



## CounterpointeSRE provided C-PACE Financing retroactively fund efficiency and tenant improvements for an office building on Philadelphia's Independence Mall.

Owners of this Class A office in Center City Philadelphia sought to recapture CAPEX for HVAC, lighting and other upgrades as TI's while refinancing senior and coterminous mezzanine debt. CounterpointeSRE provided \$25.5 million in non-recourse financing with no financial covenants and a custom structure that optimized the building's capital stack for future CMBS financing.

The C-PACE financing was structured with 6 years of fixed rate I/O payments to maintain debt yield before converting to 20 years of fully amortizing, fixed rate financing with no balloon payment. The sponsor was able to recapture deployed capital and to pay down coterminous senior and mezzanine debt with C-PACE proceeds while maintaining debt yield for future permanent financing.



<b>Location</b>	Philadelphia, PA
<b>Asset Class</b>	Trophy Class A Office
<b>Project Type</b>	Retroactive Finance
<b>Measure(s)</b>	Energy efficiency
<b>Financing</b>	\$25.5 million C-PACE
<b>Term</b>	26years
<b>Lifetime Carbon Reduction</b>	10,048 MT CO2e

"Using C-PACE to finance energy efficiency improvements for this iconic building, overlooking our historic Independence Mall, provides an excellent example of how commercial office building owners are using this important new financing tool to improve the value of their properties."

— Darrell Clarke, Philadelphia City Council President

# COUNTERPOINTE C-PACE FINANCING

## Increases ROI and smooths out cashflows

Non-recourse fixed rate financing with terms up to the EUL removes term and interest rate risk

## Pass-through can yeild zero cost equity

PACE assessment may be passed through to tenants with NNN or Modified Gross Leases

## Delay start of repayment for years

Defer repayment and/or pair with I/O period to allow receipt of incentives and accrual of utility savings

## Recapture CAPEX

Refinance qualified projects completed within three years in most locations

## Releases Lender CAPEX Reserves

Increase ROI and available capital by providing financing for many lender required reserves

## Reduces Value Engineering

100% financing for projects, including pre-paid maintenance and soft costs can reduce or eliminate value engineering

## Alternative to Mezzanine Debt and Equity

Reduce equity contribution to yield a lower blended cost of capital and increase returns

<b>Project Scope</b>	Upgrade/Retrofit, New construction and previously completed
<b>Tenancy</b>	Stabilized or transitional
<b>Assessment Size</b>	\$1,000,000 – \$200,000,000+
<b>Recourse</b>	Non-recourse
<b>Term</b>	5 to 30 years
<b>Amortization</b>	No balloon payments, self-amortizing
<b>Maximum LTV</b>	Up to 35% (stabilized)
<b>Maximum CLTV</b>	Up to 95%



CounterpointeSRE is a national commercial property assessed clean energy (C-PACE) capital provider with expertise in commercial real estate lending, structured finance and PACE program administration for some of the largest PACE jurisdictions in the nation. Over the past decade, we have played a leadership role driving investment toward clean energy and energy efficiency in our nation's commercial buildings.



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