

2022



Annual Report

+1 855-738-PACE (7223)

admin@texaspaceauthority.org

www.texaspaceauthority.org

On The Cover

Family Support Services (FSS) is a private, nonprofit, multi-service agency providing services to those in need in Amarillo and the Texas Panhandle since 1908. Today, FSS serves over 25,000 people each year, including victims of sexual assault, family violence, and human trafficking. FSS also serves at-risk children, and provides counseling to veterans, their family members and surviving spouses. After a fire in their offices in 2020, FSS identified a new headquarters at 2209 SW 7th Avenue - a 4 story, 27,252 square foot office building built in 1960 - that needed major upgrades.

A 2022 City of Amarillo PACE Program assessment of \$1,210,900 allowed FSS to finance HVAC, lighting (interior and exterior), plumbing, boilers, controls, fans, and pumps to reduce energy and water use and related costs in their new headquarters. The savings from these improvements are projected to exceed the total cost of the improvements, enabling FSS to access operational savings without cannibalizing their core mission capital, so they can continue to provide critical services to the people of Amarillo and the Texas Panhandle.

Letter From the President

2022 was a breakout year for both the TX-PACE program and Texas PACE Authority (TPA). The 2022 total PACE investment of \$172 million equals the amount of TX-PACE investment in all previous years combined. TPA facilitated a record-breaking 17 projects in 13 different cities. Eight of the projects were the first PACE projects in their regions, demonstrating that the program is benefiting communities, large and small throughout Texas. TPA also facilitated the largest project in Texas - a \$40 million TX-PACE assessment for a hotel in the City of Dallas.

There are three reasons for the uptick in interest in TX-PACE financing in 2022.

Program expansion: First, thanks to 83 cities and counties in Texas, TPA is able to serve 73% of the Texas population, enabling more businesses and nonprofits to qualify.

Financial pain: Second, until recently, Texas' energy costs were amazingly low, but after storm Uri, energy prices have increased, catching up to the prices paid in other states and creating a pain point that businesses and nonprofits had previously been able to avoid. Organizations now seek ways to decrease utility costs. The increased cost of capital and difficulty in acquiring it adds to the pain, causing developers and property owners to seek alternative sources of capital. They are discovering that TX-PACE financing is a competitive, attractive source of capital, that complements tax credits, opportunity zone funding, local incentives, increasing federal incentives, and utility incentives.

Model program updates: Third, the Keeping PACE in Texas model program, PACE in a Box, was updated by volunteer stakeholders in the Technical Standards Working Group and the Underwriting Working Group. Their updates to the model program made new construction and refinancing projects easier to qualify for TX-PACE financing.

I am proud of the amazing work of the talented TPA team members and humbled by their dedication to quality public service. Team TPA rose to the occasion, performing quality work over long hours to meet the rising demand for projects across Texas in 2022. Team members bring talent and experience well beyond the norm, working hard for the long-term good of the program and the people we serve.

At the beginning of the year, TPA was outgrowing its startup status and by December graduated from a University of Texas management mentoring program. TPA added (and continues to add) a seasoned commercial real estate closing team. In addition, TPA:

- Expanded to serve 14 additional PACE regions;
- Created Self-PACE'd online service provider training, enabling contractors, engineers, architects, etc. to take TX-PACE training at their convenience. Scholarships are available to minority, woman, and veteran-owned businesses;
- Received HUD's approval to use PACE on HUD and FHA multifamily properties;
- Published a more user-friendly Program Guide in English and Spanish;
- Collaborated with the Harvard Business School Immersion Program, Keeping PACE in Texas, and the University of Texas ATI and VMS programs to improve the PACE in a Box model program and TPA's program administration;
- Received a generous Meadows Foundation grant to implement a Salesforce database; and
- Promoted the new DOE Market Assessment Tool to help PACE regions and stakeholders identify opportunities to use PACE financing to improve commercial building stock.



While Texas public policy discussions are focused on the dependable supply of energy and water in Texas, TPA is helping to reduce demand for energy and water - a critical, albeit less visible, component of ensuring that Texas' natural resources are adequate and reliably available throughout our state. TPA assists local governments in strengthening the bottom lines of their businesses and nonprofits, improving the building stock of Texas' rural, urban, and border communities, and freeing up natural resources for growth.

We look forward to working with you to achieve these goals throughout Texas.

A handwritten signature in cursive script that reads "Charlene Heydinger". The signature is written in dark ink on a white background.

Charlene Heydinger, President, Texas PACE Authority

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Steve Block

Board Secretary, retired; formerly Partner, real estate and banking law, Thompson & Knight, LLP



Michael Gromacki

CEO, McClarin Composites; formerly Director, Global Wind and Composite Systems, Olin, formerly President, Dixie Chemical



Hon. John Hall

President/CEO, Houston Advanced Research Center (HARC); formerly Associate VP, Environmental Defense Fund (EDF); Chairman, Texas Water Commission and the Texas Natural Resource Conservation Commission (predecessor agencies to the Texas Commission on Environmental Quality)



Charlene Heydinger

Board President, Texas PACE Authority; formerly Executive Director, Topfer Family Foundation, VP & Washington Council, Capital Cities, ABC Inc.; and General Council to Hon. Robert H. Michel, US House Republican Leader



Yarcus Lewis

Sustainability Program Lead, Federal Reserve Bank of Dallas, with 30 years of management experience, LEED Accredited Professional, Housing Development Finance Professional, and Certified Sustainability Practitioner. Former Sustainability Projects Supervisor, City of Plano.



Hon. Penny Redington

Retired; formerly ED, Texas Association of Regional Councils; Leg. Liaison, Texas Association of Counties; and Ellis County Judge



Carlton Schwab

President and CEO, Texas Economic Development Council



Patrick Worrall

VP Asset Marketplace, LevelTen Energy; formerly Interim Head of Debt Capital Markets, Sunnova Energy; S.V.P Finance & Strategy, Extol Energy, Principal, Scanden; and Director, Constellation Energy

Board of Directors



Charlene Heydinger
President



Dub Taylor
Chief Operating Officer



Marina Badoian-Kriticos
Senior Program Advisor



Jonathon Blackburn
Technical Advisor



Christine Cahill
Transaction Manager



Amy Vanderbilt
Operations and Compliance
Manager



Autumn Radle
Program Manager



James Cargas
Counsel



Deborah McCray
Creative and Technology
Manager

TPA Team

2022 Impact - TPA Administration

Texas PACE Authority made extraordinary strides in 2022 to improve programmatically and organizationally realizing significant success. The organization grew with the addition of 14 new PACE regions and 17 PACE projects totaling \$172 million in 2022. It's essential that TPA keep pace (pun intended) with the growing desire of communities, businesses, and nonprofits to take advantage of TX-PACE.

OUTWARD FACING IMPROVEMENTS

Self-PACE'd Online Service Provider Training – To make it easier for everyone interested in the technical PACE project requirements, TPA created a [Self PACE'd online training program](#) made up of three video modules and a multiple-choice test so that contractors, architects, engineers, suppliers, etc. can take PACE training at their convenience. Participants who finish the training successfully may add their company contact information to the [Service Provider Directory](#) on the TPA website. Scholarships are available to minority, women, and veteran-owned businesses. TPA featured the Self PACE'd training in its [November T5 webinar](#).

The [Training Portal](#) also contains training on how to set up an Energy Star Portfolio and will host more training sessions in the future.

HUD Approves TPA as administrator of PACE projects on HUD and FHA Multifamily Properties – In December 2022, [HUD authorized the use of PACE financing for HUD and FHA multifamily properties in regions where TPA is the administrator](#). HUD's approval is the culmination of a 6-year TPA effort. TPA looks forward to working with developers, lenders, and communities to utilize the TX-PACE program to improve, retain, and expand much needed multifamily housing throughout Texas.

