



# Program Information

## September 2025



# MassDevelopment

- Commonwealth's Development Finance Agency & Land Bank
- Works with businesses, nonprofits, financial institutions, and communities to stimulate economic growth throughout Massachusetts
- Promotes capital investment and economic development by providing financing and development solutions
- In FY24, MassDevelopment financed or managed 349 projects generating investment of more than \$3.5 billion in the Massachusetts economy
- These projects are estimated to create or support 22,426 jobs and build or preserve 1,754 housing units

# Property Assessed Clean Energy (PACE)

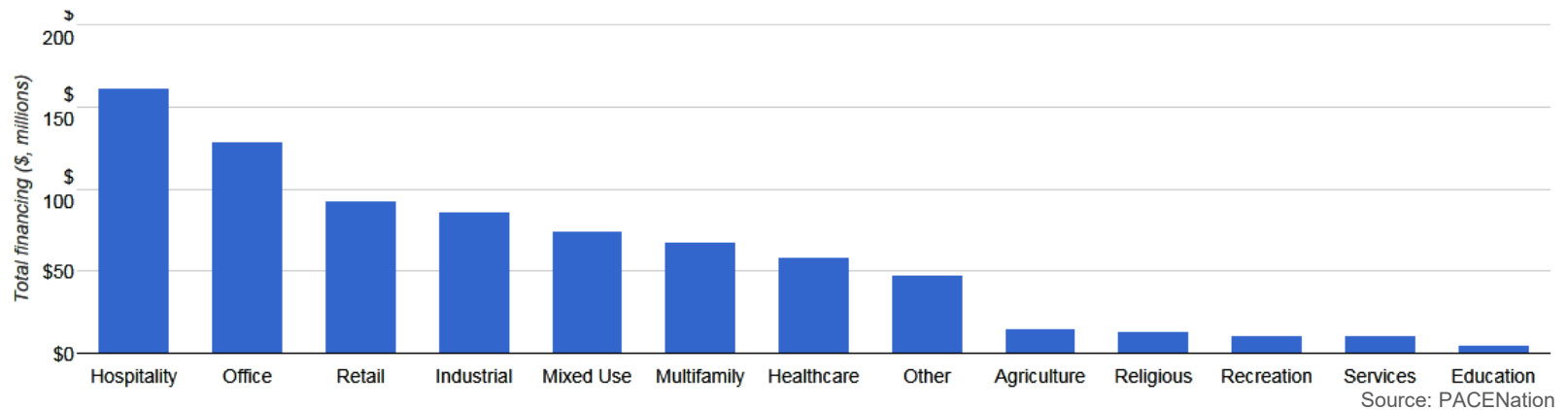
- PACE allows commercial property owners to finance energy improvements, or new construction, via special betterment assessments on their property tax bills
- Benefits
  - Municipalities
    - Job creation, attract new and retain existing business, and environmental benefits associated with reducing energy consumption
  - Property owners
    - No new debt on balance sheet, no pay-off upon sale of property (assessments run to new owner), long-term financing (20-year max), no new mortgage lien
  - Lenders/Mortgage holders
    - Improved cash flow and reduced credit risk from lower operating costs via financing that cannot be accelerated. Capital improvements could also increase collateral property value

# National Commercial PACE Market

- 32 States (plus DC) have active commercial PACE programs
- 40 states (plus DC) have PACE enabling legislation
- \$9.7 billion financed for 3,581 projects as of June 2025

C-PACE dollars funded by building type

(By \$ funded)

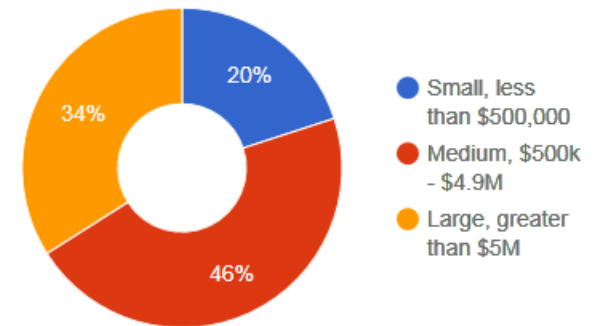


# New England Commercial PACE Programs

- Connecticut passed PACE enabling legislation in 2011; C-PACE is administered by the Connecticut Green Bank
- Rhode Island passed PACE enabling legislation in 2016; RI C-PACE is sponsored by the RI Infrastructure Bank
- New Hampshire passed PACE enabling legislation in 2016
- Maine passed PACE enabling legislation in 2021; their program is in operation

