**REQUEST FOR BOARD ACTION**

**HENDERSON COUNTY**
**BOARD OF COMMISSIONERS**

| | |
|---|---|
| **MEETING DATE:** | September 16, 2026 |
| **SUBJECT:** | Economic Development Partnership of North Carolina – Commercial Property Assessed Capital Expenditure Program |
| **PRESENTER:** | Kristin Bunn, C-PACE Program Administrator |
| **ATTACHMENTS:** | Yes<br>1. Presentation |

**SUMMARY OF REQUEST:**

Kristin Bunn with Economic Development Partnership of North Carolina will present on the Commercial Property Assessed Capital Expenditure (C-PACE) Program.

**BOARD ACTION REQUESTED:**

No action required, for information only.

**SUGGESTED MOTION:**

*No action required, for information only.*

ECONOMIC DEVELOPMENT PARTNERSHIP of NORTH CAROLINA

# C•PACE

## Commercial Property Assessed Capital Expenditure Program

# Commercial Property Assessed Capital Expenditure

SB 802 became law in 2024, creating a statewide Commercial Property Assessed Capital Expenditure (C-PACE) program.

Private property owners can apply for private financing of eligible capital expenditures, leveraging a new financial mechanism – the C-PACE Assessment and the C-PACE Lien

Loans and the assessments are secured by liens placed on the property by the participating local government, enabling payback periods over the expected life of the improvements

# C-PACE Economics

Provides an additional financing tool for property owners to use "private funds" to finance improvements to their eligible property.

Drives economic development - by creating a diversity of jobs in the resilience and clean energy sectors of the economy.

Provides a more accessible financial mechanism to fund improvements.

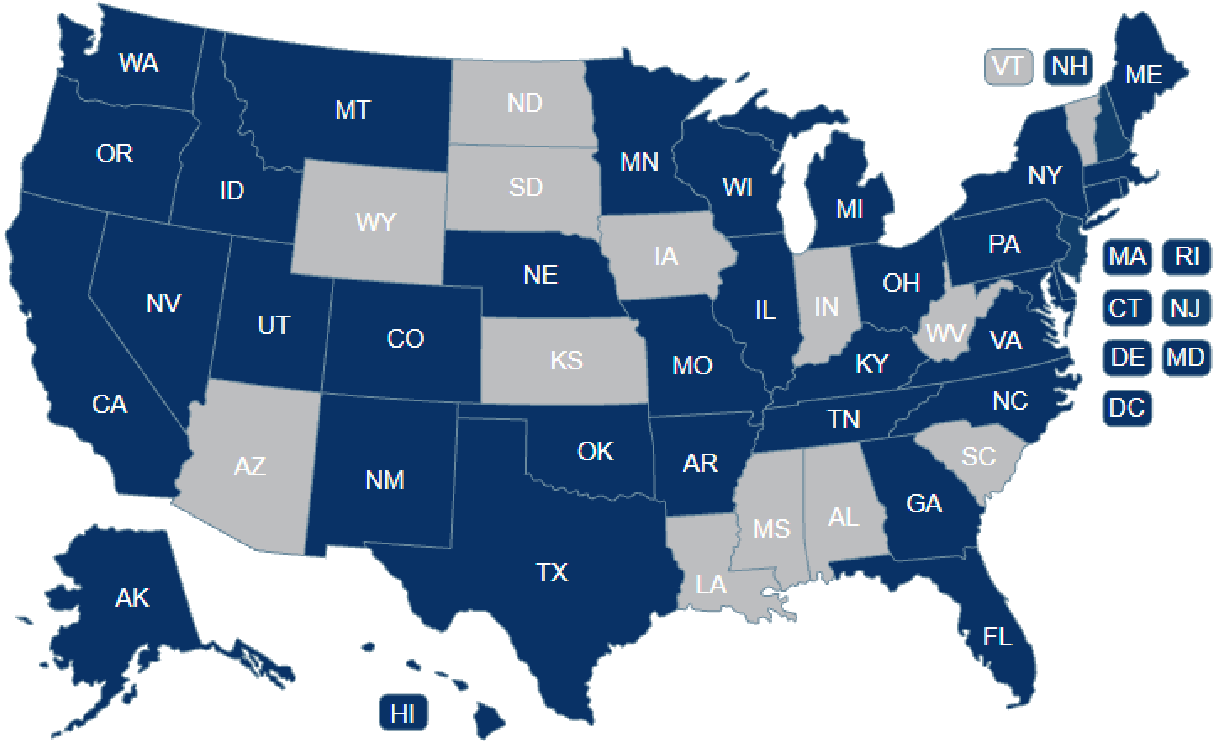
The assessment and resulting improvements will increase the tax value of the affected properties with minimal administrative cost to local governments.