TPA Program Guide – In response to the updated Version 3.0 of the Keeping PACE in Texas Technical Standards Manual published in late 2021, and significant statutory interpretation updates made by the Keeping PACE in Texas Underwriting Working Group in mid 2022, TPA revised its Program Guide. [Version 4.0](#) was published in September 2022 in English and Spanish. This update is more user friendly and includes a step by step guide to developing a PACE project in compliance with the statute and the PACE in a Box best practices. TPA featured the Program Guide V4 in its [September T5 Webinar](#).



OUTWARD FACING IMPROVEMENTS - CONT.

The Department of Energy's Market Assessment Tool was released in February 2022, featured in the March [TPA T5 webinar](#) with DOE experts, and [linked on the TPA website](#). The opportunities identified in this tool for successful PACE projects by county and city are extraordinary. In the regions served by TPA, the DOE Assessment Tool identified more than \$15 billion in cost-effective energy and water saving projects, and this opportunity doesn't include multifamily or industrial properties. The DOE Assessment Tool shows how much businesses can redirect to their bottom lines in Texas, and TPA is pleased to share this information with elected officials, communities, lenders, and developers.

Keeping PACE in Texas' Underwriting Working Group 2022 Updates

TPA was pleased to support the Keeping PACE in Texas' Underwriting Working Group's 2022 feedback and improvement process in which all interested stakeholders worked together to address two key issues - the statutory interpretation of "intent" and "undeveloped lots" in the Texas PACE Act. The additional guidance simplified and clarified the interpretation of the statute for the PACE in a Box model program. The market has responded with increased investment in energy and water-saving measures throughout Texas. These collaborative changes also opened the door to financing for [wastewater reuse investment](#).

“The US DOE Energy and Building Market Assessment Tool provides detailed analysis about specific commercial building stock, and associated energy saving opportunities for common project types. Using this tool, TPA identified 187,000 PACE-eligible buildings in its existing service areas totaling 4.3 billion square feet with \$15 billion in cost effective PACE projects (SIR>1) that can achieve over \$23 billion in lifecycle savings for owners.

Dub Taylor, COO,
Texas PACE Authority”

IMPROVING FROM WITHIN

The University of Texas' Austin Technology Incubator selected Texas PACE Authority, as the first ever nonprofit to participate in its Venture Mentoring Service in early 2021, and graduated TPA in December of 2022. During those two years, TPA leadership was mentored by successful corporate leaders and put through its paces (yes, another pun) focusing on key elements of senior management, strategic planning, and organizational skills that were put into immediate effect and have been instrumental in TPA's growing success. VMS mentor Patrick Worrall joined the TPA Board of Directors and continues to offer his strategic management insight.



“I have known and respected Charlene Heydinger since she started Texas PACE Authority, and I was happy she asked the Austin Technology Incubator (ATI) for a Texas Venture Mentoring Service (VMS) team to help Charlene and Dub Taylor determine the best ways to scale up TPA's operations to serve more jurisdictions and projects.

The secret success factor for mentoring management teams from growing organizations is their coachability, and TPA's management team was simply the best I've worked with. Their results in 2022 were just fantastic!

Steve Smaha, Executive-In-Residence,
Austin Technology Incubator Lead Mentor,
Texas Venture Mentoring Service

Pictured Left

ATI's graduation event, December 2022. VMS mentors: Sara Mitran, Steve Smaha, Tom Franceses and Charlene Heydinger - TPA. Not shown: Richard Amato, Patrick Worrall, and Dub Taylor

IMPROVING FROM WITHIN - CONT.

Harvard Business School Field Immersion Program

brought masters students to San Antonio to study its PACE program and make recommendations regarding education and outreach. In May, the Alamo Area Council of Governments (AACOG) and TPA met to hear the results and recommendations from the business students. TPA has put these recommendations to work in San Antonio and across the state.

With the generous support of **The Meadows Foundation**,

TPA is developing a Salesforce database to bring significant efficiencies to data collection, project processing, and reporting. In collaboration with nonprofit PACE administrators, **Show Me PACE** in Missouri and **Virginia PACE Authority**, TPA was able to better identify its needs and hire a full-time program designer and administrator. TPA is also consulting with a minority and woman-owned business in this endeavor. The database will be operational in 2023, and TPA expresses deep gratitude to The Meadows Foundation for the \$100,000 grant, without which this internal, much-needed investment would have taken years to accomplish.



Pictured Above

Harvard MBA Students pictured with Dub Taylor, TPA and Lyle Hufstetler, AACOG (center)

TPA:

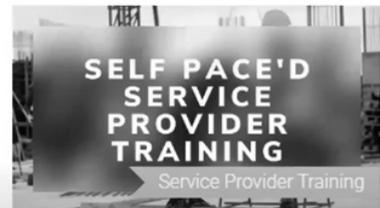
EDUCATION & OUTREACH

TPA'S THIRD THURSDAY AT TWO PM TRAINING WEBINARS (T5)

- [TPA's 2021 TX-PACE Recap, January 20](#)
- [TPA Program Guide Update, February 17](#)
- [Finding Gold with the US Department of Energy's new Commercial PACE Toolkit, March 17](#)
- [Don't Delay, Invest Today! Why ESG Matters to Property Owners and Managers, June 16](#)
- [TX-PACE Training for Title Companies, July 21](#)
- [TPA Program Guide Update, September 29](#)
- [Self-PACE'd Online Service Provider Training, November 17](#)
- [Increased 179D Benefits Under the 2022 Inflation Reduction Act, December 14](#)

PRESENTED
AT
71
PUBLIC PRESENTATIONS
THROUGHOUT TEXAS

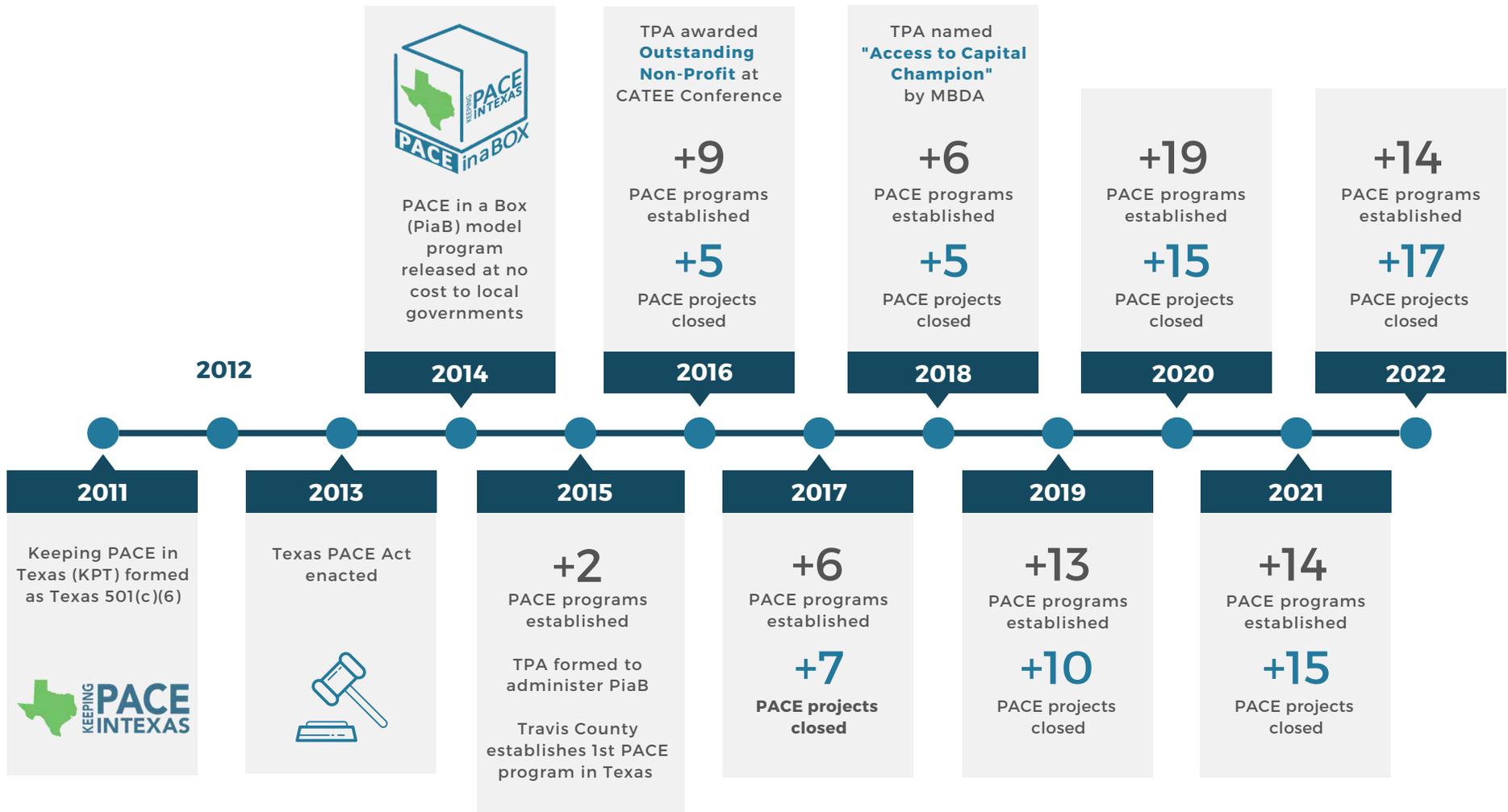
PARTICIPATED IN
MORE
THAN
500
EDUCATION & OUTREACH
CONVERSATIONS, MEETINGS,
AND WEBINARS