*C-PACE projects by amount financed*

(By \$ funded)



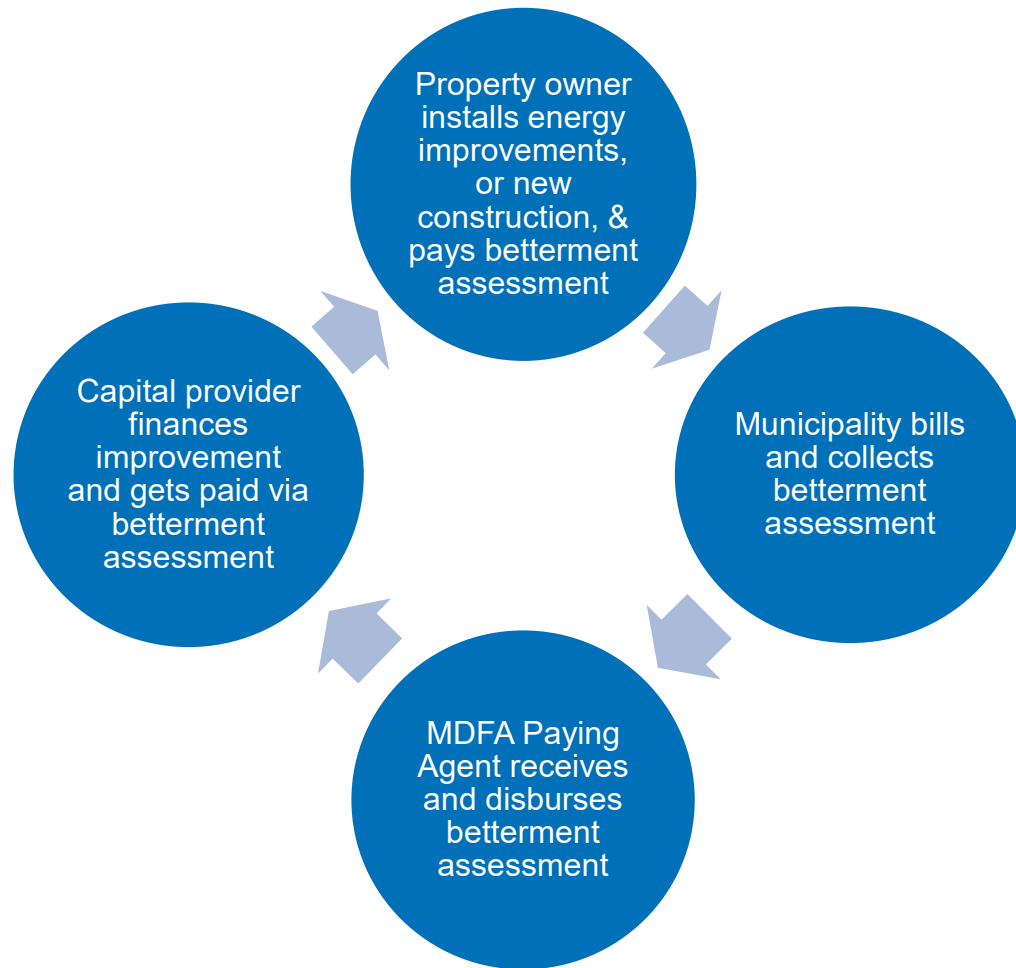
# PACE in Massachusetts



- The PACE Massachusetts Program launched July 28, 2020
  - PACE legislation passed in H4586
  - New Construction became eligible in May 2023
- MassDevelopment is Program Administrator
  - Administers PACE in consultation with the Massachusetts Department of Energy Resources (DOER)
- PACE guidelines including approval requirements, financing documents and RFI for Capital Providers available at:  
[www.massdevelopment.com](http://www.massdevelopment.com)
- Version 2.1 released March 2025 – includes updates for new construction eligibility

# PACE Flow of Funds

- Private Capital Providers (CP) extend financing and are repaid via betterment assessments collected by the municipality



# Eligible Properties

## New Construction and Existing

### Commercial/Industrial

- Office buildings
- Malls
- Hotels
- Restaurants
- Manufacturers



### Not for profit

- YMCAs
- Schools
- Health Care



### Multifamily Housing

- Apartment complexes (5 units or more)



# Eligible Measures

## Energy Efficiency

- Energy management systems
- Insulation and air sealing
- HVAC systems
- Boilers and furnaces
- Lighting
- Energy recovery and redistribution systems



