

Up-scale Indigo Hotel Maximizes Low-cost PACE Equity Financing to Improve WACC



Indigo Hotel | Colorado

\$2.9 MILLION



LONG-TERM FIXED RATE FUNDING FROM PACE EQUITY OFFSETS EXPENSIVE EQUITY AND MEZZANINE LOANS

This new construction Indigo Hotel, a franchise in the Intercontinental Hotel Group, will offer boutique accommodations for skiers in the winter months and outdoor hikers, bikers, and water sports enthusiasts in the summer months. With a complex capital stack, including both equity and mezzanine loans, the developer chose PACE Equity to reduce the WACC by maximizing our low-cost, fixed rate financing.

The owner will save on operating costs, energy costs and capital costs by leveraging our long-term, non-recourse financing. Using our *Fast Track™ Funding* process, PACE Equity's identified \$2.9 million in improvements to be realized over the 25-year term of the investment.

METRIC TONS OF CO₂ SAVED OVER LIFE OF PROJECT:  1,932

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We want to own a larger percentage of our developments and PACE Equity allows us to do that by substituting PACE Equity lending for investor equity. With engineering in-house, the entire *Fast Track™ Funding* process was simple. We really valued not having to find a third party for the engineering study.

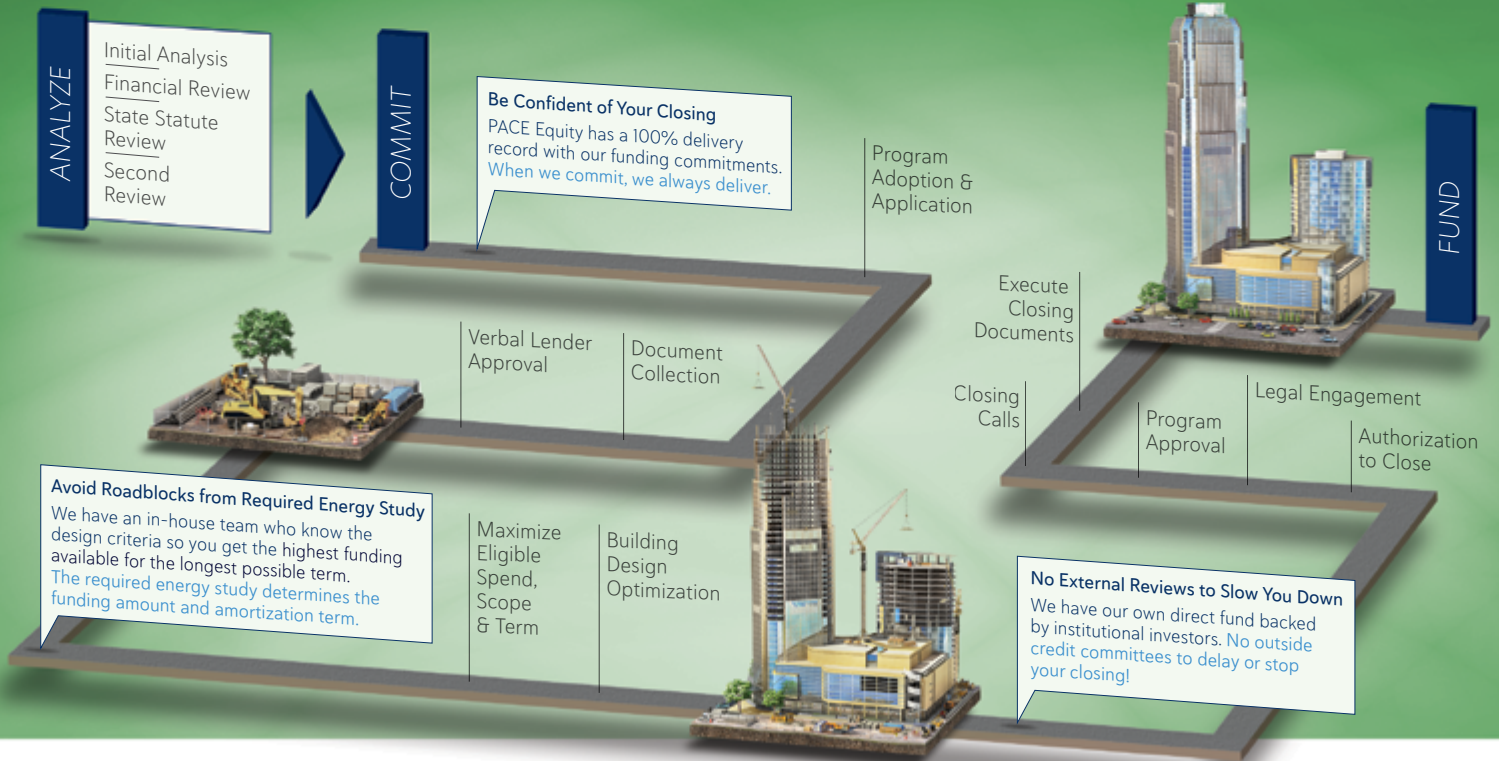
Mike Works, Principal | REV Development

\$24.9 M CAPITAL STACK

CONSTRUCTION LOAN	49%	\$12.3 M
INVESTOR EQUITY.....	20%	\$5.0 M
PACE EQUITY.....	12%	\$2.9 M
SPONSOR EQUITY.....	11%	\$2.75 M
FF&E LOAN	5%	\$1.25 M
MEZZANINE DEBT.....	3%	\$0.75 M

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.