**SELF-PACEd
SERVICE
PROVIDER
TRAINING**

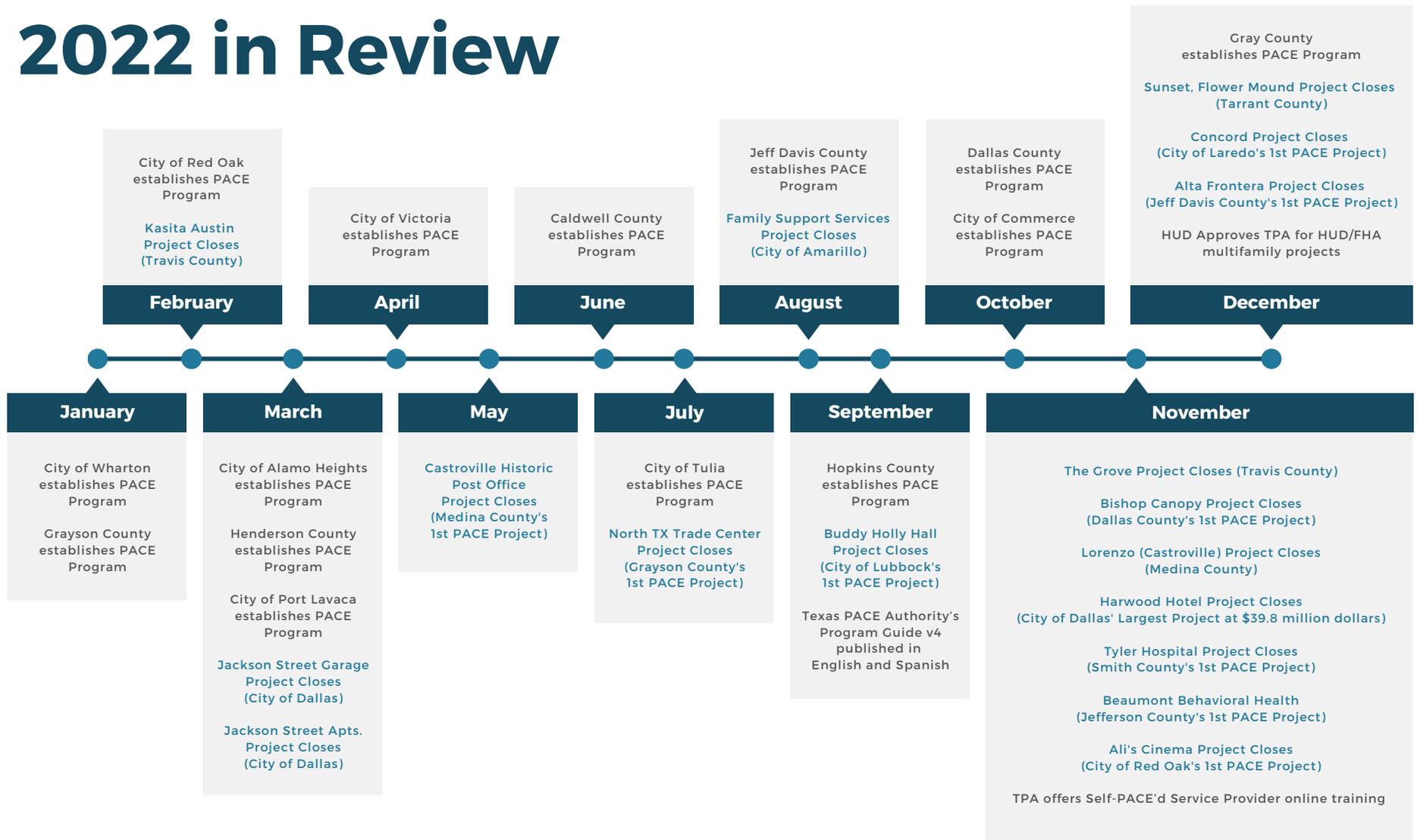
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TPA's Dub Taylor hosts our November 2022 T5 Webinar explaining how to access and use TPA's new training portal including a Self-PACE'd Service Provider Training available at any time.



A Brief History of TPA & TX-PACE

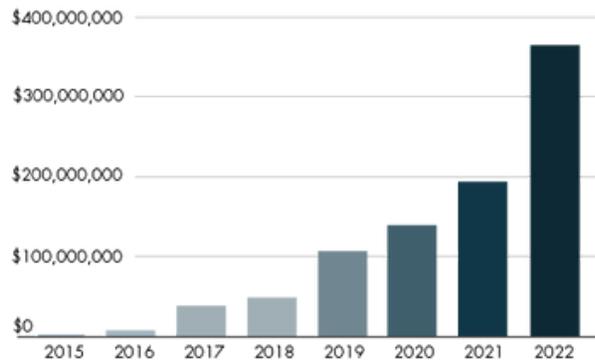
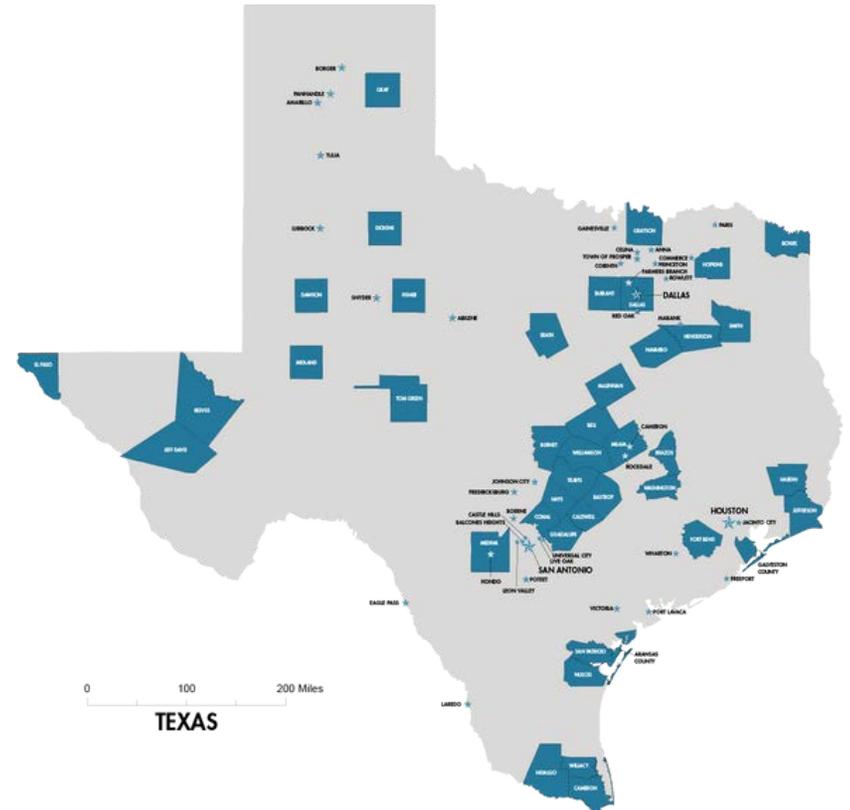
2022 in Review



Cumulative Impact

Since its formation in 2015, TPA has facilitated more than \$362.3 million in clean energy and water-saving investment in commercial buildings across the state. In an extraordinary 2022, TPA facilitated as many energy and water-saving measures as in all previous years combined. In 2022, project financing ranged from \$145,000 to \$40 million in urban and rural communities throughout Texas.