## Renewable Energy

- Solar panels
- Solar hot water
- Geothermal

# PACE Project Overview: Abercrombie Building, Bank Row, Greenfield

**Property:** A blighted, historic 12,000 sq. ft. building that was rescued and transformed.

## Project:

- Building systems needed major upgrades and PACE allowed owner to retroactively finance the cost of the energy improvements into a fixed 20 yr. term
- Installed 30 kW solar photovoltaic system on roof, efficient electrification of space heating, energy recovery ventilation, LED lighting and controls and improvements to windows and insulation
- Lifetime energy savings: 189,000 kWh
- Capital Provider: Nuveen Green Capital (Greenworks Lending)
- Mortgage Holder consent: Berkshire Bank



**Amount of financing:** \$450,000      **Term:** 20 yrs.

# PACE Project Overview: Cargo Ventures, 440 McClellan Highway, Boston

**Property:** A 121,000 sq. ft. mixed-use warehouse building housing 13 commercial tenants.

## Project:

- PACE provided owner with upfront capital enabling improvements to be installed while preserving CapEx
- Energy improvements include upgrades to the HVAC system, new LED lighting, and new roof
- Lifetime energy efficiency savings: 1,541,380 kWh
- Capital Provider: Nuveen
- Mortgage Holder consent: People's United Bank



**Amount of financing:** \$787,523    **Term:** 20 yrs.

# PACE Project Overview: Cargo Ventures, 480 McClellan Highway, Boston

**Property:** A 150,000 sq. ft. mixed use building with a 4-story office space and attached distribution center.

## Project:

- Energy improvements include upgrades to the HVAC system, a full roof replacement, high efficiency interior and exterior LED lighting, as well as building envelope upgrades, including air sealing and window and door weatherization
- Lifetime energy efficiency savings: 3,876,705 kWh
- Capital Provider: Nuveen
- Mortgage Holder consent: M&T Bank
- Ground lease acknowledgement



**Amount of financing:** \$1,118,955    **Term:** 20 yrs.

# PACE Project Overview: Marder Seafood, New Bedford

**Property:** A 29,700 sq. ft. seafood processing and distribution facility

## Project:

- PACE provided owner with upfront capital to allow for the roof replacement and installation of 208 kW solar photovoltaic array
- Lifetime energy savings: 3,640,860 kWh
- Capital Provider: Amalgamated Bank
- Mortgage Holder consent: Berkshire Bank



**Amount of financing:** \$1,115,830 **Term:** 20 yrs.

# Key Elements of PACE Massachusetts

- Municipal opt-in (one time) required
- Maximum financing term allowed is 20 years (dependent on useful life of project measures)
- Energy cost savings must exceed cost of improvements (including any financing costs and associated fees)
  - no limit or maximum financing cost
- If property is sold, the remaining PACE assessment and PACE lien stays with the property and transfers to new owner
- Retroactive consideration for installed improvements
- Third party direct private financing (no public funds used)
  - open, ongoing RFI for PACE Mass. Capital Providers (CP)
  - currently 17 organizations are listed on the Registry

# Key Elements of PACE Massachusetts

(Continued)

- PACE application must be approved by DOER and MassDevelopment for financing to close
  - Mortgage holders written consent required
- Betterment assessment and PACE lien placed at closing
  - MassDevelopment counsel prepares all closing documents and handles recording at Registry
  - Lien assigned to City, then assigned to MassDevelopment, then to CP
  - CP holds enforcement rights to pursue remedies in a default
    - PACE cannot be accelerated (only unpaid billed assessment can be pursued in a default)
    - Municipal liens are senior to the PACE lien; PACE lien is senior to private mortgage lien(s) in a default

