

# Building Engagement and Buy-in for Energy and Sustainability Initiatives

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“The sustainability space is littered with **great ideas that never saw the light of day** because no businessperson could figure out a way to sell and profit from them.”



**Aaron Chatterji,**  
Duke University School of Business

## 4 Critical Success Factors

- Benchmark your efforts
- Consider the total impact
- Demonstrate social proof
- Leverage existing resources

# Trends in High Performance Buildings

- Leveraging Data and Technology
- Focus on Building Resiliency
- Increasingly Flexible Buildings
- Impact on Wellness and Performance







# Improved Air Quality

- Increase worker productivity by 5%-6%
- Save businesses \$200 billion dollars annually

# Indoor air pollutants and the brain



# High Performance Buildings

- Better place to work/live
- Higher productivity
- More enjoyable
- Lower healthcare costs
- Lower operating costs
- Easier to get to and from

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**Benchmark effectively**

# Consider total impact

Revenue

Costs

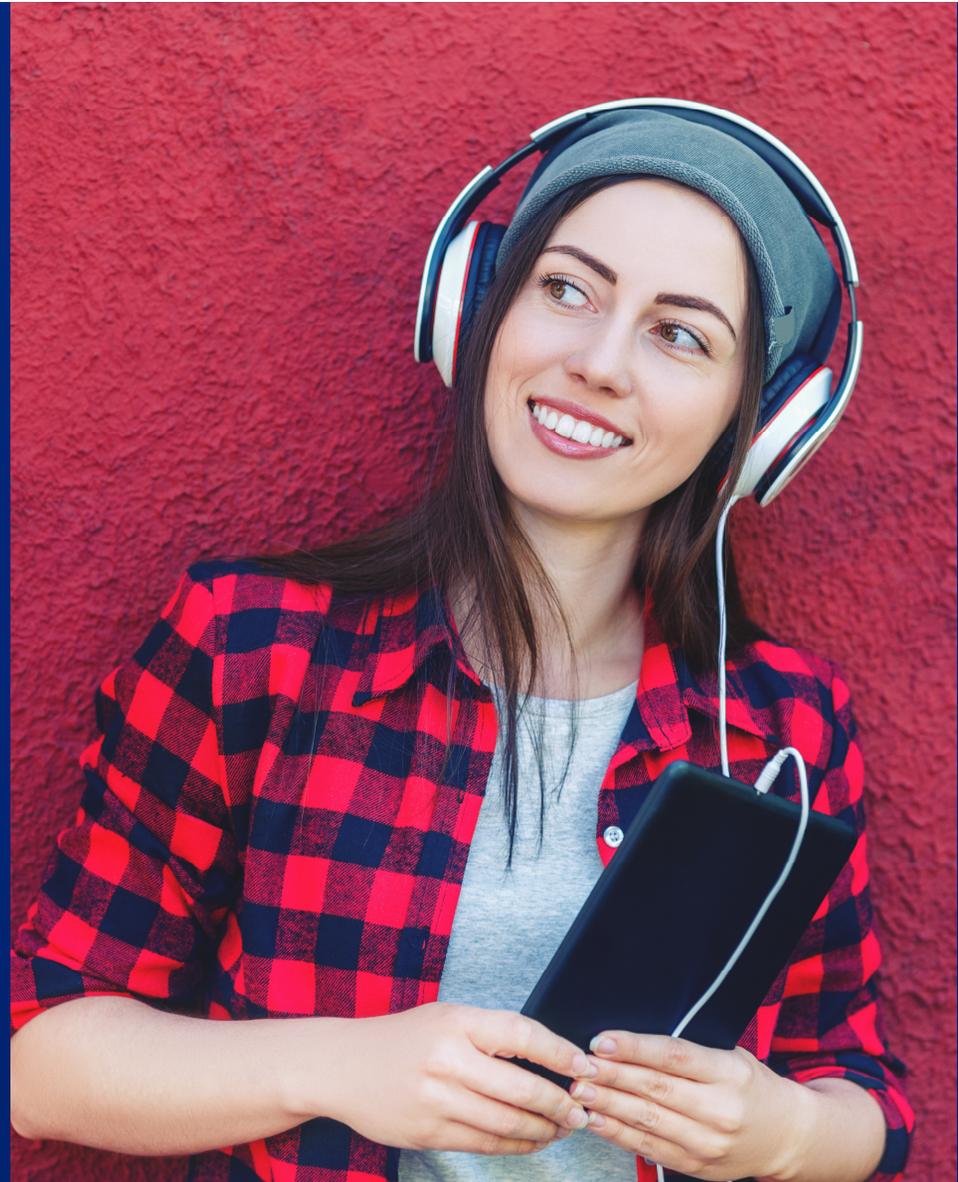
Risk

Intangibles

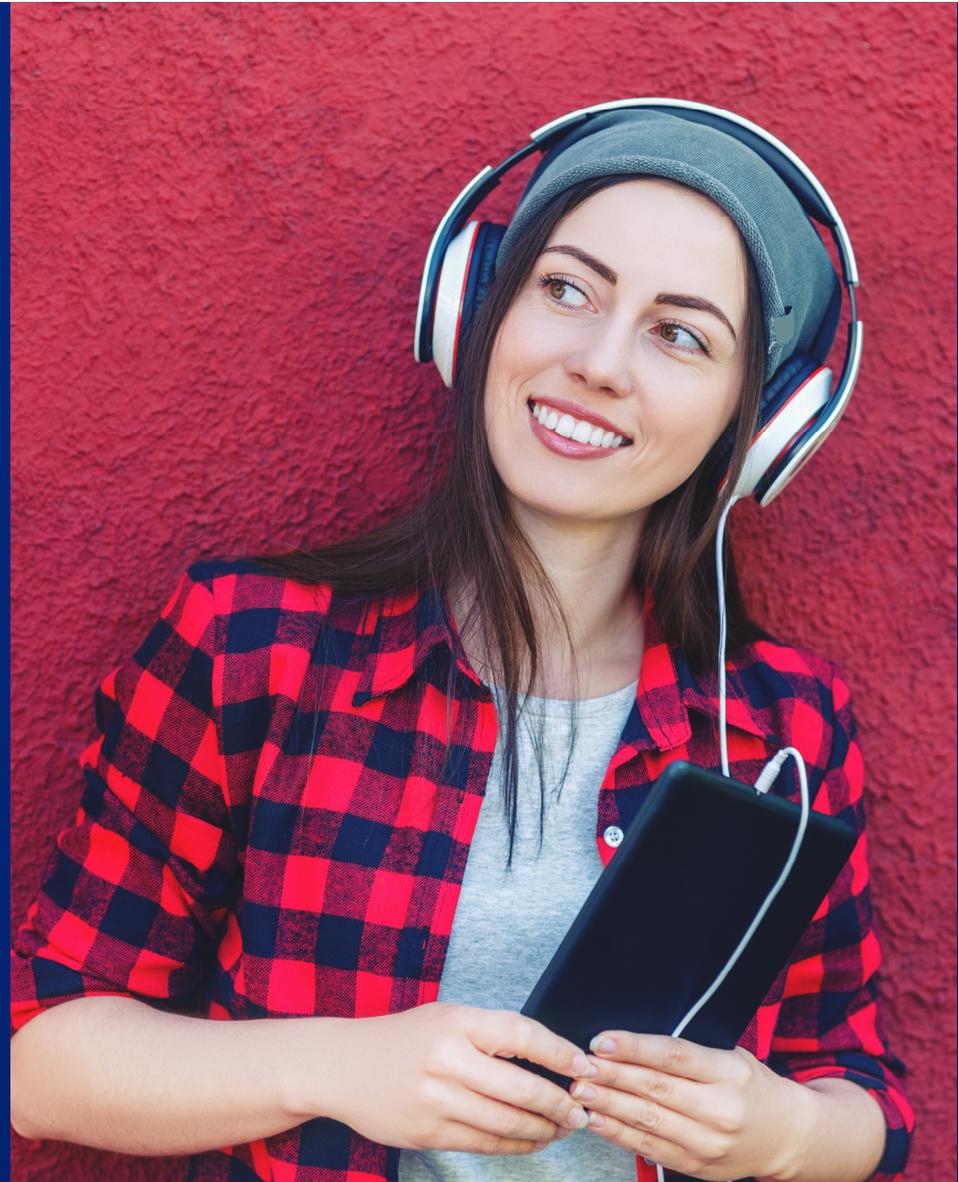
# 78%

The majority of Millennials see climate change and the environment as a top concern, in fact, 78% said they are willing to change their lifestyles to protect the environment.

