

## The Challenge

Cascade Orthopedic Supply Inc., a wholesale distributor of prosthetic, orthotic and related supplies, is located in a two-story industrial building in Chico, CA. As energy costs are increasing, the building owner, Jeff Collins, was searching for opportunities to reduce energy costs, take advantage of tax incentives and rebates, and drive down the building's operating expenses. The building, constructed in 2009, did not require energy efficiency upgrades, however, given the substantial roof space, solar PV was a valuable solution. While the building owner was familiar with solar financing options and aware of the benefits, he was looking for an effective and time sensitive solution to take advantage of solar incentives before the end of 2013.

## The Solution

The industrial building, located in Chico, CA, was eligible for Property Assessed Clean Energy (PACE) financing. All commercial building owners in Chico, Butte County, and an expanding area across California, can choose to use Figtree PACE financing to pay for energy efficiency, renewable energy, or water conservation improvements over a period of 20 years. Figtree Financing provides 100% financing with a fixed interest rate repaid along with annual property taxes and assessments.

A solar contractor, Alternative Energy Systems, was intimately involved in marketing PACE financing to the property owner. Together with AES, Figtree prepared a financial analysis of the project which demonstrated positive cash flow as a result of a combination of long term PACE financing, competitive interest rates, rebates, tax incentives, and energy savings. The building owner took advantage of the following aspects of PACE financing:

- Zero up-front cash investment
- Immediate positive cash flow
- Long-term 20 year financing.

## Project Success

The project was accomplished through a cooperative relationship between the building owner, funder (Figtree), and contractor (AES). Figtree worked with both parties directly to develop the financing package based on the owner's financial considerations and the equipment proposed by the contractor.

The U.S. Bank, the mortgage holder, provided consent to place a senior lien PACE assessment on the property. The building owner had a good relationship with the existing lender, which ensured that the consent process went smoothly. To date, more than 35 large and small lending institutions have consented to PACE transactions across the country.

"Energy savings, rebates, and tax incentives help to make solar projects cash flow and net present value positive from the onset. We expect to see a growing number of projects financed with Figtree PACE in the coming year," stated Paul Sullivan, Sales Manager for Alternative Energy Systems.

- Projected savings 115,009 kWh
- Annual energy savings of \$22,732
- Cash flow generated year 1: \$108,999
- Project NPV 25 Year: \$139,255



## Figtree Financing

The Figtree PACE program provides no money down PACE financing to help commercial and residential property owners improve their properties and lower their utility bills with energy efficiency, renewable energy and water conservation upgrades

### Contact Information

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## Project Financing

PACE Assessment: \$265,458

Term: 20 years

Interest rate: 7.99%

## Building Details

Buildings value: \$2.7 million

Buildings size: 32,612 sq ft

Year built: 2009

## Improvements

Rooftop Solar PV

System capacity 77.74 kW DC