



Development Finance: Greater Cincinnati Property Assessed Clean Energy

What is Greater Cincinnati Property Assessed Clean Energy (GC-PACE)?

GC-PACE is an innovative program by which commercial and industrial building owners finance energy efficiency and renewable energy building improvements. GC-PACE financing works for a variety of upgrades and installations, such as solar panels, HVAC and boilers, insulation, geothermal projects, and energy efficiency improvements. It is increasingly being embraced by municipalities throughout the United States as an economic development program that encourages the modernization and “greening” of commercial buildings without involving government subsidy.

How Does PACE work?

With GC-PACE, the municipality creates an energy special improvement district for the purpose of developing and implementing plans for special energy improvement projects. Property owners within the district can opt in for a voluntary special assessment on their property tax bill, which is used to pay debt service on a bond or a loan. The owner agrees to the placement of an annual special assessment on the property which can last for as long as 30-years. Proceeds of the assessment can finance up to 100 percent of the cost of improvements.

Projects must demonstrate cost savings through reduced energy consumption or energy generation. End-of-life equipment replacement is a popular type of project financed. Property must be located within Hamilton County.

Program Stages

Assessments	Contracting	Financing	Monitoring
Perform energy audits	Pre-certify contractors	Revolving loan fund	Post-issuance debt compliance
Evaluate audit findings	Coordinate with energy audit findings	PACE Bonds	Special assessment servicing
Determine potential energy savings	Develop scope of work	Grants	
		Direct bank loans	Evaluation of energy savings

What are the Benefits of PACE?

GC-PACE promotes energy improvements in the commercial and industrial sector by:

- Allowing property investments with no net out-of-pocket capital expenses;
- Realizing immediate positive cash flow with well-developed projects;
- Allowing payments to be treated as pass-through operating expenses;
- Tying the loan to the property bill, a secure payment stream, rather than the borrower's credit, which reduces the lenders risk and lowers the interest rate;
- Lowering operating costs while increasing property value; and
- Allowing long-term financing at attractive rates.

Role of the Port Authority

The Port Authority and the Greater Cincinnati Energy Alliance have set up a partnership to market and administer the GC-PACE program in Cincinnati and Hamilton County. The Port Authority has significant experience assisting communities and project owners with utilizing special assessment in a variety of financing scenarios. The Port Authority and the Energy Alliance can bring additional financing tools and resources into a deal with GC-PACE, including a Revolving Loan Fund, PACE Bonds, and access to capital markets through the Southwest Ohio Regional Bond Fund, as well as grants.

The Port Authority also provides management and monitoring services such as post issuance debt compliance, special assessment servicing and continued evaluation of energy savings. The Greater Cincinnati Energy Alliance coordinates and pre-qualifies project contractors, determines potential energy savings through energy audits and helps create the project scope of work.

Contact the Port Authority to begin analysis of potential cost savings.

About the Port of Greater Cincinnati Development Authority

The Port of Greater Cincinnati Development Authority is an economic development agency that initiates projects to improve property value and promote job creation throughout Hamilton County. It is governed by business and community leaders that comprise its board of directors.

To learn more, contact

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