Eighty-three local governments now have TX-PACE programs to enable their businesses and nonprofits to access TX-PACE financing for property upgrades resulting in energy and water efficiency and onsite generation. These improvements reduce operating costs and often also increase property resiliency and safety. Local communities benefit from economic growth, reduced energy and water demand, and redevelopment of older buildings.



71	\$362.3MM	4,587	41,389	71,385,669	79,929	115,693
PROJECTS COMPLETED	DOLLARS INVESTED	JOB'S CREATED	CO² REDUCED (tonnes/yr)	ENERGY SAVED (kWh/Year)	NATURAL GAS SAVED (mmBTU/Year)	WATER SAVED (kGals/Year)



2022 PROGRAM GROWTH

Fourteen local governments established new TX-PACE programs in 2022 and selected TPA as program administrator. This continued growth brings TPA’s public servant leadership to eighty-three local governments. Each local government served by TPA has its own unique landing page on the TPA website that tracks local PACE project impact and other local PACE information. TPA welcomed the following local governments establishing new TX-PACE programs in 2022:

Pictured left:

1. Wharton, City of (January 10)
2. Grayson County (January 18)
3. Red Oak, City of (February 15)
4. Alamo Heights, City of (March 14)
5. Port Lavaca, City of (March 14)
6. Henderson County (March 15)
7. Victoria, City of (April 19)
8. Caldwell County (June 14)
9. Tulia, City of (July 12)
10. Jeff Davis County (August 15)
11. Hopkins County (September 30)
12. Dallas County (October 4)
13. Commerce, City of (October 18)
14. Gray County (December 1)

2022 Impact: Program Growth

2022 Impact: Projects

“TX-PACE has provided us with the opportunity to rebuild the energy infrastructure of our soon-to-be home office building to be more energy efficient and much more economical. We expect to see savings on utility costs of close to \$100,000 annually. As a non-profit agency, the importance of this cannot be overstated - it will help ensure that we will be able to continue to provide services for many years to come. Dub Taylor and the TX-PACE staff were all great to work with and extremely helpful in guiding us through the application process.

Jim Womack,
CEO of Family Support Services



CITY OF AMARILLO

PROJECT NAME:

Family Support Services
Nonprofit - Office

PACE ASSESSMENT:

\$1,210,900

QUALIFIED IMPROVEMENTS:

HVAC, CW System, Controls, VAVs, Pumps and Fans, Plumbing Fixtures, Interior and Exterior LED Lighting

ANNUAL BENEFITS

Energy Savings	Water Savings	Avoided CO ²
1,505,582 kWh	536,000 gallons	794.32 tonnes



(Below) 2015 - 2022 Cumulative Impact of TX-PACE in the City of Amarillo

2	\$18,558,480	99	1,856	3,221,833	3,385	4,706,000
Projects Completed	Dollars Invested	Jobs Created	CO2 Reduced (tonnes/yr)	Energy Saved (kWh/yr)	Natural Gas Saved (mmBTU/yr)	Water Saved (kGals/yr)

CITY OF DALLAS

PROJECT NAME:

Jackson Street Apartments
Multifamily & Retail

PACE ASSESSMENT:

\$26,859,837

QUALIFIED IMPROVEMENTS:

Qualified Improvements: Building Envelope, Electrical, Lighting, HVAC, Plumbing and Water Conservation

ANNUAL BENEFITS

Energy Savings	Water Savings	Avoided CO ²
2,258,432 kWh	4,967,000 gallons	1,253.95 tonnes



The 2019 Jackson St. Garage assessment was refinanced in 2022, \$5,140,163

PROJECT NAME:

Hôtel Swexan
Hospitality - Hotel

PACE ASSESSMENT:

\$39,873,850

QUALIFIED IMPROVEMENTS:

Building Envelope, HVAC, Glass Curtain Wall, Plumbing, Elevator

ANNUAL BENEFITS

Energy Savings	Water Savings	Avoided CO ²
1,209,598 kWh	420,500 gallons	730.17 tonnes



(Below) 2015 - 2022 Cumulative Impact of TX-PACE in the City of Dallas



DALLAS COUNTY

PROJECT NAME: Bishop Canopy in Dallas Multifamily
PACE ASSESSMENT: \$1,595,864

QUALIFIED IMPROVEMENTS: Building Envelope, HVAC, Lighting, Plumbing and Water Conservation

ANNUAL BENEFITS

Energy Savings 253,113 kWh	Water Savings 606,000 gallons	Avoided CO ² 131.71 tonnes
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(Below) 2015 - 2022 Cumulative Impact of TX-PACE in Dallas County

1	\$1,595,864	21	253,113	606,000	132
Projects Completed	Dollars Invested	Jobs Created	Energy Saved (kWh/yr)	Water Saved (gallons/yr)	CO ₂ Reduced (tonnes/yr)

GRAYSON COUNTY

PROJECT NAME: North Texas Trade Center in Sherman Industrial-Warehouse
PACE ASSESSMENT: \$2,503,667

QUALIFIED IMPROVEMENTS: Roof and Solar PV

ANNUAL BENEFITS

Energy Savings: 786,500 kWh	Jobs Created 32 jobs	Avoided CO ² 409.27 tonnes
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(Below) 2015 - 2022 Cumulative Impact of TX-PACE in Grayson County

1	\$2,503,667	32	409	0	786,500	0
Projects Completed	Dollars Invested	Jobs Created	CO ₂ Reduced (tonnes/yr)	Water Saved (gallons/yr)	Energy Saved (kWh/yr)	Natural Gas Saved (mmBTU)

JEFF DAVIS COUNTY

PROJECT NAME: Alta Frontera in Fort Davis Hospitality - Hotel
PACE ASSESSMENT: \$3,407,183

QUALIFIED IMPROVEMENTS: Building Envelope, Lighting, HVAC, Plumbing and Water Conservation

ANNUAL BENEFITS

Energy Savings 648,049 kWh	Water Savings 860,000 gallons	Avoided CO ² 362.88 tonnes
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(Below) 2015 - 2022 Cumulative Impact of TX-PAVE in Jeff Davis County

1	\$3,407,183	44	648,049	860,000	484	363
Projects Completed	Dollars Invested	Jobs Created	Energy Saved (kWh/yr)	Water Saved (gallons/yr)	Natural Gas Saved (mmBTU/yr)	CO2 Reduced (tonnes/yr)

“I would unequivocally encourage the PACE program to others exploring commercial improvements aligned with their mission. We worked closely with Texas PACE Authority throughout 2022 on an ambitious, out-of-the box commercial development that we expect to have a transformative impact regionally; it's a great program that has played a critical role in the realization of our project.

Timothy Crowley, Developer, Alta Frontera, Jeff Davis County's First PACE Project”



Pictured Right Events Center at the Alta Frontera Resort in the Davis Mountains.

