

CASE STUDY

Houston Business Development Inc.
Houston, TX



TEXAS  PACE
AUTHORITY

PACE financing helps Houston Business Development Inc. continue its nonprofit mission to stimulate economic growth and revitalize communities throughout Houston.

THE PROBLEM:

Houston Business Development, Inc. (HBDi) is a nonprofit established in 1986 by the City of Houston to stimulate economic growth, support the expansion of small businesses, combat community deterioration, and foster employment opportunities for low-moderate income citizens in the Houston metropolitan area and surrounding counties. Headquartered in Houston's southeast quadrant, HBDi's offices, including the building envelope and internal equipment had not been substantially updated since the original construction in the 1950s. Some of the rooftop HVAC units had been replaced, but most were beyond their expected life. Energy bills and maintenance costs drained resources away from HBDi's core mission. Conventional financing would have required HBDi to divert core capital from its operating budget to fund these necessary upgrades, thus diminishing resources needed for its mission.

THE PACE SOLUTION:

With PACE financing of \$1.2M, HBDi undertook mechanical, electrical and plumbing upgrades to its facility. These retrofits included: LED lighting, 133 KW of solar power generation, extensive upgrades to insulation and window tinting, replacement of plumbing fixtures and replacement of HVAC systems. HBDi is projected to achieve a 51% reduction in electricity usage and a 35% reduction in water consumption, resulting in yearly savings of over \$68,000. These savings exceed the total cost of the improvements, enabling HBDi to access operational savings without cannibalizing its core mission capital or cash flow.

COMMUNITY IMPACT:

PACE financing enabled HBDi to achieve comprehensive energy efficient and water conservation upgrades without compromising its operating budget. Using PACE financing on these upgrades produced a positive cash flow for the nonprofit, allowing HBDi to invest its operational savings back into its core mission: helping small businesses, combating community deterioration and fostering employment opportunities for low-moderate income citizens in the Houston metropolitan area and surrounding counties. These financial savings created a great asset for this nonprofit by helping to ensure financial and environmental sustainability for the future of their operations so they can continue to help the businesses and communities around them.

PROJECT OVERVIEW

PROJECT FINANCING

Total Assessment: \$1,264,071
Term: 20 years

PROJECT PARTNERS

City of Houston & Nuveen Green Capital

ANNUAL IMPACT

Clean Energy Jobs Created

14.4

Anticipated Electric Energy Savings

667,604 kWh

Total Anticipated Water Savings

102 Kgal

Clean Air Improvements

Avoided CO2: 347.4 tonnes

BUILDING

Building Size: 130,539 square feet
Built: 1950s

IMPROVEMENTS

LED Lighting, Solar, HVAC, Building Controls,
Insulation, Window Film, Plumbing Fixtures



PACE IN TEXAS

Texas PACE answers the question, "How are we going to pay for it?" and is transforming how developers, owners, and contractors look at projects, proving that there is a clear path forward for energy efficiency, distributed generation, water use reduction, and resiliency projects in existing buildings.



HOW DOES TX-PACE WORK?

Property Assessed Clean Energy (PACE) is an innovative financing program that offers commercial, industrial, and large multifamily property owners an opportunity to participate in a voluntary program to obtain up to 100% financing for water conservation, energy-efficiency, and distributed generation retrofits. PACE has great potential to directly affect a business' bottom line; a project's savings in utility costs offsets the cost of installing the project. In most instances, this will result in an immediate positive cash flow.



THE CITY OF HOUSTON

The City of Houston's TX-PACE program is based on the PACE in a Box model, created by over 130 volunteer stakeholders for Texas. The market-based, flexible TX-PACE program enables property owners to do business with the parties of their choosing at the lowest possible administrative cost. The program includes a high level of consumer protection to ensure that the projects will deliver the anticipated savings.

www.houston.texaspaceauthority.org



TEXAS PACE AUTHORITY

The City of Houston PACE Program is administered by Texas PACE Authority (TPA), a nonprofit organization that administers Texas' PACE statute by taking a market-based approach to energy finance and economic development. TPA works with all parties – property owners, contractors, and lenders to bring energy and water improvements that are both economically sound and environmentally friendly.

www.texaspaceauthority.org



NUVEEN GREEN CAPITAL

Nuveen Green Capital is a national leader in sustainable commercial real estate financing solutions and an affiliate of Nuveen, the \$1T+ asset manager and wholly owned subsidiary of TIAA. Established in 2015 by the C- PACE industry's founders and standard-setters, Nuveen Green Capital is a private capital provider dedicated to making sustainability a smart financial decision for commercial real estate owners who seek to improve the energy, water and resiliency performance of their property. For more information, visit:

www.nuveen.com/greencapital

FOR MORE INFORMATION CONTACT US TODAY!



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