



CELEBRATING
55 YEARS

nerej

MassDevelopment places \$787,523 to Cargo Ventures for energy upgrade

December 03, 2021 - Owners Developers & Managers



East Boston, MA MassDevelopment has announced that Cargo Ventures LLC will receive \$787,523 in financing for energy improvements to its office building at 440 William M. McClellan Highway under the agency's new Property Assessed Clean Energy (PACE) Massachusetts program. Through PACE Massachusetts, capital provider Greenworks Lending from Nuveen will provide financing for a range of energy upgrades that were installed to the building, including a new roof and LED lighting, as well as upgrades to the building's HVAC system that will be installed in the coming months. This financing will be repaid via a betterment assessment on the property.

"PACE Massachusetts is an important mechanism for helping commercial property owners fund energy improvements to their buildings," said housing and economic development secretary Mike

Kennealy, who serves as chair of MassDevelopment's board of directors. "Office and industrial buildings often require a significant amount of energy to power their operations, and every step we take to reduce that energy consumption makes Massachusetts a greener, more sustainable place to live, visit, and do business."

"MassDevelopment is thrilled that Greenworks Lending from Nuveen has closed the first financing through PACE Massachusetts for a clean energy project in Boston," said MassDevelopment president and CEO Dan Rivera. "PACE Massachusetts is a new financing tool with the power to help commercial property owners in the Commonwealth execute energy efficiency and renewable energy projects that improve buildings, lower emissions, and save money."

Launched in July 2020, PACE Massachusetts is a new long-term option for financing energy improvements to commercial and industrial buildings, multifamily properties with five-plus units, and buildings owned by nonprofits. The program enables commercial property owners to fund energy efficiency and renewable energy projects by agreeing to a betterment assessment on their property, which repays the financing. Offering more flexibility than a direct loan, PACE Massachusetts allows property owners to undertake comprehensive energy upgrades without adding new debt to their balance sheet and through longer financing terms of up to 20 years. MassDevelopment administers PACE Massachusetts in consultation with the Massachusetts Department of Energy Resources (DOER).

"DOER is encouraged to see momentum building with the PACE program, which provides a flexible financing opportunity for energy efficiency building upgrades. Building sector emission reductions are essential to meeting our long-term greenhouse gas reduction requirements," said Department of Energy Resources Commissioner Patrick Woodcock. "The PACE program, along with many other state initiatives including Mass Save incentives, will go a long way towards reducing emissions from the building sector by scaling up energy efficiency, increasing the deployment of electric heating sources, and ultimately making our existing buildings consistent with our ambitious long-term climate plan."

Massachusetts cities and towns are required to opt into PACE Massachusetts by a majority vote of the city or town council or the board of selectmen, as appropriate, in order for a property within that municipality to be eligible for the program. Forty-eight cities and towns have opted in; the City of Boston did so in December 2019.

"The City of Boston is pleased to be participating alongside MassDevelopment, lenders and property owners, in the Property Assessed Clean Energy (PACE) Program, and I would like to congratulate 440 McClellan LLC on being the first property in the City to participate in this Program," said City of Boston CFO Justin Sterritt. "The PACE Program allows property owners in Boston to participate in an innovative financing structure that offers low-cost, long-term funding in order to support energy improvements to buildings in Boston. The City is committed to reaching our carbon-neutral goals, not just in our public spaces, but across all properties in the City as a whole, and the PACE Program is one of the tools available to help us reach our climate goals."

Built in 1975, 440 William M. McClellan Highway is a 121,000-square-foot mixed-use warehouse

building. Thirteen tenants are located at the property, including JetBlue Airways Corp., Starbucks, ABM Industries, and Panasonic. The lifetime energy efficiency savings is 1,541,380 kWh and the lifetime total savings is \$459,665.

This is the second project Greenworks Lending from Nuveen is financing under PACE Massachusetts. In September 2021, MassDevelopment announced that Abercrombie Greenfield, LLC received \$450,000 in financing for energy improvements to its office building at 56 Bank Row in Greenfield.

“We are so happy to have partnered with MassDevelopment to provide financing for the first C-PACE project in the city of Boston,” said Greenworks Lending from Nuveen CEO and President Jessica Bailey. “With Boston’s Building Emissions Reduction and Disclosure Ordinance, it’s more important than ever for property owners to have access to low-cost, long-term financing for energy efficient measures to meet the city’s laudable and ambitious climate targets. C-PACE is an innovative financing mechanism that will help Boston property owners to improve their bottom line, their local community, and the environment, and we look forward to expanding our footprint in the city.”

“C-PACE provided us with upfront capital enabling us to install several energy efficient upgrades to our building, helping us cut our energy costs while preserving capex. We are grateful to MassDevelopment, The City of Boston and Greenworks for working together to enable us to make these critical energy efficiency upgrades,” said Jacob Citrin, Founder and CEO of Cargo Ventures. MassDevelopment, the state’s development finance agency and land bank, works with businesses, nonprofits, banks, and communities to stimulate economic growth across the Commonwealth. During FY2021, MassDevelopment financed or managed 416 projects generating investment of more than \$1.86 billion in the Massachusetts economy. These projects are estimated to create or support 6,578 jobs and build or preserve 1,909 housing units.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540