

Imagine investing in a Better Building with the City of Milwaukee

Me² PACE Financing Program helps you affordably create a better building for you and your tenants.

Me² Property Assessed Clean Energy (PACE) Financing helps commercial property owners affordably finance building upgrades like heating and cooling systems, lighting and controls; and pay for improvements over time as you **reap the benefits of lower energy and maintenance bills.**

Payments for the improvement are collected through a **voluntary** municipal special charge (City Ordinance 304-26.5). The special charge is attached to the property, not the owner, and is paid back through the property tax system over time. Projects should be designed so the annual energy and other savings pay for the special charge for a **net positive cash flow.** PACE Financing is good for building owners and the community. It creates local jobs, better buildings, and a better environment. With a public-private partnership, private capital is used to supply the upfront funding for the work, so that local government budgets are not burdened.

Why should you participate NOW?

- Improve your net operating income
- Improve the value of your property
- Improve occupant comfort
- Replace outdated heating, cooling and energy intensive systems, with modern energy efficient equipment
- Market the "green" features of your property.
- Pass on project costs to your tenants over time*
- Longer term financing (up to 20 years) allows many improvements to make compelling economic sense
- Financing availability based on property value not owner credit
- Repayment obligation stays with property if sold or transferred
- Flexible and negotiated financing transaction
- 100% project financing, up to 20% of property value
- Investment may be counted as an operating expense**

Eligible Properties and Projects

Commercial properties in City of Milwaukee (all non-residential properties, multifamily buildings with 5 or more units, industrial, retail, and office space). The property must have no property tax delinquencies for three years, free of title disputes, and clear of involuntary liens or judgments*** Example projects may include: lighting, boilers, chillers, ventilation systems, water efficiency improvements and renewable energy systems.

How it Works

1. **LEARN:** Get details and sign up at www.smartenergypays.com/businesses. Me² provides energy-saving ideas for your property and answers questions about the program. After you sign up, work with a participating Me² contractor to develop a project scope of eligible improvements and cost estimate of your project.
2. **APPLY:** Apply online at www.smartenergypays.com/businesses. Gain approval for your project from the City of Milwaukee to designate repayment through a municipal special charge.
3. **UPGRADE:** Once your application has been approved, and PACE financing documents are signed by the City, PACE lender, and the building owner, you can complete your energy efficiency project with participating Me² contractors. Projects over \$250,000 require a guarantee from the contractor that savings will exceed the investment cost. See www.smartenergypays.com/business for a list of common eligible improvements.
4. **ENJOY:** Enjoy a better building with updated technologies and equipment. You may be able to pass on the special charge to your tenants*



Energy Efficiency Improvements = Happy Property Owners & Tenants

www.smartenergypays.com/businesses

Contact Erick Shambarger: 414-286-8556 or eshamb@milwaukee.gov

* Treatment as a special charge may allow a property owner to pass the cost of improvements to the building's tenants under certain types of lease agreements. The City provides no advice on whether such pass-through is legally allowable. The property owner is solely dependent on seeking independent legal and/or accounting advice if such a pass-through of special charges under the City Ordinance is permissible. The City will not mediate any disputes between a property owner and tenants regarding the disposition or collection of the special charge.

** Treatment as an operating expense must be determined by the owner's accounting advisors. The City provides no advice and will not mediate any disputes regarding tax treatment of expenses.

*** See Program Application for complete list of requirements.