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Plug Smart Uses Innovative Property Assessed Clean Energy (PACE) Program to Help PNC Plaza Finance Improvements Through Energy Savings

The 23-story PNC Bank Building is a 388,000 square foot high rise located in downtown Columbus, Ohio, and is beginning an extensive \$2.8 million renovation project. One of the big factors in making the project possible is an innovative financing solution called the PACE Program that uses energy conservation savings to help fund facility improvements. The PACE Program was introduced to building managers by one of Ohio's leading energy services firms, Plug Smart. "The PNC building needed a new roof and a variety of other repairs that were going to cost the owner and property management firm Arthur Goldner & Associates (AGA) over \$2.8 million in out of pocket expenses," states Lucas Dixon, Chief of Strategy for Plug Smart. "We have a lot of experience developing Property Assessed Clean Energy (PACE) projects -- especially for downtown high rise buildings. We knew if we could uncover the opportunities and show documented energy, operations and maintenance savings that this property would be the perfect fit for a fully funded PACE project."

Plug Smart was commissioned to do a comprehensive PACE Technical & Financial Assessment of the PNC Building to evaluate the opportunities for self-funded projects. This assessment established energy baselines for the building as well as identifying which energy and cost conservation measures would meet the PACE requirements -- and be financially viable for AGA. "It was clear early-on that this project would be eligible for PACE. In this case, the building owner was able to obtain fixed rate, long term financing with enough cash flow in the project to recover most of the financing costs," states Dixon.

Plug Smart identified five areas for improvement that would deliver over \$300,000 in utility, operations/maintenance, and other project savings.

"The roof was really the big driver on this project and was well past its useful life. Plug Smart and their team introduced us to the PACE concept, walked us through the process every step of the way, and played a big role in helping us finally address all of our deferred maintenance and other building improvement needs," states Rick Aronholt of Arthur Goldner & Associates.

PACE is an innovative program that makes it possible for owners of commercial and industrial properties to obtain low-cost, long-term financing for energy-efficiency, water conservation and renewable energy projects. PACE has been established in 32 states and its statutes authorize municipalities and counties to work with private sector lenders to provide upfront financing to property owners for qualified projects, and to collect the repayment through annual assessments on the property's real estate tax bill.

"PACE is a great public-private partnership that enables building renovation, creates jobs, while at the same time conserving energy and helping the environment. The PNC Building is Columbus' first high rise to take advantage of the program," continued Dixon from Plug Smart. "PACE solves a lot problems for building owners in the sense that it allows building owners to pay for improvements using 100%, off-book tax financing while at the same time improving the value of the property and delivering superior cash on cash returns."

Plug Smart believes there are many buildings in Columbus and across Ohio that could qualify for a fully funded PACE Program. "Many building owners are just unaware of the PACE Program and others feel that it is just too complex to apply for," concluded Dixon. "This is where we can help. Plug Smart has developed some of the largest commercial PACE projects in Ohio and our team can help our clients leverage this unique and innovative program from concept through construction."

About Plug Smart

Plug Smart is a full-service, Ohio-based energy services company with offices in Columbus, Cincinnati, Dayton, Cleveland and Ft. Myers, Florida. Plug Smart offers turnkey and individual project services for school districts, commercial/industrial clients, government facilities and hospitals.