# US Participation in C-PACE

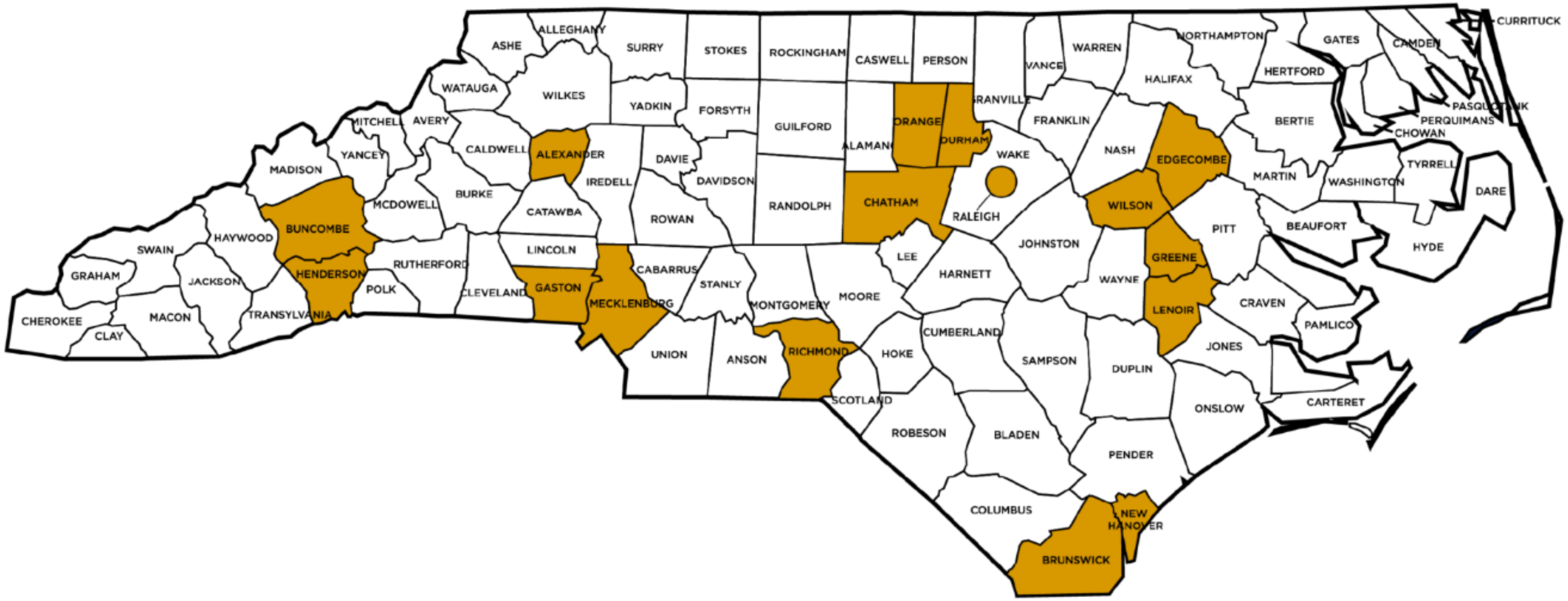
<u>(C-PACE)</u> financing is available in states (currently 40 and expanding) after legislation is passed and adopted on the local level.

While each C-PACE program is unique, many focus on “Clean Energy” improvements.

NC’s program includes energy efficiency and renewable measures but also investment in resiliency and water conservation.



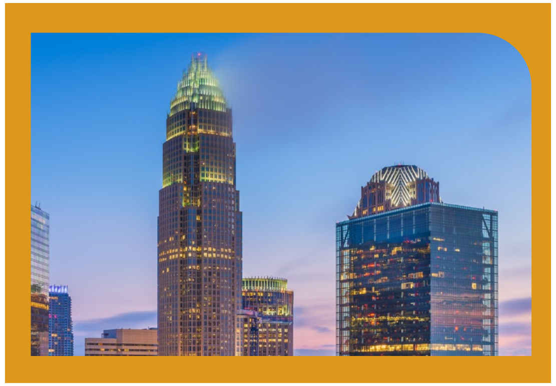
# North Carolina C-PACE Program Participants




C-PACE is an economic development tool. By making it more affordable for building owners to make major improvements to their buildings, local building stock is enhanced, which can drive job creation.

# Qualifying commercial property

- Privately-owned:
  - Commercial
  - Industrial
  - Agricultural
  - Multi-family real property with five (5) or more dwelling units
  - This includes properties owned by nonprofit, charitable, or religious organizations.



# Qualifying improvements

Permanently affixed improvements on qualifying commercial property as part of construction or renovation, including one or more of the following:

- **Energy efficiency measure** - equipment, component, or program change that reduces energy use and that meets or exceeds then-existing State and Federal building codes and efficiency standards or conservation codes.
- **Resiliency measure** - equipment, component, or program change including, but not limited to, storm retrofits, flood mitigation, stormwater management.
- **Renewable energy measure** - equipment, component, or program change that utilizes a renewable energy resource.
- **Water conservation measure** - equipment, component, or program change to decrease water consumption or demand, either indoor or outdoor. This also includes measures to address safe drinking water.

