2018
- Developing and Funding Green, USGBC, ICP & TPA Webinar, presentation – August 23, 2018
- IREM Picking up the PACE: Property Assessed Clean Energy Financing Webinar, presentation – September 18, 2018

Publications

- Picking Up the PACE, *The Texas Independent Banker*, Jan/Feb 2018 issue (Independent Banker Association of Texas (IBAT)), https://www.texaspaceauthority.org/wp-content/uploads/Texas_Sets_the_PACE-for-website.pdf
- Investment Profile: Corsicana, Texas – Where Business Longevity is Baked In; *Site Selection*, September 2018 issue, <https://www.texaspaceauthority.org/wp-content/uploads/CityofCorsicana-Site-Selection-Magazine.pdf>

APPENDIX B

Flyers

Private Sector TX-PACE

Public Sector TX-PACE

Commercial TX-PACE

Industrial TX-PACE

Nonprofit TX-PACE

Tool for Disaster Recovery

Case Studies

Industrial: Liebe, Navarro County

Mixed Use: Butler Brothers Building, City of Dallas

Office Building: 1225 N. Loop, City of Houston

Nonprofit: Congregation Beth Israel, Travis County

Solar: Family Eldercare, Travis County

Retail/Small Business: Dallas Paint and Body, City of Dallas

All flyers and case studies can be found at www.texaspaceauthority.org.