



The redevelopment of the historic Continental Gin Building in the Deep Ellum neighborhood of Dallas demonstrates how PACE financing works with Opportunity Zone funding and historic tax credits to revitalize local landmarks.



### THE PROBLEM

The Continental Gin Company Complex was originally constructed between 1888 and 1914 in the Deep Ellum neighborhood in the city of Dallas. The property greatly contributed to the neighborhood's industrial history, as the largest cotton processing equipment manufacturing operation in the nation. In 1983, the 64,744 square foot masonry building was placed on the National Historic Register, but this last remaining structure of the original Continental Gin complex became underutilized and in need of maintenance.

Deep Ellum was one of the City's first commercial districts for African American and European immigrants and is one of the most historically significant neighborhoods in the City. Deep Ellum has been the City's hub for music and art throughout the City's history. For the last 30 years, the Continental Gin Building served as studio art spaces operated by Dallas Creative Space. The structure itself endured a patchwork of repairs throughout its occupancy and needed significant renovation to remain a historic centerpiece of the Deep Ellum neighborhood.

### THE PACE SOLUTION

Working through and with the City of Dallas PACE Program, Twain Financial Partners financed \$5,250,000 in energy efficiency and water conservation upgrades to the Continental Gin Building, including: roofing, glass/glazing, mechanical/HVAC, electrical/LED lighting, exterior walls, elevators, and utilities. In addition, the installation of solar PV panels enables power to be created onsite. The project results in annual reductions in electricity consumption by 1.4 million kWh, natural gas consumption by 1,124 BTUs, and annual water consumption by 515,000 gallons. Over 1,317 tonnes of CO2 emissions will also be avoided.

### COMMUNITY IMPACT

Using PACE financing to redevelop the Continental Gin Building created over 71 clean energy jobs and contributes significantly to the rebirth of the Deep Ellum neighborhood. The original three story, 64,744 square foot masonry building has been converted to a mixed-use space including: 54,680 square feet of office, an 8,117 square foot restaurant and 1,947 square feet of common plaza space. Jordan August of August Real Estate notes, "The goal of this next chapter for The Continental Gin Building was to go beyond just office space to be more of a hospitality-focused, mixed-use destination that will once again function as a hub of innovation for the entire community."

## PROJECT OVERVIEW

### PROJECT FINANCING

Total Assessment: \$5,250,000  
Term: 25 years

### PROJECT PARTNERS

Twain Financial Partners  
City of Dallas

### IMPACT

Clean Energy Jobs Created: 72

Total anticipated annual savings:

- Electric energy savings: 1,398,812 kWh/year
- Natural gas savings: 1,124 BTUs
- Water savings: 515,000 Gal
- Annual Avoided CO<sub>2</sub>: 1,318 tonnes

### BUILDING DETAILS

Building Size: 64,744 sq feet

Built: 1888

National Historic Register

### IMPROVEMENTS

Solar Panels, Roofing, Glass/Glazing, Exterior Walls, Elevators, Mechanical/HVAC, Electrical/LED Lighting

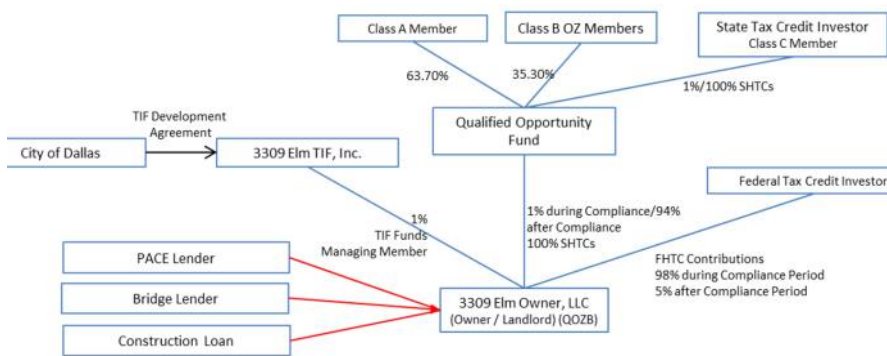
## PACE IN TEXAS

Texas PACE answers the question, "How are we going to pay for it?" and is transforming how developers, owners, and contractors look at projects, proving that there is a clear path forward for energy efficiency, distributed generation, water use reduction, and resiliency projects in existing buildings.

## FOR MORE INFORMATION CONTACT

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# THE CONTINENTAL GIN BUILDING – PROJECT CAPITAL STACK<sup>1</sup>



Source		
Sponsor Equity	\$ 7,000,000	18.79%
Federal Investor Equity	\$ 4,056,282	10.89%
State Investor Equity	\$ 5,236,925	14.06%
3309 Elm TIF, Inc. (TIF Contributions)*	\$ 1,000	0.00%
PACE Lender	\$ 5,250,000	14.10%
Frontier State Bank	\$ 12,500,000	33.56%
3309 Elm Developer, LLC (Sponsor DDF Loan)	\$ 3,200,000	8.59%
<b>Subtotal</b>	<b>\$ 37,244,207</b>	
Use		
Acquisition	\$ 3,307,462	
Soft Costs	\$ 5,554,086	
Hard Costs	\$ 24,182,659	
Deferred Developer Fee	\$ 3,200,000	
Operating & Debt Reserve	\$ 1,000,000	
<b>Subtotal</b>	<b>\$ 37,244,207</b>	

\*City of Dallas TIF Grant of \$3,000,000 to be paid by City from 2021 through 2026

<sup>1</sup> Capital stack details provided by Phil Geheb, Munsch Hardt Kopf & Harr, P.C

## HOW DOES TX-PACE WORK?

Property Assessed Clean Energy (PACE) is an innovative financing program that offers commercial, industrial, and large multifamily property owners an opportunity to participate in a voluntary program to obtain up to 100% financing for water conservation, energy-efficiency, and distributed generation retrofits. PACE has great potential to directly affect a business' bottom line; a project's savings in utility costs offsets the cost of installing the project. In most instances, this will result in an immediate positive cash flow.



### CITY OF DALLAS

The City of Dallas PACE Program provides a market-based, flexible TX-PACE program that enables property owners to do business with the parties of their choosing at the lowest possible cost. The program includes a high level of consumer protection to ensure that PACE projects deliver the anticipated savings and is based on the Texas PACE in a Box model program created by over 130 stakeholders. [dallas.texaspaceauthority.org](http://dallas.texaspaceauthority.org)



### TEXAS PACE AUTHORITY

The City of Dallas PACE Program is administered by Texas PACE Authority (TPA), a nonprofit organization that administers Texas' PACE statute by taking a market-based approach to energy finance and economic development. TPA works with all parties – property owners, contractors, and lenders to bring energy and water improvements that are both economically sound and environmentally friendly. [www.texaspaceauthority.org](http://www.texaspaceauthority.org)



### TWAIN FINANCIAL PARTNERS

Twain Financial Partners is committed to helping property owners find the financing they need. As a leading PACE lender, Twain has extensive experience partnering with program administrators, property owners, contractors and developers to provide millions in funding. [www.twainfinancial.com](http://www.twainfinancial.com)