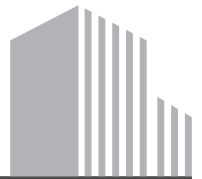


# Complex Capital Stack includes PACE Equity to Close the Funding Gap



Flashcube Building | Kansas City, MO

## \$4.1 MILLION



### PACE EQUITY COORDINATES COMPLEX FINANCING STRATEGIES FOR HISTORIC REDEVELOPMENT

PACE Equity filled a gap in funding as part of a complex capital stack for the redevelopment of downtown Kansas City's iconic Flashcube building. The redevelopment included conversion of the former Executive Plaza Office Building, which sat vacant for over 12 years, into multi-family luxury apartments with commercial space for office and retail. The capital stack included federal and state historic tax credits, a tax credit bridge loan, a construction loan, two forms of tax abatement monetized through multiple ground leases, capital from the sponsor and PACE Equity.

PACE Equity financed 7% of the project to close the gap in the very complex capital stack. In addition, the state PACE financing statute required compliance with a savings-to-investment ratio—proving that over a 20-year term energy savings will equal or exceed the initial principal investment. PACE Equity engineering experts performed the required energy study and made certain the project met the SIR compliance requirements.

From the initial analysis to engineering, compliance & funding, PACE Equity uses its *Fast Track™ Funding* process to deliver a stress-free experience for customers.

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It's not only a very complex capital stack, but a complex legal structure as well. Having PACE Equity being so familiar with the structure of this tax credit deal and being able to close the transaction quickly was really a huge benefit. PACE Equity was extremely supportive and helpful throughout the process.

Matt McCauley, Chief Operating Officer  
Worcester Investments

### \$59 M CAPITAL STACK

STATE & HISTORIC TAX CREDITS.....	30%	\$18.0 M
CONSTRUCTION LOAN .....	56%	\$33.0 M
TAX CREDIT BRIDGE LOAN.....	22%	\$13.0 M
EQUITY .....	12%	\$7.0 M
PACE EQUITY.....	7%	\$4.1 M

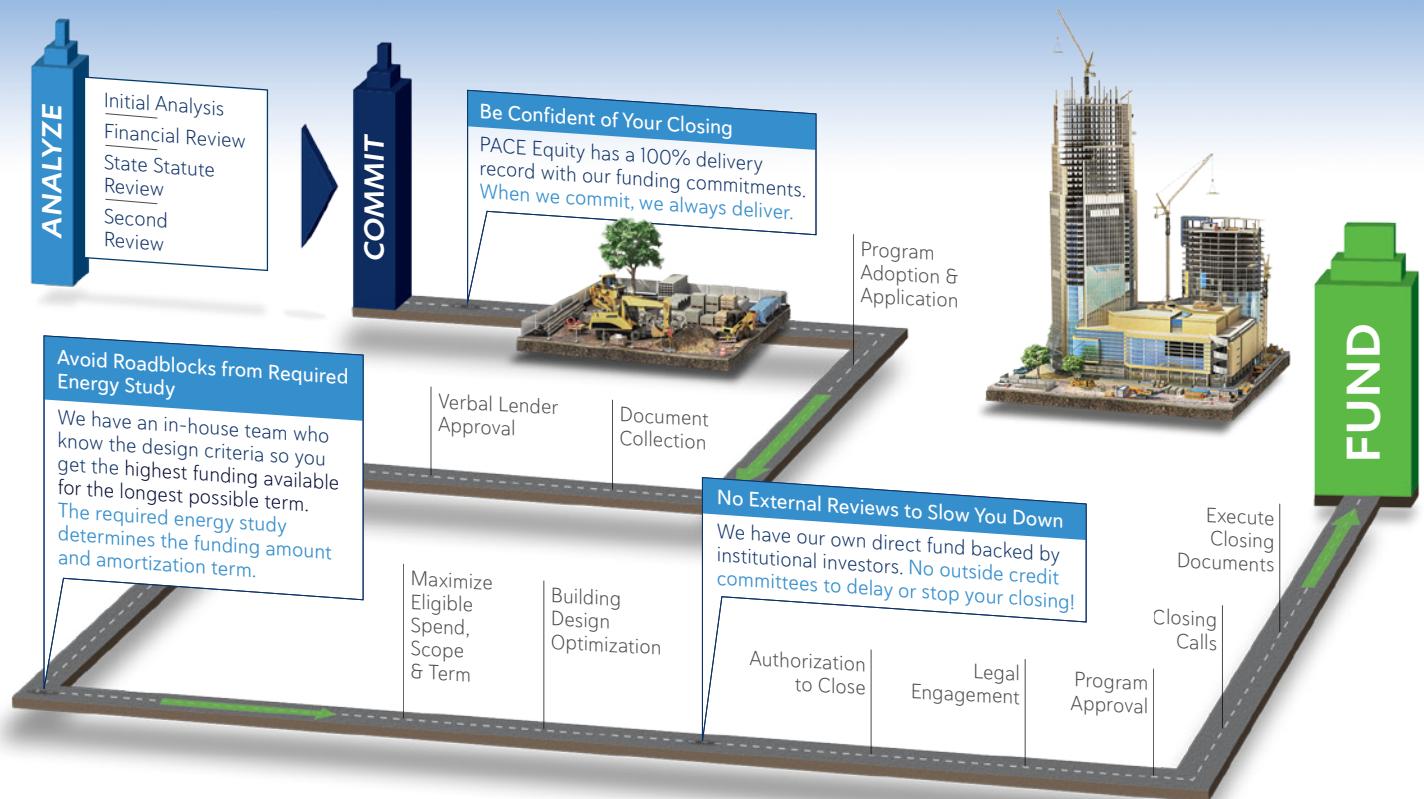
In addition to multiple financing layers, there was a real estate tax abatement (using an IRB ground lease) plus a TIF.



**PACE**Equity

# THERE ARE 87 STEPS NEEDED TO EXECUTE PACE FINANCING. Don't worry, we do all 87.

Fast Track™ Funding  
Process with  
End-to-End Execution

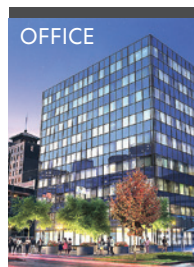


## WHAT IS PACE EQUITY?

PACE legislation allows for a new funding vehicle in your capital stack. Your construction budget can use our funding for quantifiable utility, water, renewable or seismic (select states) efficiencies. The repayment of the capital is made through a long-term special tax assessment on the property. PACE Equity is available in 25 states and growing.

The PACE Equity team has funded over 200 projects and pioneered funding for new construction and NMTC/HTC projects. We provide an easy experience with an upfront commitment so you have *certainty of funding*, right from the beginning. Let us show you how.

## FUNDING FOR A VARIETY OF ASSET CLASSES



## BOOST IRR AND REDUCE WACC

**UP TO 50% LOWER COST** of capital compared to mezzanine or equity. PACE Equity funding will not decrease your bank leverage.

**WE FUNDED IT FIRST.** We figured out first how to use our capital for new construction plus NMTC/OZ/TIF...and we won't stop there. We'll help you solve your financing challenge.

**0% COST OF CAPITAL** using our Pass-through Principle.™ Many clients pass 100% of their repayment costs to guests/tenants who benefit.

**10 BPS RATE REDUCTION** when you comply with our Low Carbon Building Specification. We'll even help you design for it.



**PACE Equity**

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