# C-PACE can be more than gap financing

- Acquisition
- Construction (including new construction)
- Adaptive reuse
- Installation, or modification of qualifying improvements
- Refinancing of existing properties or new construction that have had qualifying improvements installed for no more than three (3) years prior to the date of Project Application

# NC's 1st C-PACE Project

| PROJECT TYPE | C-PACE FINANCING ($) | TERM | LOCATION |
|---|---|---|---|
| Recapitalization | $6,500,000 | 30 years | Gastonia, NC |

## Trenton Mill Lofts

### Summary

Trenton Mill Lofts is an 85-unit multifamily development located in downtown Gastonia, NC, approximately 20 miles west of Charlotte. The building was previously Trenton Cotton Mill, Gastonia's oldest standing textile mill, which was built in 1897 and had since stood abandoned. In 2022, the Sponsor, Lansing Melbourne Group, reimagined and converted it to an upscale multifamily property, which boasts design-forward apartments and loft-style homes, as well as a fitness studio, lounge, hammock park and fire pit area.

### Opportunity

The sponsor utilized $6.5 million in C-PACE financing to recapitalize key energy efficiency improvements, as well as associated soft costs, which were made to the historic Trenton Mill as part of a 2022 adaptive reuse project. By utilizing C-PACE, the Sponsor was able to partially pay down their original construction loan and support the stabilization of the property. This enabled them to cover necessary reserves, enforce lease-up efforts, and fund operational enhancements, thereby positioning the property for long-term success, while providing the city of Gastonia with needed housing.

# Local Government Benefits

C-PACE is an economic development tool structured to be cost-neutral for local governments and requiring little-to-no administrative resources. By making it more affordable for building owners to make major improvements to their buildings, local building stock is enhanced, which drives job creation. Energy and resiliency upgrades retain and attract new businesses by lowering utility costs, and in turn these upgrades generate higher property tax payments for local governments. In addition to supporting local governments in their efforts to achieve energy and emissions reduction goals, the benefits of the C-PACE program include:

- Higher property values – Revitalized buildings improve property values, creating more revenue for local communities.
- Economic growth – New development and construction projects stimulate the local economy.
- Stronger communities – Conserving resources and building resiliency in infrastructure deliver positive impacts for everyone in the community.

# How to Join

Counties and cities in North Carolina may participate in the statewide C-PACE Program to support commercial, industrial, agricultural, and multifamily property owners with access to financing for efficient and resilient building improvements.

The EDPNC serves as the statewide administrator and works with private capital providers to assist interested commercial property owners in applying for C-PACE financing. Joining the statewide program does not expose a local government to any financial or legal liability. Once the necessary documents are executed for C-PACE financing, there is no other administrative involvement by the local government.

## Three Simple Steps

Joining the C-PACE Program is a voluntary 3-step process, with support from the EDPNC:

1. Adopt a Resolution of Intent
2. Hold a public hearing
3. Adopt a final Resolution to join the C-PACE Program

# No Overhead

- The C-PACE program is structured to be cost-neutral for local governments and requires little-to-no administrative resources.
- Local governments are not responsible for collection; duties for billing and collection will be delegated to and handled privately by the capital provider(§160A-239.16 (b)).
- C-PACE liens are junior in priority to all taxes and other governmental liens.
- Outstanding or delinquent state, local, or federal taxes or liens at the time of a foreclosure proceeding will be satisfied first.
- Neither the State nor any participating local government, its officers, or employees shall be personally liable for any actions taken pursuant to the C-PACE Act. Per the Act, the State nor any local government may use public funds to finance or repay C-PACE assessments, and all financing is obtained by commercial property owners from private-sector capital providers.
- At closing and upon execution by the local government, EDPNC or the capital provider will record the Assessment Agreement, Notice of C-PACE Assessment, and the Assignment of C-PACE Lien in the office of the register of deeds in the county in which the property is located.
- Billing, collection, and enforcement of C-PACE assessments and C-PACE liens will be the sole responsibility of capital providers.

# Next Steps

- Learn more at [www.edpnc.com/c-pace](www.edpnc.com/c-pace)
- Review the C-PACE Program Toolkit
- Review local government document templates to join the program:
    - 2 (A) - Resolution of Intent
    - 3 (B) - Resolution to Join
  - Review the documents used in the loan review, closing, and recording process:
    - NC documentation at the time of review/approval:
      - 5 (D) – Qualifying Improvements
      - 6 (E) - Checklist and Property Owner Certification
      - 7 (F) - Lien Holder Consent (if applicable)
    - NC documentation at the time of closing/recording:
      - 8 (G) – Assessment Agreement (along with noted exhibits)
      - 9 (H) – Notice of Assessment
      - 10 (I) - Assignment of Lien

# Your C-PACE Team

## Our Role:

- Enablement & education
- Pipeline & project activity tracking
- Capital Provider liaison & referrals
- C-PACE  Administrator & Approvals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