



FOR IMMEDIATE RELEASE

PACE Loan Group Closes Alaska's Largest C-PACER Loan

Minneapolis, Minnesota (June 26, 2023) – PACE Loan Group (PLG), a national leader in Commercial Property Assessed Clean Energy & Resilience (C-PACER) financing, closed a \$5.5 million package for the Aviator Hotel, the largest of its kind in Alaska. A closing celebration is scheduled today, Monday, June 26, 2023 at 1pm, at the hotel, a historic hotel located in the heart of Anchorage (239 W 4th Ave).

Once renovation is complete in 2024, the Aviator Hotel will be a high-end to-be-named flag boutique hotel with 252 rooms and suites, a retail store and coffee shop, a brewery, and a bar and restaurant that will ultimately have a year-round outdoor deck with views of Denali.

The renovation of the hotel will restore the building and upgrade its amenities. Owners Mark Begich and Sheldon Fisher noted, "C-PACER not only supports economic development and makes commercial buildings more energy efficient, but also makes big projects financially doable. We are so excited about everything this project will do for our community and C-PACER is a big part of that." The C-PACER loan funds the renovation of a 1970's three-story hotel, including energy conservation measures such as HVAC upgrades, building envelope, water fixtures, lighting, and energy efficient heating.

The municipality of Anchorage launched C-PACER in May of 2021, with the first loan closing in August 2022. The scope of PLG's financing of the Aviator Hotel demonstrates the potential of C-PACER in the state of Alaska.

Matthew McCormack from PACE Loan Group originated the loan with Begich and collaborated with the other financing sources to ensure a seamless closing. "This was a complex transaction, currently the largest in the state, that required public and private collaboration, but that's the nature of C-PACE. We appreciate the partnership with the Municipality of Anchorage and Northern Compass Group," said McCormack, senior vice president – Originations, PACE Loan Group.

This loan is the second use of C-PACER in Alaska and the largest use of C-PACER capital to date. The C-PACER program is administered by Anchorage C-PACER through the Municipality of Anchorage. Director Melanie Lucas-Conwell, noted, "C-PACER is an excellent example of public-private partnership and helps fuel economic growth in our community. Development can derive immense benefit from the private capital offered through the C-PACER program. I'm pleased to work with lenders such as PACE Loan Group to help activate C-PACER's potential in Anchorage."

At the Aviator Hotel, PLG helped guide the developer and administrator in utilizing C-PACER in a significant way. PLG was involved in the legislative process to increase C-PACER availability for major renovation and new construction, which made this \$5.5M loan possible. Rafi Golberstein, PLG chief executive officer said, "The PLG team is thrilled to have helped the development of Alaska's C-PACER program to a robust offering for developers. This loan demonstrates the potential of C-PACER in Alaska. We're looking forward to building upon that potential while spurring development in Anchorage."

Commercial developers can utilize C-PACER to obtain low-cost, long-term financing for sustainable building improvements. C-PACER utilizes borrowed capital, which is repaid over a twenty to thirty-year period via tax assessments. According to PACENation, the national nonprofit association that advocates for PACE financing, upwards of 3,000 commercial projects have been funded by more than \$5 billion of C-PACER loans. The Alaska C-PACER program is expanding this summer due to the passage of HB 227 in 2022. New program guidelines will increase eligibility for C-PACER to include new construction, resiliency projects, and refinancing.

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About PACE Loan Group

PACE Loan Group (PLG) is a national leader in the C-PACE marketplace, providing direct C-PACE financing to commercial property owners. The PLG team provides expertise up and down the capital stack. To learn more about PLG, visit our website at www.paceloangroup.com.

About Anchorage C-PACER

The Municipality of Anchorage launched the first C-PACER (Commercial Property Assessed Clean Energy & Resilience) in Alaska in April 2021. C-PACER allows commercial and industrial property owners to implement clean energy & resilience measures to their property and pay back the loan through a voluntary special assessment. For more information, visit www.muni.org/CPACER or contact CPACER@anchorageak.gov.

About Aviator Hotel

Mark Begich, former United States Senator and Mayor of Anchorage, and Sheldon Fisher, former Commissioner of the Alaska Department of Revenue, have partnered together to revitalize downtown Anchorage. The first phase of this work centers around the Aviator Hotel which is currently undergoing a complete renovation into a 250-room boutique hotel featuring a restaurant and brewery. The hotel's premium location puts guests just a short walk from the Anchorage Museum, offers front row seats to events like the ceremonial start of the Iditarod Trail Sled Dog Race or fireworks on New Year's Eve, and will offer views of the Chugach Mountain from their year-round decks. The hotel will be part of a major hotel franchise to be announced at a later date.