

CASE STUDY: Annex 71

Petros PACE Finance Funds Refinance Student Housing in Oshkosh, WI

Project Highlights



Annex 71
Oshkosj, WI

140-unit, 310-bed, Student Housing Facility

THE CLIENT

The Annex Group is an Indianapolis, Indiana-based real estate development group that focuses on the development of student & affordable housing assets. The firm is vertically integrated & provides development & general contracting services in emerging campus markets & affordable housing in large university communities. The Annex Group has developed or overseen \$1B in commercial projects including ground-up and redevelopment projects. Annex's portfolio currently totals \$250mm in assets. Annex was founded in 2006 by Kyle Bach who currently serves as the firm's CEO and President.

THE CHALLENGE

The PACE transaction partially refinanced the existing senior mortgage on the Annex 71 property in Oshkosh, WI. The Annex 71 is a 140-unit, 310-bed student housing property that opened in 2018 and is located less than a half mile off of the University of Wisconsin- Oshkosh campus.

THE NEEDS

- Building Envelope
- HVAC
- Lighting
- Plumbing

THE SOLUTION

C-PACE enabled efficiency measures of \$5.63MM towards refinancing the student housing project. The Sponsor utilized PACE and the \$10.13MM senior loan replacing the TIF bridge loan and prior senior mortgage. The proceeds remaining after the existing senior mortgage and TIF loan retired were used to distribute roughly \$1.0 million in equity to the borrower.

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The net PACE proceeds were fully disbursed at closing to pay off the existing senior mortgage, TIF note and a portion of the third-party equity.

THE RESULTS

- Private capital incentivized forward thinking, sustainable building designs.
- Efficient building design minimized future utility expenses, boosting NOI and property values for the owner.
- The energy efficient measures make it more attractive to investors and guests, while minimizing the carbon footprint of the development.
- Developer secured lower-cost, non-recourse capital to finance the project.
- Developer secured a more efficient capital stack and long-term interest rate hedge, ensuring long-term stability.

THE PARTNERS

lintoo
Annex Construction, LLC
German American State Bank
Bernhard TME





BENEFITS OF PETROS C-PACE FINANCING



100% financing of hard and soft costs with no out-of-pocket



Promotes economic development and urban revitalization



Fixed-rate financing with up to 30-year terms



Ability to recover as an operating expense



Facilitates sustainable building design



Displaces higher cost mezzanine and equity capital

WHO WE WORK WITH

Multi-Family, Mixed-Use, Office, Hospitality, Industrial, Retail, Non-Profit, Healthcare, Manufacturing, Education

WHAT IS ELIGIBLE?

Energy efficiency and water efficiency, renewable energy, and broad resiliency coverage for seismic, indoor air quality, wind/fire resistance, heat/climate change

WHY PETROS PACE FINANCE?

Expertise

Our leadership team's 100+ years of combined experience in C-PACE, monetizing tax credits, and commercial lending means certainty of close for our clients.

Execution

We've earned the trust of our clients because we break barriers and execute efficiently. We're defining the future of C-PACE every day.

Scalability

We're growing quickly and we're taking our clients with us. With billions in committed capital, we can provide C-PACE financing ranging from \$500,000 to \$200 million or more.

Sustainability

We use private funds from committed institutional investors to promote environmental sustainability and economic development.

For more information on our projects, visit our website at www.petros-pace.com

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