-World Economic Forum, 2017



Where they work  
What they buy  
Where they shop  
Where they live



# Social Proof

## Zero Energy Building Growth

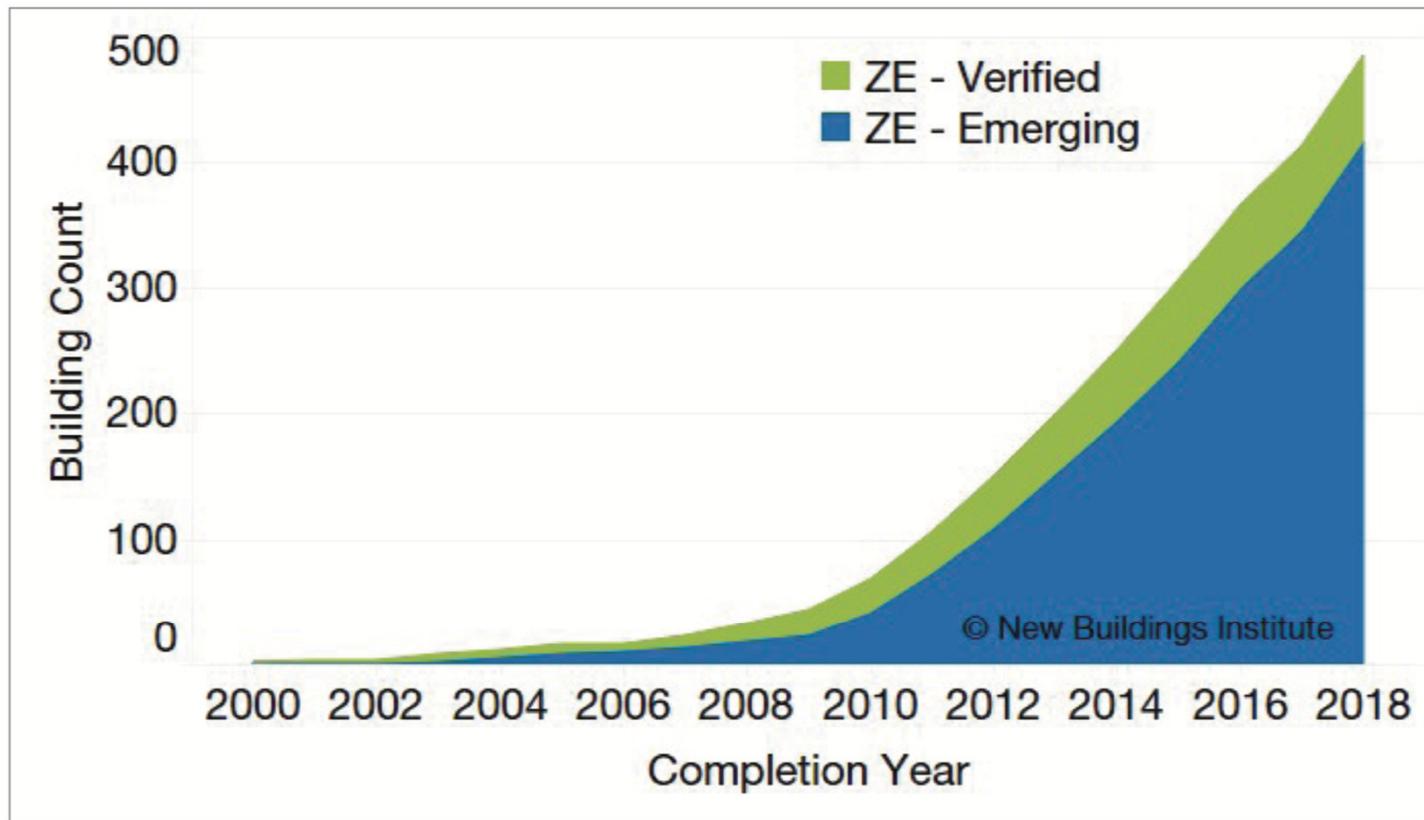
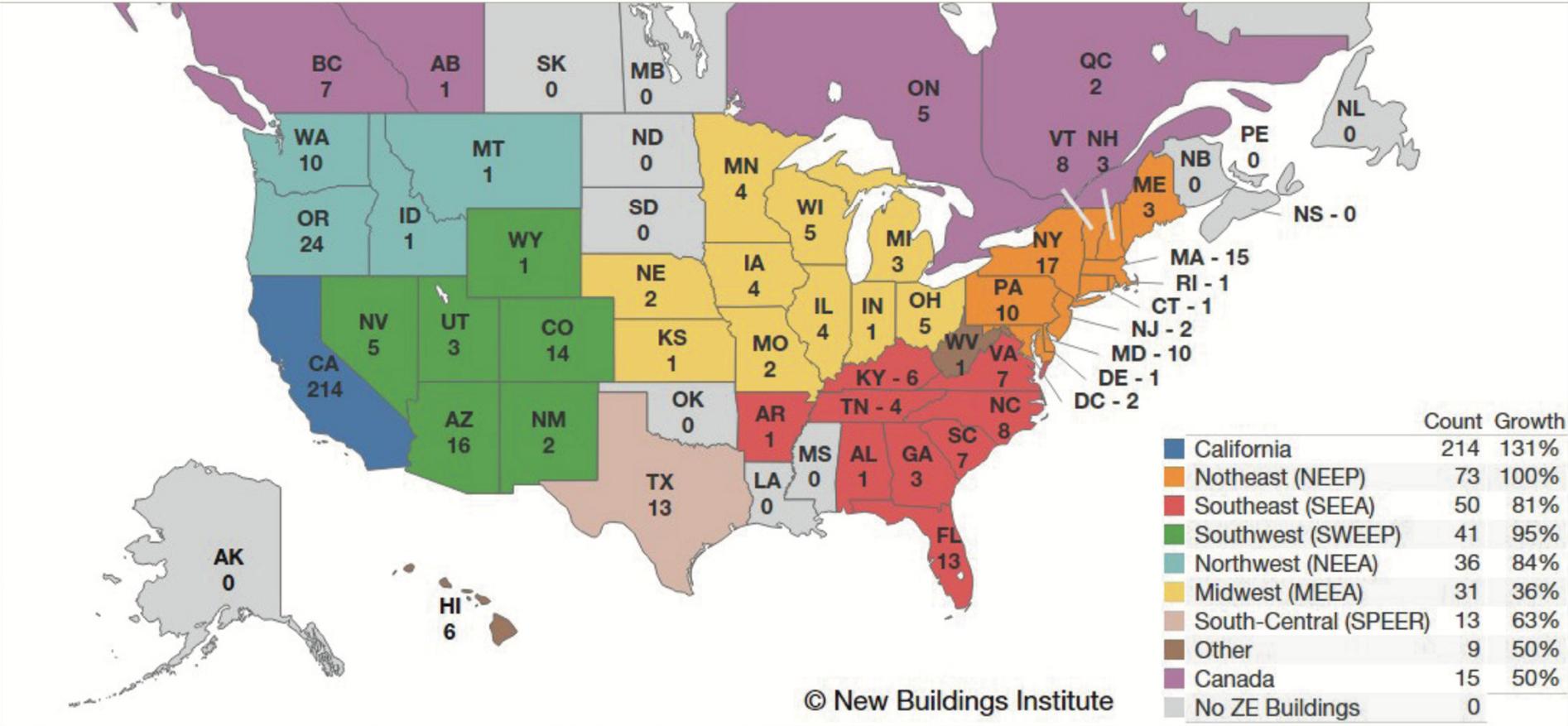


