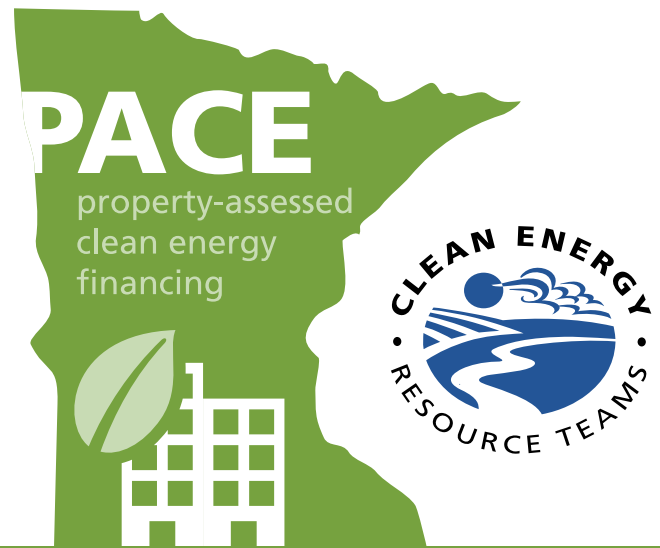


# What is Property Assessed Clean Energy (PACE)?

**PACE is a new way to finance energy efficiency and renewable energy upgrades to the buildings of commercial property owners.**

Energy-saving measures pursued by the owners receive project financing and are repaid as a separate item on their property tax assessment for a set period. PACE eliminates the burden of upfront costs by providing low-cost, long-term financing.



## Why PACE, and how does it work?

**PACE financing helps overcome several barriers to making energy improvements:**

- Eliminates high up-front costs
- Reduces dependence on credit
- Allows for comprehensive retrofits
- Allows programs to recoup their costs

Property Assessed Clean Energy (PACE) financing allows property owners to finance energy-related improvements to their buildings with affordable, long-term capital.

### PACE PROJECT PROCESS



### HOW THE MONEY FLOWS



[Learn more on reverse](#)

# Can I use PACE to finance building improvements?

Minnesota state law allows local units of government to enter into joint powers agreements to create PACE programs. Under this innovative arrangement, commercial, industrial, nonprofit and multi-housing property owners can take on voluntary special assessments to finance energy efficiency, renewable energy, or electric vehicle infrastructure improvements to their properties.

PACE allows companies the opportunity to maintain a positive cash flow while investing in energy upgrades at no cost to taxpayers. PACE financing can also make it easier for building owners to transfer financed improvement repayment to the next owner upon sale, as the repayment resides with the property tax assessment.

## Basic qualifications for PACE financing:

- Property owners must be current on mortgage and property taxes
- No federal or state liens against the property
- Must not be in bankruptcy proceeding
- Lender acknowledgement or "consent" from current mortgage lender
- Term of financing may not exceed weighted average useful life of improvements
- Improvements may not exceed 20% of assessed property value

## What programs exist in Minnesota?

There are currently two commercial PACE programs available to Minnesota cities and counties that want to help finance building energy improvements in their jurisdictions.

### Rural Minnesota Energy Board

Available to entities in the Rural Minnesota Energy Board's counties. The program is administered by the Southwest Regional Development Commission. Learn more at <http://mncerts.org/pace#rmeb>.



### Saint Paul Port Authority

Available to entities in any city or county in Minnesota. Interested local governments can work with the Saint Paul Port Authority to authorize the program. Learn more at <http://mncerts.org/pace#sppa>.



## Ready To Get Started?



**Dig a little deeper:** Visit the CERTs website resource page on PACE, which includes program details, a map of all participating cities and counties, and interviews with business owners who have completed projects at <http://mncerts.org/pace>.

**Go further:** Contact Pete Lindstrom with the Clean Energy Resource Teams at [plindstr@umn.edu](mailto:plindstr@umn.edu) or 612-625-9634.