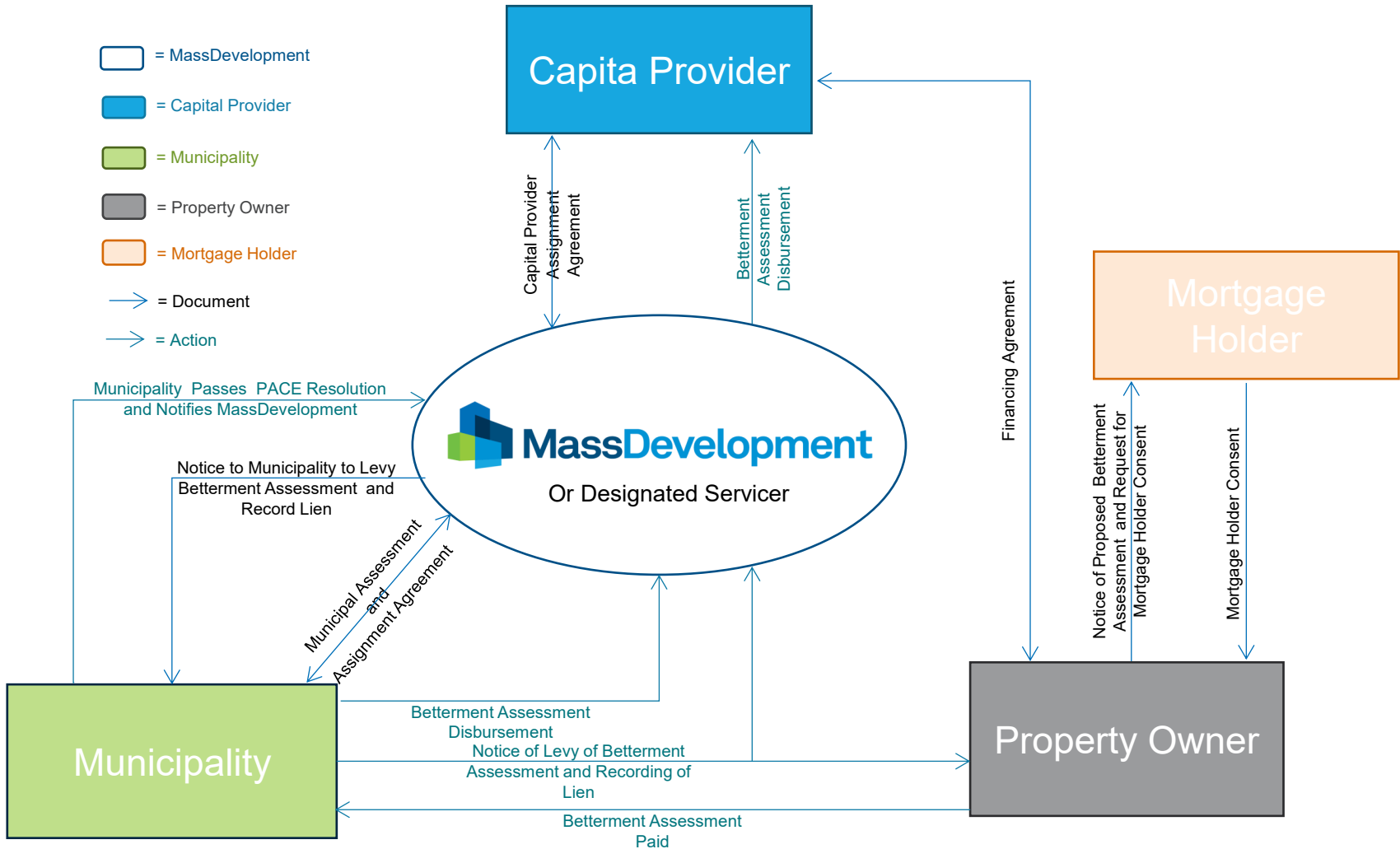
# PACE-Authorizing Municipalities

(78 as of September 2025)



- Acton
- Agawam
- Amesbury
- Amherst
- Ashburnham
- Barnstable
- Bedford
- Bellingham
- Berlin
- Beverly
- Boston
- Brockton
- Brookline
- Burlington
- Cambridge
- Chelsea
- Chicopee
- Clinton
- Concord
- Devens
- Dudley
- East Longmeadow
- Easthampton
- Easton
- Erving
- Fall River
- Fitchburg
- Franklin
- Gardner
- Gloucester
- Grafton
- Great Barrington
- Greenfield
- Hingham
- Holyoke
- Hudson
- Lanesborough
- Leicester
- Lexington
- Lowell
- Ludlow
- Lynn
- Middleborough
- Milton
- Montague
- Needham
- New Bedford
- Newton
- North Adams
- North Andover
- Northampton
- Norwood
- Orange
- Peabody
- Pittsfield
- Plymouth
- Provincetown
- Randolph
- Rockland
- Salem
- Somerset
- Somerville
- Southbridge
- Springfield
- Swansea
- Taunton
- Tyngsboro
- Wakefield
- Warren
- Wellesley
- Wellfleet
- Wendell
- West Springfield
- Westborough
- Weston
- Winchendon
- Woburn
- Yarmouth

# Commercial PACE Structure



# Contact Information

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