

# CASE STUDY: Headwaters

## Petros PACE Finance Funds New Construction in Albertville, MN

### Project Highlights



**Headwater  
Albertville, MN**

180,000 SF Industrial Manufacturing Facility

#### THE CLIENT

**Advanced Volumetric Alliance (“AVA”)**, founded in 2020, operates the nation’s largest full-service modular manufacturing facility that builds at a substantial scale across many different end sectors including multifamily (senior housing, market rate, workforce house, affordable), hospitality, education and retail.

#### THE CHALLENGE

The PACE transaction partially financed a new modular manufacturing facility consisting of 20,000 SF of office & 160,000 SF of manufacturing warehouse. The property will be owner-occupied by Advanced Volumetric Alliance. Roughly 12% of the building will be office space & the remainder will be industrial manufacturing warehouse space built for the purpose of manufacturing modular components for real estate developments.

#### THE NEEDS

- Building Envelope
- Roofing
- HVAC
- Lighting
- Manufacturing Equipment

#### THE SOLUTION

C-PACE enabled efficiency measures towards financing the new construction, industrial project. The financing program provided a creative and attractive solution to fill out AVA’s total capitalization for the project.

#### 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.
- Client secured lower-cost, non-recourse capital to finance the project.
- Client secured a more efficient capital stack and long-term interest rate hedge, ensuring long-term stability.

#### THE PARTNERS

*Headwater Development*  
*Darkenwald Corporation*  
*Delta Modular Construction*  
*Walden*





*“The Petros PACE finance team was absolutely top-notch. They worked directly with our finance and legal team to make the process smooth and less disruptive to the Management team. We look forward to recommending them to all our real estate customers at AVA, they will be a valuable partner to us for many years to come.”*

**Brian Nicholson, Chief Executive Officer**  
– Advanced Volumetric Alliance

## WHO WE WORK WITH

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

## WHAT IS ELIGIBLE?

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*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](http://www.petros-pace.com)

PHONE: 512.599.9038 | EMAIL: [info@petrospartners.com](mailto:info@petrospartners.com)