

TX-PACE FOR LOCAL GOVERNMENT



WHAT IS THE TEXAS PACE PROGRAM?

Texas Property Assessed Clean Energy (TX-PACE) is a voluntary program that creates jobs, improves the environment, and saves Texas companies money on their utility bills. Local governments across the state are taking advantage of the Texas PACE statute and establishing programs to further provide quality and valuable services to their constituencies, stakeholders, and taxpayers. Local PACE programs have already enabled over \$30 million of new private investment in local building stock in urban and rural Texas in just two years.

The Texas PACE Act, Chapter 399 of the Local Government Code, is a local adoption model. The Texas “PACE in a Box” model was created by over 130 PACE stakeholders to facilitate a consistent, user-friendly approach to TX-PACE design and implementation. The model has been unanimously adopted by every local government establishing a TX-PACE program in Texas.

The model plug and play program contains consumer protection underwriting and technical best practices and model documents. “PACE in a Box” has minimal impact on government staff, adds no additional cost to the general taxpayer or burden to the treasury, and is administered by a nonprofit that does not compete with the private sector. Texas PACE Authority administers the uniform “PACE in a Box” model as a public service on behalf of local governments and is funded through user fees and grants.

This successful “PACE in a Box” model is market-based and flexible, providing the lowest possible administrative cost and highest level of consumer protection, allowing owners to do business with the parties of their choosing.

HOW DOES TX-PACE WORK?

TX-PACE facilitates the use of private capital to finance water conservation, energy efficiency, resiliency, and distributed generation projects to eligible commercial, industrial, agricultural, nonprofit, and multifamily properties. Owners choose a private sector capital provider and request that the local government place a voluntary senior lien on the property for the total cost of the project. The owner agrees to pay the TX-PACE assessment until it is paid in full, similar to that of a sidewalk or sewer assessment.

Property owners can lower operating costs and use the savings to pay for eligible projects. Since the assessment is tied to the property and transfers upon sale, TX-PACE makes it easier for owners to invest in facility upgrades and modernization, with little or no upfront capital. The widespread benefits impact the property owner, tenants, environment, and community, resulting in lower operating costs, more local jobs, and a concerted effort to conserve energy and water.

How It Works

A Building Owner:



If the owner, building, and project all meet PACE requirements:



WHAT ARE THE BENEFITS OF PACE?

Local Government Benefits:

Workforce and economic development • No local government obligation • Minimal staff support • Improve building stock • Business retention and expansion • Better air quality • Water and energy conservation

Property Owner Benefits:

Cash flow positive projects • 100% financing • Automatic transfer upon sale • Long-term financing (up to 20 years or more) • Lower energy and water costs • No personal guarantees • Competitive rates and terms • Owner retains all tax incentives • Increase property value • Preserve capital for core business • Healthier and more comfortable facilities • Reduce environmental impacts

Service Provider Benefits:

Increase local hiring • Accelerate project timelines • New market penetration • Best practices • Technology advancement improvements

Capital Provider Benefits:

Steady and stable process • Fully collateralized • Tax assessment lien position • Improve asset value • Mortgage-holder consent • Enhance customer finance position

LOCAL GOVERNMENT ACTION

The Texas PACE Act establishes a four-step process that can be enacted in as few as two meetings using the PACE in a Box model documents prepared for your local government by Texas PACE Authority.

1. Post a report on how the program will work on your website
2. Adopt a resolution of intent to establish a program that references the report and sets a hearing date
3. Hold a public meeting
4. Adopt a resolution establishing a PACE program

WHAT PROPERTY TYPES AND IMPROVEMENTS ARE ELIGIBLE?

Eligible Property Types:

- Commercial
- Industrial/Manufacturing
- Multifamily housing (5+ units)
- Hospitality
- Agricultural
- Nonprofit

Eligible Improvements:

Chillers, boilers, and furnaces • HVAC, BMS, BAS, EMS controls • Lighting • Water heating systems • Energy management systems and controls • Roofing • Windows • Doors • Insulation • Elevator modernization • Pool equipment • Cogeneration or combined heat and power • Heat recovery and steam traps • Solar panels • Wind turbines • Water management systems and controls • Irrigation equipment • Rainwater collection systems • Toilets • Faucets • Greywater systems... and more!

PICK UP THE TX-PACE IN YOUR REGION!

TX-PACE programs are being launched all over the state and are currently available in more than a dozen regions. TX-PACE can help you create jobs, promote economic development, and protect the environment.

Contact Texas PACE Authority to learn how to develop a TX-PACE program for your community.

Visit us online at
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