JEFFERSON COUNTY

PROJECT NAME: Beaumont Behavioral Health Healthcare
PACE ASSESSMENT: \$3,965,700

QUALIFIED IMPROVEMENTS: HVAC, Building Envelope, LED Lighting, Plumbing

ANNUAL BENEFITS

Energy Savings 367,112 kWh	Water Savings 415,000 gallons	Avoided CO ² 191.03 tonnes
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(Below) 2015 - 2022 Cumulative Impact of TX-PACE in Jefferson County

1	\$ 3,965,700	51	191	415,000	367,112	0
Projects Completed	Dollars Invested	Jobs Created	CO2 Reduced (tonnes/yr)	Water Saved (gallons/yr)	Energy Saved (kWh/yr)	Natural Gas Saved (BTU/yr)

CITY OF LAREDO

PROJECT NAME: Concord Multifamily & Retail
PACE ASSESSMENT: \$3,577,294

QUALIFIED IMPROVEMENTS: Building Envelope, HVAC, Lighting, Plumbing, Domestic Hot Water (DHW)

ANNUAL BENEFITS

Energy Savings 305,424 kWh	Water Savings 691,000 gallons	Avoided CO ² 158.93 tonnes
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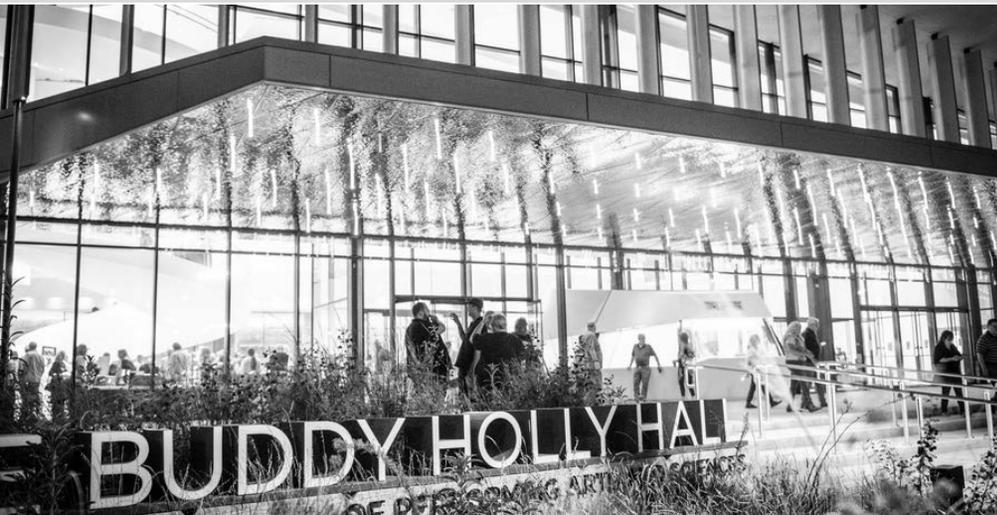


(Below) 2015 - 2022 Cumulative Impact of TX-PACE in the City of Laredo

1	\$ 3,577,294	46	305,424	691,000	0	159
Projects Completed	Dollars Invested	Jobs Created	Energy Saved (kWh/yr)	Water Saved (gallons/yr)	Natural Gas Saved (BTU/yr)	CO2 Reduced (tonnes/yr)

“The Buddy Holly Hall of Performing Arts and Sciences is a world class multi-use performance facility located in Lubbock, Texas. The highly energy and water efficient building opened in 2021 with a significant amount of construction financing that desperately needed to be restructured. The Texas PACE Authority and their “PACE in a Box” program was a godsend for us. We were able to quickly and efficiently close a \$20.9 million long-term financing to the great relief of LEPAA, the owner of Buddy Holly Hall, and the local 10 bank consortium who provided the construction loan. TPA and their entire staff are highly professional and delightful to work with. The “PACE in a Box” program is designed to streamline and simplify the lending process for the borrower and it delivers in spades!

Steve Moffett, SDM Financial, Inc.
Co-developer, Buddy Holly Hall”



CITY OF LUBBOCK

PROJECT NAME:

Buddy Holly Hall
Nonprofit- Recreation

PACE ASSESSMENT:

\$20,864,230

QUALIFIED IMPROVEMENTS:

HVAC, Lighting, Building Envelope, Plumbing

ANNUAL BENEFITS

Energy Savings	Water Savings	Avoided CO ²
2,965,134 kWh	4,401,000 gallons	1,542.96 tonnes



(Below) 2015 - 2022 Cumulative Impact of TX-PAVE in the City of Lubbock



1
Projects
Completed



120,864,230
Dollars
Invested



270
Jobs
Created



1,543
CO2 Reduced
(tonnes/yr)



4,401,000
Water Saved
(gallons/yr)



2,965,134
Energy Saved
(kWh/yr)

MEDINA COUNTY

PROJECT NAME:

Historic Post Office
in Castroville, Office

PACE ASSESSMENT:

\$145,000

QUALIFIED IMPROVEMENTS:

HVAC, Lighting, Building Envelope, Plumbing

ANNUAL BENEFITS

Energy Savings 22,730 kWh	Water Savings 19,000 gallons	Avoided CO ² 11.83 tonnes
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PROJECT NAME:

1303 Lorenzo in Castroville
Office

PACE ASSESSMENT:

\$690,000

QUALIFIED IMPROVEMENTS:

Building Envelope, Lighting, HVAC, Plumbing and Water Conservation

ANNUAL BENEFITS

Energy Savings 76,495 kWh	Water Savings 162,000 gallons	Avoided CO ² 39.81 tonnes
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(Below) 2015 - 2022 Cumulative Impact of TX-PACE in Medina County



CITY OF RED OAK

PROJECT NAME: Ali's Theatre
Recreation-Theater

PACE ASSESSMENT: \$6,413,023

QUALIFIED IMPROVEMENTS: Building Envelope, Lighting, HVAC, Plumbing and Water Conservation

ANNUAL BENEFITS

Energy Savings 261,132 kWh	Water Savings 4,200,000 gallons	Avoided CO ² 135.88 tonnes
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(Below) 2015 - 2022 Cumulative Impact of TX-PACE in the City of Red Oak

1	\$6,413,023	83	261,132	4,200,000	0	136
Projects Completed	Dollars Invested	Jobs Created	Energy Saved (kWh/yr)	Water Saved (gallons/yr)	Natural Gas Saved (mmBTU/yr)	CO2 Reduced (tonnes/yr)

SMITH COUNTY

PROJECT NAME: Tyler Hospital
Healthcare

PACE ASSESSMENT: \$8,500,000

QUALIFIED IMPROVEMENTS: HVAC Plant Optimization, Interior and Exterior Infrastructure Optimization, Central Sterile efficiency

ANNUAL BENEFITS

Energy Savings 4,667,016 kWh	Water Savings 8,895,000 gallons	Avoided CO ² 3981.46 tonnes
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(Below) 2015 - 2022 Cumulative Impact of TX-PACE in Smith County

2	\$9,912,500	128	4,131	4,954,016	29,289	9,193,000
Projects Completed	Dollars Invested	Jobs Created	CO2 Reduced (tonnes/yr)	Energy Saved (kWh/yr)	Natural Gas Saved (mmBTU/yr)	Water Saved (gallons/yr)

TARRANT COUNTY

PROJECT NAME:

Sunset in Flower Mound
Multifamily & Retail

PACE ASSESSMENT:

\$34,170,467

QUALIFIED IMPROVEMENTS:

Building Envelope, Lighting, HVAC, Plumbing

ANNUAL BENEFITS

Energy Savings	Water Savings	Avoided CO ²
1,971,418 kWh	5,857,000 gallons	1025.86 tonnes



(Below) 2015 - 2022 Cumulative Impact of TX-PAVE in Tarrant County



9

Projects
Completed



\$ 58,896,133

Dollars
Invested



748

Jobs
Created



5,183

CO₂ Reduced
(tonnes/yr)



15,917,070

Water Saved
(gals/yr)



7,909,248

Energy Saved
(kWh/yr)



20,121

Natural Gas Saved
(mmBTU/yr)

Pictured Right

Sinclair Hotel Owner, Farukh Aslam, hosts and speaks on the rooftop of Sinclair Hotel during an information session in Fort Worth on October 19, 2022

“The PACE loan for Sinclair Hotel was a very important part of our capital stack. We have lots of energy efficiency features in our hotel and PACE financing made a lot of sense at the time. We are currently working on a new Net Zero luxury hotel project in Texas and I am definitely seeking another PACE loan.

