

CASE STUDY: South Lake Medical Office Building

Petros PACE Finance Funds New Construction in Columbia, MD

Project Highlights



South Lake MOB
Columbia, MD

Medical Office Building

THE CLIENT

The Howard Hughes Corporation (“HHC”) is a developer and operator of commercial, residential, and mixed-use real estate throughout the country. HHC’s portfolio consists of world-class, diverse trophy assets with a combination of steady cash flow and longer-term value creation opportunities. HHC operates in three segments: master-planned communities, operating properties, and development opportunities across the country.

THE CHALLENGE

C-PACE proceeds will fund the new construction of the South Lake Medical Office Building (“MOB”) in Columbia, MD; a proposed Class A medical office building. The proposed building will feature column-free spacing in the leasable areas, a two-story below-structure (but above-grade) parking garage, and electric vehicle charging stations. The development is aiming to be LEED-Gold certified.

THE NEEDS

- Building Envelope
- HVAC
- Plumbing
- Lighting

THE SOLUTION

The Project will be funded by a \$4.4MM PACE loan, a \$24M first mortgage, and \$26M in Sponsor 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 development’s carbon footprint.
- 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

LFC Mob1, LLC
Harvey-Cleary
Building Consultants, Inc.
Bernhard TME
JLL





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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