



Pearl Point answers the call from community leaders for new housing following the devastation of Hurricane Harvey.



LEASING CENTER (LEFT) AND APARTMENT BUILDING (RIGHT) UNDER CONSTRUCTION

THE PROBLEM:

In August 2017, Hurricane Harvey first made landfall near Rockport, Texas – destroying more than a third of the homes and businesses in the area. Apartments and other rental properties were particularly hard hit with nearly all units deemed uninhabitable, as most were older structures built before current wind loading standards were in place. This severely limited housing options for the area workforce, furthering the negative impact to the local economy.

THE PACE SOLUTION:

Developers Uhr Real Estate, Inc. and Frew Development Group, LLC owned a six-unit garage at the intersection of Pearl Street and State Highway 35 and wanted to pursue multifamily housing on the site as part of the Rockport community’s disaster recovery response following Hurricane Harvey. They considered the larger site to be a perfect fit for a multifamily project, and PACE was a key consideration in planning.

“We actively supported Aransas County’s adoption of the Texas PACE program as a unique and valuable asset in the effort to recover from Hurricane Harvey. Pearl Point is the first and largest multifamily housing project in the area most impacted by Harvey along the Texas coast. The Texas PACE program allowed us to complete our financing and commence construction on urgently needed rental housing” notes John Frew, President and CEO of Frew Development Group.

This new 35-acre master planned community features 456 apartment homes and a commercial/retail center. Each of two phases incorporates a 5,000 square foot clubhouse featuring a fitness center, business center, community rooms and leasing center, swimming pool, parking, covered garages and pedestrian friendly green space – creating significant new demand for energy and water services. PACE financed certain improvements that reduced Pearl Point’s projected energy and water use through improved lighting efficiency, better BUILDING envelope and water improvements. Benefits include increased energy and water efficiency, reduced operating costs, more predictable budgeting and increased resiliency. Stonehill PACE provided the capital for these improvements.

“Stonehill is excited to be a part of the growth of Commercial PACE in Texas. This project is a great example of how developers can use PACE to fill a hole in the capital stack and reduce their overall cost of capital,” said Anne Hill, President of Stonehill PACE.

PROJECT OVERVIEW

PROJECT FINANCING

Lender: Stonehill PACE
Total Assessment: \$4 million
Term: 25 Years
Incentives: City and County Economic Development Agreements

ANNUAL IMPACT

- Approximately 926,000 kWh in electricity savings annually
- Over 3.2 million gallons of ANNUAL water savings
- 482 tonnes of CO² emissions avoided annually
- 30 TX-PACE project jobs created during construction
- 5 permanent jobs created in year one - additional jobs in second year of operation

BUILDING

Type: Three-story, multifamily buildings with 216 one- and two-bedroom apartments (Phase 1)
Size: 258,000 square feet across nine buildings
Built: 2019 – 2020

IMPROVEMENTS ABOVE CODE

- High efficiency lighting
- Low-flow, high efficiency plumbing fixtures
- High efficiency windows, enhanced wall and roof insulation

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

Texas PACE Authority
admin@texaspaceauthority.org
1-855-738-PACE (7223)
www.texaspaceauthority.org

COMMUNITY IMPACT

As rebuilding in Rockport and throughout Aransas County continues, projects like Pearl Point will provide much needed housing for those still displaced by Hurricane Harvey. “This project relieves the need for immediate and affordable housing and could also address the need for infrastructure in the area,” Aransas County Judge C.H. “Burt” Mills Jr. said in a statement. “We look forward to the completion of the project and the revitalization of Aransas County.”

HOW DOES TX-PACE WORK?

Texas Property Assessed Clean Energy (TX-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. TX-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.

ARANSAS COUNTY

Aransas County established its local TX-PACE program in December 2019, to provide property owners with a market-based, flexible option for financing clean-energy improvements. The program enables them to do business with the parties of their choosing at the lowest possible cost and includes a high level of consumer protections to ensure that projects deliver the anticipated savings. Aransas County’s program is based on the Texas PACE in a Box model program created by over 130 volunteer stakeholders. TX-PACE is one of Aransas County’s economic development incentives to promote business expansion, retention and revitalization in the region.

www.texaspaceauthority.org/aransas-county

TEXAS PACE AUTHORITY

The Aransas County 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

FREW DEVELOPMENT GROUP

Frew Development Group, LLC is a private real estate development and construction management company founded in 2003. FDG has managed more than two million square feet of renovation and ground-up construction in the office, commercial, retail, residential and hospitality sectors.

www.frewdevelopment.com

UHR REAL ESTATE, INC.

Uhr Real Estate, Inc. is a Rockport-based real estate development company led by Mark Uhr, a long-time home builder in Aransas County and developer of the only major multi-family rental project in Rockport built in the last 20 years.

www.rockportproperties.com

STONEHILL PACE

Stonehill PACE, a division of Stonehill, is a direct lender for PACE financing. Stonehill PACE specializes in providing PACE funding for all commercial asset classes. The team’s depth of experience in sourcing, underwriting and closing real estate transactions is unparalleled in the PACE industry and provides a professionally managed, efficient execution.

www.stonehillpace.com