Farukh Aslam, owner, Sinclair Hotel, a 2020 Tarrant County PACE project”



TRAVIS COUNTY

PROJECT NAME:

Kasita Austin in Austin
Hotel & Office

PACE ASSESSMENT:

\$1,445,116

QUALIFIED IMPROVEMENTS:

Building Envelope, Interior and Exterior Lighting and controls, HVAC, Plumbing/Domestic Hot Water (DHW)

ANNUAL BENEFITS

Energy Savings 108,503 kWh	Water Savings 293,000 gallons	Avoided CO ² 56.46 tonnes
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PROJECT NAME:

The Grove (Austin)
Multifamily

PACE ASSESSMENT:

\$12,000,000

QUALIFIED IMPROVEMENTS:

Building Envelope, Windows, HVAC, Lighting and Controls, Plumbing, Domestic Hot Water (DHW)

ANNUAL BENEFITS

Energy Savings 903,153 kWh	Water Savings 2,230,000 gallons	Avoided CO ² 590.59 tonnes
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(Below) 2015 - 2022 Cumulative Impact of TX-PACE in Travis County



Statement of Principles

Pictured Below

Navarro County Judge H. M. Davenport stands in front of a low-visibility/high-efficiency HVAC system at the Historic Navarro County Courthouse, 2022



What is PACE?

Texas Property Assessed Clean Energy (TX-PACE) is a proven financial tool that incentivizes property owners to upgrade facility infrastructure with little or no capital outlay. Approved by State legislation in 2013 and established by 83 local governments, TX-PACE programs enable owners to lower their operating costs and use the savings to pay for eligible water conservation, energy efficiency, resiliency, and distributed generation projects. Owners gain access to private, affordable, long-term (typically 10-20 years) financing that is not available through traditional funding avenues. Texas PACE Authority (TPA) administers PACE programs at no cost to local governments.

When businesses and nonprofit organizations make energy and water-saving improvements to commercial, industrial, and multifamily properties, they not only reduce operating costs and increase property value, but they also contribute economic and environmental benefits to their communities and help make their communities more resilient, healthy, and sustainable.

Who We Are

Texas PACE Authority (TPA) is a nonprofit organized under Section 501(c)(3) of the Internal Revenue Code. TPA was established exclusively to operate PACE programs as a public service for local governments across Texas, and now administers PACE programs for 83 Texas cities and counties at no cost to taxpayers.

In providing this outsourced governmental function, TPA offers the highest levels of service, transparency, and ethics at the lowest cost possible. TPA-administered PACE programs are revenue neutral to each local government it serves.

Our Experience

TPA’s team of policy, legal, technical, sustainability, and operations experts has an unmatched combined 68 years of public service employment at the local, state, and federal government levels. We know firsthand the challenges and expectations public officials face.

TPA’s expertise is respected nationwide and worldwide. As other states initiate and update commercial PACE programs, representatives often consult TPA for guidance. In 2022, this list included representatives from Alaska, Hawaii, Maine, Maryland, Michigan, Missouri, Montana, Oklahoma, Oregon, and Virginia. TPA also assisted representatives from Alberta, Canada and East India.

Our Performance

At the close of 2022, TPA facilitated the cumulative investment of \$362.3 million through PACE financing across Texas. Projects in 2022 alone financed \$172 million, equalling the total of all previous years combined. From its inception, TPA has strictly adhered to the guidance provided by Keeping PACE in Texas’ PACE in a Box Working Groups, found at <https://www.keepingpaceintexas.org/library/document-library>.

TPA follows a thorough and thoughtful project review process that is charted in the Texas PACE Authority Program Guide© provided in English and Spanish on the TPA website for PACE project stakeholders and the local governments TPA serves.



Pictured Left

Tyler Hospital - the first PACE project in Smith County - demonstrates the value of TX-PACE to the health care sector - enabling medical facilities the ability to control utility costs.

TPA is User Friendly and Transparent

Texas PACE Authority provides uncompromised administrative oversight and does not compete in the marketplace it oversees on behalf of local governments. Stepping into the shoes of each local government, TPA will not serve as the lender, engineer, or any other party to the transaction. And no TPA affiliates or team members do so either. TPA is fully committed to ethics and transparency, engaging a firewall between TPA and the free market competition in project development. TPA acts neutrally in its interactions with market competitors – treating market stakeholders fairly and objectively.

TPA also serves the local government by providing education, outreach, and training. TPA is committed to ensuring that TX-PACE is available to all local businesses and organizations regardless of size or location. Educational materials and TPA's Program Guide are provided in English and Spanish, and TPA's entire website can be translated into Spanish with the click of a button.

Pictured Right

Beaumont Behavioral Health Building

Repurposing this facility will provide important health care services to Beaumont with cash flow positive financing that both facilitated the purchase and renovations and will lower ongoing operating expenses.

This health care facility is Jefferson County's first PACE project.

TPA Promotes Uniformity

All local governments establishing TX-PACE programs administered by TPA have uniform programs adopting best practices, benefiting stakeholders statewide. Property owners have used TX-PACE programs on multiple properties in multiple jurisdictions, taking advantage of the efficiencies stemming from uniform best practices and standardized documents across all of TPA's regions. Similarly, capital providers appreciate finding the same underwriting standards and forms used in each TPA region they finance projects.





TPA is Scalable

The ability of Texas PACE Authority to use one common, efficient overhead structure to serve 83 local governments significantly reduces costs by avoiding unnecessary duplication of services. This scalability enables TPA to control costs and minimize administrative fees. The use of uniform processes and documents furthers TPA’s efficiency and effectiveness throughout the state. Scalability ultimately lowers transaction costs. Once contractors, capital providers, architects, property managers, and other stakeholders understand one local program, that knowledge base can be applied to all other TPA-administered TX-PACE programs across the state.

TPA is Sustainable

As a nonprofit, TPA has reduced its fees several times over the last five years and will continue to find operational efficiency and scaling opportunities, and then pass the savings on to the property owners. In this way, TPA offers the highest quality PACE administration at the lowest cost possible. Additionally, low transaction costs enable more stakeholders to participate, especially small and minority-owned businesses and nonprofits.

Pictured Left

Texas' largest PACE project to date demonstrates the powerful economic and environmental impact TX-PACE brings to local communities. TPA's quality control commitment ensures that approved projects meet best practices in underwriting and technical standards. The steep 2022 increase in program use demonstrates that quality is consistent with sustainable programs throughout Texas.

Challenges & Opportunities

TPA, like administrators across the US, is challenged by the lack of financing for projects under \$1 million. As traditional PACE lenders gravitate to bigger projects and market primarily in urban areas, TPA is seeking ways to reduce barriers so local lenders – banks, credit unions, and CDFI’s can more readily participate throughout the state in the TX-PACE market to fill the gaps in project funding. TPA is working with stakeholders across Texas, including rural areas, to organize a collaborative effort to streamline the process for projects under \$1 million to make TX-PACE more accessible to small businesses and nonprofits.

This effort must address the project underwriting process, project technical review, and the creation of a secondary market so local lenders are not required to hold fixed-rate, long-term financing.

TPA is working with PACENation and other stakeholders to reach out to the Small Business Administration (SBA) and the US Department of Agriculture (USDA) to align federal consent to the use of PACE financing with the necessary long-term uniform policy that makes PACE a valuable local economic and environmental tool.



Pictured Right

The Concord, one of the tallest buildings in Laredo, is being transformed from a hotel to an efficient multifamily property, bringing much needed apartments to this port city.



On the Road Again

The TPA team can't help but smile as we crank up Willie Nelson's "On the Road Again" and crisscross Texas to visit with wonderful Texans about how TPA can serve them. We enjoy magnificent scenery as we motor through "Miles and Miles of Texas."