Fig 1. The Buildings List includes nearly 500 projects and is on a steep curve upward, having increased over 700% since 2012.

# 2018 Buildings List Project Locations



© New Buildings Institute



Jeff Metzgar

# Leverage Existing Resources



- No Down Payment
- Extended Term
- Financing on the tax bill
- Does not show as debt
- The assessment can be passed through to tenants or hotel guest (bill)



## Efficient Financing for Building Efficiency



### What is PACE Financing?

PACE is a simple and effective way to finance energy efficiency and renewable energy building improvements. PACE can pay for qualifying improvements for almost any type of property including commercial, retail, industrial, nonprofit, and multi-family.

Property owners across the United States are using PACE because it saves them money and makes their buildings more valuable. PACE provides financing for 100% of an energy project's cost and is repaid for up to 25 years with a voluntary special assessment added to the property's tax bill.

### Why PACE Financing?

#### No Down Payment

PACE covers 100% of the hard and soft costs of an energy project eliminating the need for up-front capital.

#### No Personal Guarantee

PACE financing is "guaranteed" by the Special Assessment added to the property's tax bill, therefore, no personal or business guarantees are needed.

#### Off Balance Sheet Treatment

Because PACE financing is solely repaid via a Special Assessment added to the property's tax bill, "off balance sheet treatment" is recommended by some accountants because the repayment "runs with the land" and not the business.

#### Fixed Rate / Fixed Payment

PACE financing rates and terms are fixed for the life of the PACE loan.

#### 15-25 Year Term

Repayment terms can be extended to match the useful life of the eligible improvement.

#### Triple Net Lease Pass-through

Because repayment of PACE funding is via a Special Assessment on the property's tax bill and is technically an increase in property taxes, the property owner can seamlessly share the PACE-financed improvement costs (and energy savings) with the tenant under some lease structures such as "triple nets".

### PACE Benefits for the Property Owner

No Down Payment	Energy Savings	Energy Savings
No Personal Guarantee	Low Fixed Payment	Low Fixed Payment
+ Off Balance Sheet Treatment	+ Extended Term	+ Triple Net Pass Through
<b>Preserved Credit Lines &amp; Freed Up Capital Budgets</b>	<b>Increased Cash Flow &amp; NOI</b>	<b>ZERO Net Cost to Property Owner</b>

# Sample Eligible PACE Improvements

Solar Photovoltaic (PV)

Lighting

Heating & Cooling Systems (HVAC)

Building Automation Systems (BAS)

Combined Heat & Power (CHP)

Roofing

Air Sealing

Windows

Elevators

High Velocity Ceiling Fans

Demand Reduction Controls

Pumps, Motors, and Drives

Insulation

CINCINNATI

2030



DISTRICT<sup>®</sup>

# 2030 District Benefits

- Free Energy Audit
- Action Plan with Recommendations for Capital Improvements.
- Annual Confidential Bench Marking
- Correlations between these metrics and their positive business impact

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# Q & A

# Networking