

CASE STUDY

Sinclair Hotel Tarrant County PACE



TEXAS PACE
AUTHORITY

The redevelopment of the historic Sinclair Hotel in downtown Fort Worth demonstrates how TX-PACE financing can help revitalize and repurpose local landmarks.

THE PROBLEM:

Built in 1929, the Sinclair Building, one of Fort Worth's art deco gems, started life as a bank, and later served for decades as an office building. In 1992 the National Register of Historic Places designated the building as historically significant. Rehabilitating a historic building can be a costly venture. Property owners are often forced to "value engineer" renovations by cutting energy and water efficiency. Accessing future operating savings rarely justifies the diversion of significant existing capital from the core business or company growth or finding additional capital to fill a hole in a capital stack.

THE PACE SOLUTION:

In 2019, Farukh Aslam successfully redeveloped the building as the Sinclair Marriott Autograph Hotel, simultaneously keeping the character of the historic downtown treasure while adding modern amenities and cutting edge energy technology.

Utilizing the Tarrant County PACE Program, Twain Financial Partners financed \$8,219,115 in energy efficiency and water conservation upgrades to the Sinclair Hotel, including HVAC, lighting/electrical, plumbing, and improvements to the building envelope. The project results in an annual reduction in electricity consumption by 818,368 kWh, natural gas consumption by 3760 Btus, and annual water consumption by 5,046,000 gallons. Over 600 tonnes of CO2 emissions are also avoided annually.

Long term, PACE capital is less expensive than equity, non-recourse, non-accelerating, and it lowers debt ratios for PACE Projects.

THE IMPACT:

The Sinclair Hotel is the first hotel in the world to use PoE (Power over Ethernet) to power all lighting, mini-refrigerators, smart mirrors, and motorized window treatments. PoE sends power and data to the end devices across a low voltage ethernet cable. Using this strategy the hotel was able to achieve:

- 39% Energy savings month to month vs. pre-renovation
- 16% CapEX Savings

"The primary purpose of the PACE loan was to fill in a hole in my capital stack and now I want to do all my future projects with PACE loans"

Farukh Aslam, Developer of the Sinclair Hotel and CEO of Sinclair Digital

PROJECT OVERVIEW

PROJECT FINANCING

Total Assessment: \$8,219,115
Term: 25 years

PROJECT PARTNERS

Tarrant County & Twain Financial Partners

ANNUAL IMPACT

Anticipated Electric Energy Savings

818,368 kWh

Anticipated Natural Gas Savings

3760 Btu

Total Anticipated Water Savings

5046 Kgal

Clean Air Improvements

Avoided CO2: 347.4 tonnes

Avoided SOX: 0.23 tonnes

Avoided NOX: 0.71 tonnes

Clean Energy Jobs Created

101 jobs created

BUILDING DETAILS

Building Size: 99,428 square feet
Built: 1930

IMPROVEMENTS

HVAC, lighting/electrical, plumbing,
building envelope



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.



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.



TARRANT COUNTY

Tarrant County's 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.

www.texaspaceauthority.org/tarrant-county



TEXAS PACE AUTHORITY

Tarrant County's 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



TWAIN FINANCIAL PARTNERS

Twain Financial Partners is a specialty finance firm with over \$4 billion in assets under management. The firm works with a wide variety of investment types, specializing in tax credits, PACE financing, structured debt, and renewable and real estate transactions.

www.twainfinancial.com

FOR MORE INFORMATION CONTACT US TODAY!



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