Pictured Left

Top: Texas encouragement along the drive

Middle: Boot jacks in the security checkpoint of the Rick Husband Amarillo International Airport remind us of how much we rely on the hard working folks in the Texas Panhandle for the 3 F's - food, fuel, and fiber.

Bottom: View from the Alta Frontera resort being developed in Fort Davis, TX

This year, Team TPA held more than 500 meetings (in person, calls, and video), not including those involving project review and closings. Here's a breakdown of TPA's 71 Texas public presentations in 2022:

Statewide Presentations

Texas Association of Regional Councils (TARC), PACE presentation, Austin, February 10

Texas Economic Development Council (TEDC), Winter Conference PACE panel: Keeping PACE with Texas' Clean Energy, Cash-flow Positive, Resiliency Tool, Sugar Land, February 16

Texas Energy Systems Lab, Texas A&M University - Texas Energy Summit Rural Economic Development Panel, PACE presentation, Texas Capitol, March 2

Water Reuse Annual Symposium, PACE Presentation, San Antonio, March 8

Texas Industry Energy Efficiency Network, webinar, PACE presentation, April 13

Commercial Real Estate Women (CREW) San Antonio Chapter Annual Symposium, ESG Acceleration and the Impact on CRE, panelist, April 18

Texas Association of Business (TAB), Glenn Hamer, CEO, introduction to PACE presentation, April 27

Texas Charter Schools, PACE introduction with international leadership, May 13

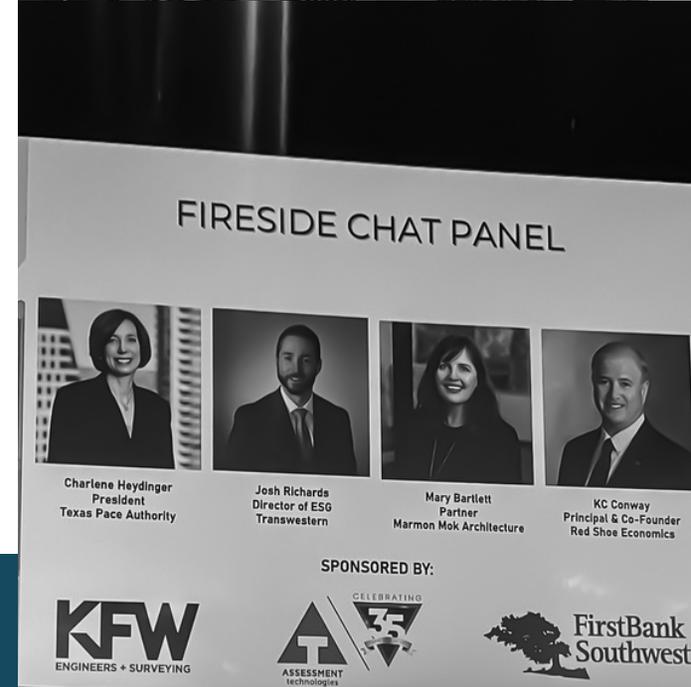
Texas Downtown Association 2022 Conference Partnerships for your Downtown, panelist, San Marcos, November 1

South-central Partnership for Energy Efficiency as a Resource (SPEER) Energy Efficiency Breakfast, PACE outreach, Texas Capitol, December 6

Pictured Right

Top: Texas Downtown Annual Conference's Partnerships for Downtowns panel: Jennifer Harris - Connected Texas/NTIA, US Dept. of Commerce, Kimberly Lile Dowty - TX Association of Regional Councils, and Charlene Heydinger - TPA

Bottom: San Antonio CREW Annual Statewide Forum: Mary Bartlett - Marmon Mok Architecture, KC Conway - Red Shoe Economics, Josh Richards - Transwestern, and Charlene Heydinger - TPA



Outreach Efforts in PACE Regions

CITY OF ATHENS

Henderson County Commissioners Court resolution of intent to establish a PACE program, March 1

Henderson County Commissioners Court public hearing and resolution to establish a PACE program, March 15

CITY OF AUSTIN

Austin Independent School District (AISD) Environments Stewardship Advisory Committee (ESAC), participant, May 18

Austin Bar Association continuing legal education (CLE) presentation: How Banks Benefit from PACE Financing, presenter, May 26

USGBC Central Texas Morning meet and greet, participant, June 2

Pictured Right

Kayakers enjoying Lady Bird Lake in Austin, Texas

CITY OF AUSTIN (CONT.)

Travis County Tax Assessor Collector Elfant, Travis County PACE Update meeting, November 14

U.S. Green Building Council (USGBC) network event, participant, December 8

Urban Land Institute (ULI) Austin Chapter breakfast meeting: Clean Energy in Austin, participant, November 16

University of Texas Austin Technology Incubator, Venture Mentoring Service graduation, November 16

Austin Environmental Ladies, annual lunch, participant, November 30

Mitchel Foundation reception, participant, November 30

City of Austin Sustainability Office, meeting with Zach Baumer, December 9





CITY OF BELTON

Meeting with Bell County Judge Blackburn, Bell County PACE updates, March 16

CITY OF BRYAN

Brazos County Commissioners Court, PACE presentation, October 18

Bryan County Judge Peters and Chief of Staff/Legal Officer Bull, PACE update, December 14

Bryan County Commissioners Court, retirement celebration for Commissioner Irma Cauley, participant, December 16

CITY OF COMMERCE

City of Commerce Mayor Reel and City Manager Lisenbee, Introduction to PACE presentation, September 12

City of Commerce City Council, resolution of intent to establish a PACE program, September 20

City of Commerce City Council, hearing and resolution to establish a PACE program, October 18

CITY OF CORPUS CHRISTI

Truth about Solar event, PACE presentation, March 26

Corpus Christi Regional Economic Development Corporation VP, Business Retention and Expansion, meeting, March 26

CITY OF CORSICANA

City Manager and Economic Development Director, meeting, March 15

City of Corsicana Mayor's Economic Development monthly meeting, PACE presentation, May 2

PACE Workshop: Navarro County PACE Workshop in Corsicana with the Navarro-Corsicana Department of Economic Development and Corsicana Main Street program, May 3

Navarro County Commissioners Court, PACE presentation, July 25



Pictured Left

Top: Ocean Drive along Corpus Christi Bay, Corpus Christi, TX

Middle: Historic downtown Corsicana, TX

Bottom: Expressing gratitude for Commissioner Irma Cauley's leadership in establishing the Brazos County PACE region and her years of public service during her retirement reception, December 2022

CITY OF DALLAS

Dallas 2030 District, PACE presentation, January 27

City of Dallas Office of Economic Development and Department of Housing and Neighborhood Revitalization, TX-PACE and HUD discussion, April 6

ImpactNights™ Energy Resilience & Sustainability at Southern Methodist University (SMU), PACE presentation, May 12

Dallas 2030 District Leadership Meeting, PACE presentation, July 28

East Dallas Chamber PACE presentation with Dallas Small Business Center and City of Dallas Office of Economic Development, September 16

North Texas Association of Energy Engineers (NTAEE) Annual Energy Conference, PACE presentation, September 20

City of Dallas Small Business Enterprise (SBE) Office and Dallas County SBE Office, introduction to PACE presentation, September 27

CITY OF FARMERS BRANCH

City of Farmers Branch Mayor Robert Dye, meeting re: Insights on TPA's request for HUD approval, June 15

CITY OF FORT DAVIS

Jeff Davis County Commissioners Court, PACE presentation and resolution of intent, August 11

Jeff Davis County Commissioners Court, public hearing and resolution to establish a PACE program, August 15

CITY OF FORT WORTH

North Texas Association of Energy Engineers (NTAEE): Tour of Sinclair Hotel (2020 PACE project), March 24

Sinclair Hotel, PACE Information Session and tour of Sinclair Hotel, October 19

Southeast Fort Worth, Inc., CEO Stacey E. Marshall, Introduction to PACE, December 5



