

RESOLUTION 25-0947

**ILLINOIS FINANCE AUTHORITY COMMERCIAL PROPERTY
ASSESSED CLEAN ENERGY (C-PACE) PROGRAM**

ORDINANCE SUMMARY

- Enable participation in the Illinois Finance Authority (IFA) C-PACE Program
- Allow eligible property owners to access PACE financing for qualifying improvements
- Supports Economic Development and Sustainability goals

PURPOSE OF THE ORDINANCE

- Enables access to long-term, fixed-rate financing for building upgrades, boosting economic development and meeting 2019 Sustainability Plan goals
- Supports:
 - Energy efficiency
 - Renewable energy
 - Water conservation
 - Building resiliency improvements
- No cost, debt, or financial liability to the City

WHAT IS C-PACE FINANCING

- Commercial Property-Assessed Clean Energy (C-PACE)
- Statewide financing program run by the Illinois Finance Authority
- Available since 2017 in Illinois
- Financing is repaid through a special assessment on the property
- Paid alongside property taxes (not a traditional loan)

C-PACE STRUCTURE

- Property owner applies for C-PACE financing
- IFA issues bonds or notes through private capital providers
- Capital funds project upfront
- Property owner repays via assessment lien over time
- City does not issue bonds or provide funding

ELIGIBLE PROPERTIES

- Commercial properties
 - Industrial properties
 - Non-residential agricultural properties
 - Multifamily properties (5+ units)
 - Non-profit properties
-  *Single-family residential properties are not eligible*

ELIGIBLE IMPROVEMENTS

- Energy efficiency (lighting, HVAC, insulation)
- Renewable energy (solar, geothermal)
- Water-use improvements (conservation systems)
- Resiliency measures (flood mitigation, infrastructure upgrades)
- Electric vehicle charging stations

FINANCING TERMS

- Up to 100% of project and closing costs
- Maximum: 25% of total property value
- Typical term: 10–30 years (up to 40 years)
- Fixed interest rates
- Non-recourse (secured by property, not personal guarantee)
- Assessment can transfer to new owner upon sale

CITY IMPACTS

- No debt or financial liability
- No bond issuance by the City
- No administrative burden

IFA handles:

- Program administration
- Capital providers
- Compliance

City role:

- Execute assessment contracts
- Program promotion
- Optional tracking and feedback

PROGRAM BENEFITS

- State agency-run program with:
 - Competitive open market
 - Multiple administrators
- Creates a uniform municipal C-PACE program for Aurora (rather than relying on four county programs)
- C-PACE is already established by 6 other counties and 16 municipalities in Illinois

COMMUNITY AND ECONOMIC BENEFITS

- Lower barrier to building improvements
- Increased property values and reinvestment
- Reduced operating costs for buildings (economic development for property owners and renters)
- Supports sustainability goals (Aurora Sustainability Plan)
- Encourages adaptive reuse of older buildings
- Reduced greenhouse gas emissions
- Improved water conservation
- Job creation for local contractors and trades
- Positive cash flow potential for owners and renters
- Long-term economic development

ORDINANCE DETAILS

- Creates a citywide PACE Area
- Designates IFA as sole bond issuer
- Authorizes Illinois C-PACE Open Market Initiative as administrator
- Allows multiple program administrators
- Requires voluntary owner participation
- Establishes \$150 city fee per project (waivable)

FISCAL IMPACT

- No City debt
- No City financial obligation
- Repayment by property owner only
- City receives administrative fee
- No impact on general fund

933 SKOKIE BOULEVARD

VILLAGE OF NORTHBROOK

HOSPITALITY

\$6,245,735
IN PACE FINANCING

8.49%
FIXED INTEREST RATE



The property had five energy efficiency improvements. This 211,750 square foot hotel consists of 391 rooms, featuring 3 restaurants, and 18 meeting rooms.

\$508,144
FIRST YEAR ENERGY SAVINGS

\$917,013
25-YEAR AVERAGE ANNUAL ENERGY SAVINGS
(4.59% ESCALATION)



1,928,647 KwH
ANNUAL ENERGY SAVINGS



1.45 MILLION
GALLONS OF WATER CONSERVED ANNUALLY

RETROFIT

- ✓ Replacement of Roof & Insulation
- ✓ Doors and Windows
- ✓ HVAC
- ✓ Plumbing
- ✓ LED Lighting
- ✓ Upgraded ACEE Elevator system

320 South School Street

Village of Mount Prospect

MULTI-FAMILY

\$2,600,000
IN PACE FINANCING

7.84%
FIXED INTEREST RATE



The property is a new construction, multi-family building that financed energy efficiency improvements and water use improvements.

RETROFIT

- ✓ Insulation on roof, exterior wall and floors above garages
- ✓ ENERGY STAR Windows
- ✓ HVAC
- ✓ Plumbing
- ✓ LED Lighting and controls

\$80,801
FIRST YEAR ENERGY SAVINGS

\$133,161
25-YEAR AVERAGE ANNUAL ENERGY SAVINGS
(3.92% ESCALATION)



124,084 KwH
ANNUAL ENERGY SAVINGS



830,711
GALLONS OF WATER CONSERVED ANNUALLY

THE RESERVE HOTEL

CHICAGO

HOSPITALITY



The historic 208 LaSalle building converted empty offices to a new hotel with C-PACE financing making up a significant amount of the project's funding and enabling significant investments in efficiency.

\$21.25 million

25YR TERM FIXED RATE PACE FINANCING



954,546 kWh

ANNUAL ENERGY SAVINGS



2.7 million

GALLONS OF WATER CONSERVED ANNUALLY

\$3 MILLION

IN ENERGY SAVINGS OVER THE LIFE OF THE PROJECT

RETROFIT

- ✓ Lighting
- ✓ HVAC
- ✓ Weatherization
- ✓ Water Systems
- ✓ Equipment Replacement

O'HARE AIRPORT DUAL-BRAND

Rosemont

HOSPITALITY



The property boasts a total of 284 rooms, alongside amenities such as an indoor pool, lobby workstation, and a guest laundry room. This dual-branded hotel financed a gut rehab of the facility incorporating extensive upgrades in the building's insulation, lighting, and HVAC systems.

RETROFIT

- ✓ Lighting
- ✓ HVAC
- ✓ Weatherization

\$6 million

IN PACE FINANCING

\$530,000

IN ENERGY SAVINGS OVER THE LIFE OF THE PROJECT

PUBLIC FINANCE: COMMERCIAL PACE BONDS



The **nonpartisan, nonpolitical Illinois Finance Authority PACE Program** accelerates private investment in PACE Projects in any county, city, village, or incorporated town **throughout Illinois**

Any county or municipality can create a PACE Area and establish the IFA PACE Program **by adopting the enabling PACE Ordinance and related Program Report** offered by IFA

Commercial PACE financing **does not accelerate upon a default** (payment or otherwise), permits terms of **up to 40 years**, and allows financing of **up to 100%** of all project and closing costs

Eligible improvements :

- Energy efficiency
- Renewable energy
- Resiliency
- Water use
- Electric Vehicles Charging Stations

Eligible properties:

- Commercial
- Industrial
- Non-residential agricultural
- Multi-family (of 5 or more units)
- Any property owned by a not-for-profit entity

Learn More:

<https://www.il-fa.com/programs/c-pace>

QUESTIONS?

