CASTLEGREEN FINANCE
An X-Caliber Capital Affiliate







Your Expert For Commercial Property Assessed Clean Energy Finance

CASTLEGREEN FINANCE, in partnership with X-Caliber Capital, is a private capital source focused on Commercial Property Assessed Clean Energy (C-PACE) financing. CastleGreen leverages its extensive experience and expertise to provide clients with the financial tools to create and redevelop sustainable, energy-efficient real estate, while becoming economically efficient through a superior capital structure.

What Is C-PACE?

C-PACE is a public-private partnership that provides capital to increase building energy efficiency and to improve the systems and physical structure of commercial real estate properties. C-PACE is levied as a special assessment in the property records and repayments are made via an assessment on a property tax bill. C-PACE is currently available in more than half of the nation's states, plus the District of Columbia, and is rapidly gaining momentum in many more.

Eligible Uses

C-PACE can finance building improvements for efficiency, renewable energy, and resiliency projects that contribute to energy and water savings. Applicable costs include, but are not limited to, heating/cooling HVAC improvements, interior and exterior lighting, building controls, windows, and in many instances, water efficiency measures. Light to heavy renovation, gut rehab, adaptive reuse, and ground-up development projects may all utilize C-PACE to improve capital efficiency and create a more effective capital stack.



Eligible Properties

C-PACE finance is available for most commercial property types, including hospitality, industrial, office, retail, multifamily, agricultural, non-profit, and senior living and healthcare-related properties.

How Does It Work?

The financing is similar to a long-term, self-amortizing, fixed-rate loan with terms of generally 10 to 30 years. Repayment terms are restricted by the estimated useful life of the improvements which they finance. At closing, the stream of interest and amortization payments are converted into a voluntary, non-ad valorem special assessment which is recorded in the land records and repaid through annual payments, comparable to real estate taxes.

How Does It Work?

1. **Long-term, fixed-rate financing**, which provides predictability of borrowing by reducing carrying costs
2. **Flexible prepayment options**
3. **Decreases operating expenses**, which increase property-level returns
4. **Promotes operating flexibility** upon sale of the property, as the remaining obligation may be transferred to the new buyer
5. **Non-recourse**, and does not require ongoing financial covenants
6. **Processed as a real estate tax** and may be treated as a property expense
7. **Many jurisdictions have "lookback" features** of one to three years, providing property owners the ability to access liquidity for energy efficient improvements already completed, without refinancing the entire capital stack
8. **Provides a low-cost alternative** to expensive construction, first-mortgage, or mezzanine debt

Due to the seniority provisions of the C-PACE assessment relative to the position of a mortgagee on a property, senior mortgage lender consent is required.

For more information about C-PACE finance and how you may be able to leverage this innovative program to achieve your business goals, please reach out to your CastleGreen or X-Caliber Capital sales originator, or email info@castlegreenfinance.com.



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