Pictured Right

Top: New Isis Theater in Grapevine, Texas (Tarrant County)

Middle: Fort Davis, Texas (Jeff Davis County)

Bottom: Reimagine Redbird, Dallas, Texas



CITY OF GUN BARRELL

Cedar Creek Lake Area Chamber of Commerce, monthly luncheon PACE presentation, April 14

CITY OF JOHNSON CITY

Johnson City Chief Administrative Officer, Rick Schroder, PACE presentation, June 14

CITY OF HOUSTON

Administrative and Regulatory Affairs (ARA) and Chief Resilience and Sustainability Officer, PACE presentation, February 2

CITY OF LOCKHART

Caldwell County Judge Hoppy Haden, TX-PACE presentation, March 28

Caldwell County Commissioners Court, PACE workshop, May 10

Caldwell County Commissioners Court, resolution of intent to establish a PACE program, May 24

Caldwell County Commissioners Court, public hearing and resolution to establish a PACE program, June 14

NBiz, PACE: A Win for Climate and Economic Development, February 2022

AIA Houston, USGBC, TPA webinar regarding PACE Program, Market, and Projects, May 25

Houston ULI Urban Resilience Committee, PACE presentation, November 2

PACE Workshop hosted at Unify, November 29

Harris County Director of Sustainability Lisa Lin, PACE update, November 29

NBiz, Doing a Double Take on PACE, December 2022

CITY OF LUBBOCK

City Business Development Director Brianna Brown and Director of Downtown and Lubbock Economic Development Alliance (LEDA) Director of Downtown and Special Projects, Jorge Quirino, meeting re: Lubbock PACE program and PACE Workshop, July 12



Pictured Left

Top: Cedar Creek Area Chamber Luncheon: Jo Ann Hanstrom - Chamber President, Marty Mullins - Texability and Chamber board, Charlene Heydinger - TPA

Middle: NBIZ Magazine Cover, February 2022

Bottom: NBIZ Magazine Cover, December 2022

CITY OF PAMPA

Gray County Commissioners Court, PACE presentation and resolution of intent to establish a PACE program, November 1

Gray County Commissioners Court, public hearing, November 15

Gray County Commissioners Court, resolution to establish a PACE program, December 1

CITY OF PORT ARTHUR

Port Arthur Economic Development Corporation, TX-PACE presentation, April 4

Port Arthur EDC and Motiva, PACE meeting, April 5

Port Arthur EDC and Valero, PACE meeting, April 11

CITY OF PORT LAVACA

City Council, resolution of intent to establish a PACE program, February 14

City Council, public hearing and resolution to establish a PACE program, March 14

CITY OF RED OAK

City Council, resolution of intent to establish a PACE program, February 14

City Council, public hearing and resolution to establish a PACE program, February 15

CITY OF SAN ANGELO

Tom Green County Commissioners Court, PACE update presentation, September 13

San Angelo Development Corporation, Tom Green County Developer PACE Workshop, September 12

Downtown San Angelo, PACE meeting, September 13

San Angelo Development Corporation, Tom Green County Lender Workshop, September 14

Pictured Right

Ali's Theater in Red Oak, TX after construction (rendering)



Texas Property Assessed Clean Energy (TX-PACE) Program

with
LYLE HUFSTETLER AND
CHARLENE HEYDINGER



CITY OF SAN ANTONIO

City of San Antonio (COSA) Neighborhood and Housing Services Department (NHSD), PACE introduction presentation, February 14

COSA Office of Sustainability, TX-PACE program blog, March 21

COSA NHSD, presentation regarding COSA PACE, multifamily housing, and HUD, March 22

Harvard Business School, FIELD Immersion Launch - master's in business administration students analyze San Antonio PACE market, Kick off, May 9

Harvard Business School, FIELD Immersion Team Meetings, May 10 and 12

Harvard Business School Field Immersion team, presentation of findings and recommendations, May 16

COSA Economic Development Department (EDD), AACOG and TPA, PACE briefing, August 3

CITY OF SAN ANTONIO - CONT.

Smart Solutions San Antonio, PACE briefing with AACOG, September 9



CITY OF SAN MARCOS

Hays County Breweries water conservation event, PACE presentation, August 27

CITY OF SHERMAN

Grayson County Commissioners Court, resolution of intent to establish a PACE program, January 11

Grayson County Commissioners Court, public hearing and resolution to establish a PACE program, January 18

Texoma Council of Governments (TCOG) Economic Development and Resiliency Workshop, PACE presentation, February 22

Pictured Left

Top: Graphic from the [March 2022](#) City of San Antonio Sustainability Office Blog

Middle: Texoma Council of Governments (TCOG) Economic Development and Resiliency Workshop: Maillinh Nguyen - TCOG, Eric Bridges - TCOG, Kimberly Lile Dowty - TARC, Molly Guard - TCOG, and Charlene Heydinger - TPA

Bottom: Dub at the Pub - Dub Taylor, TPA, speaks with Texas breweries about TX-PACE and water conservation

CITY OF SULPHUR SPRINGS

Hopkins County Commissioners Court, PACE Workshop at the Sulphur Springs/Hopkins County EDC, August 16

Hopkins County Commissioners Court, PACE resolution of intent to establish a PACE program, September 12

Hopkins County Commissioners Court, public hearing and resolution to establish a PACE program, September 30

CITY OF TAYLOR

City of Hutto Mayor Snyder, call re: PACE and water reuse; October 3

CITY OF TULIA

City Council, PACE presentation and resolution of intent to establish a PACE program, June 14

City Council public hearing and resolution to establish a PACE program, July 12

CITY OF VICTORIA

City of Victoria Mayor Jeff Bauknight, City Manager Jesus Garza, and Economic Development Director Danielle Williams, Introduction to PACE presentation, February 8

City Council, PACE Workshop, March 1

City Council, resolution of intent to establish a PACE program, April 4

City Council, public hearing and resolution to establish a PACE program, April 19

City of Victoria Economic Development Department, Victoria PACE Workshop, September 7

CITY OF WHARTON

City Council, public hearing and resolution to establish a PACE program, January 10



Pictured Right

Top: Historic Tulia Depot

Middle: TPA's Dub Taylor addresses Hopkins County Commissioners Court, Sept 26, 2022

Bottom: TPA's President Charlene Heydinger speaks at the City of Victoria PACE Workshop

Texas PACE Authority National Presentations and Shared Expertise

PACENation video call with USDA executives, Purpose: to encourage USDA PACE policy and process clarification, participant, May 2

HUD Region 6 Administrator Valenzuela and staff, with City of Farmers Branch Mayor Dye, meeting re: HUD approval of TPA's PACE program, Fort Worth, June 17

PACENation video meeting with new Hawaii PACE program and PACE administrators, Purpose: to share best practices administrator call, July 22

Efficiency Maine Call, Purpose: to share best practices regarding the new Maine PACE program, July 7, 2022

Department of Energy Office of Economic Impact and Diversity, visit, Texas PACE Authority introduction, Houston, August 25

Urban Land Institute Winter Conference, Dallas, October 25 - 27:

- **Responsible Property Investment Council (RPIC),** presenter introduction, participant, October 25
- **RPIC meetings,** PACE presentation, October 26
- **Winter Conference,** Fifty Shades of Green: Today's specialty financing vehicles for ESG Strategies, panelist, October 27



Pictured Right

Urban Land Institute Winter Conference, Dallas, Fifty Shades of Green panel: Erin Patterson - Wafra, Kevin Augustyn - Morningstar, Parker White - Unety, and Charlene Heydinger - TPA



Texas PACE Authority International Presentations and Shared Expertise

East India Chamber of Commerce, Indo-American
Collaboration on Renewables and Climate, PACE
presentation, webinar, February 25



Additional Involvement

TPA:





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TEXAS PACE AUTHORITY



Phone Number

+1 855-738-PACE (7223)



Email Address

admin@texaspaceauthority.org



Find us online

www.texaspaceauthority.org

