MGBA-ESCO-JA-02

Four-Gate Eligibility Screen

The ten-minute screen to run before an engineer goes in a truck — plus eligible measure categories and financeable costs

TRACK	JOB AID	VERSION	DATE
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Four gates, in order, before an engineer goes in a truck. The whole screen takes about ten minutes. Run it in sequence — the gates are ordered by cost, so the free ones come first and each one you clear is a gate you never have to reopen.

Gate 1 — Jurisdiction

First because it is free and it is absolute. C-PACE is available only in member communities — cities and counties that have formally opted in. More than 300 Missouri communities are members, covering approximately 62% of the state's population. Most is not all.

- ☐ Property address confirmed against the MCED member community list
- ☐ If ambiguous — municipal boundary, unincorporated parcel, recent annexation — address sent to MGB for written confirmation
- ☐ Confirmation received in writing and saved to the project file

STOP CONDITION

Not in a member community: stop. Do not scope, do not quote, do not promise financing. An investment grade audit on an ineligible parcel is a write-off, and it is your write-off, not the owner's.

A non-member community is a lead, not a dead end. Communities join regularly, and usually because a local business asked. Tell MGB which community and which owner.

Gate 2 — Property type

C-PACE serves commercial property. The categories below are eligible; publicly owned buildings generally are not, because the assessment runs through the property tax roll.

Eligible property type	Note for screening
Office	Multi-tenant and single-tenant both work. Check the lease structure early — see Gate 3
Retail	Anchor and strip both work. Triple-net leases are the norm and the pass-through conversation applies
Industrial and warehouse	Frequently the best envelope and lighting opportunity in the pipeline
Hospitality	Strong fit — high energy intensity, and a renovation cycle that already exists

Eligible property type	Note for screening
Multifamily above the program unit threshold	The threshold is a program figure, not a judgment call. Confirm the number with MGB before you screen
Senior living	Continuous occupancy and high domestic hot water load
Agricultural and processing facilities	Process load frequently dominates; scope accordingly
Commercial property owned by nonprofits	The most overlooked category on this list. A nonprofit owner has no tax appetite, so depreciation and tax-credit structures do nothing for them. This does

- ☐ Property type falls within an eligible category
- ☐ If multifamily, unit count is at or above the program threshold
- ☐ Property is not publicly owned and is on the property tax roll

Gate 3 — Ownership and title

- ☐ Clear title
- ☐ Property taxes current, no material delinquency
- ☐ Special assessments and any existing PACE assessment identified
- ☐ The signing party has authority to consent to a voluntary assessment
- ☐ Ownership entity documents exist and are current — operating agreement, resolutions, authorized signatories
- ☐ Ground lease or condominium structure identified and flagged to MGB before scoping

Flag early, not late. Ground leases and condominium structures can work, but they need attention at the beginning of the transaction rather than the end. A structure discovered at closing costs weeks; the same structure raised at screening costs a phone call.

Gate 4 — Encumbrances

Every mortgage holder of record must consent in writing. Every one. This is not a formality and it is not the last step — it is the single item most likely to wreck your schedule, and it is covered in full in MGBA-ESCO-JA-04.

- ☐ Title search or owner-supplied title report obtained
- ☐ Every holder of record identified, including mezzanine and subordinate positions
- ☐ Loan type identified for each — bank portfolio, life company, securitized, agency
- ☐ Consent conversation opened as soon as scope and approximate financed amount are stable

Eligible measure categories

Put envelope back in your scopes. A 20-year term does not need the roof to pay back in seven, and the savings test is applied to the bundle rather than measure by measure. The roof can be carried by the lighting instead of the lighting carrying the project.

Category	Typical measures
Mechanical	Chiller and boiler plant replacement, heat pumps, VFDs, air handler replacement, ventilation and heat recovery, refrigeration
Controls	Building automation systems, networked lighting controls, submetering, fault detection and diagnostics
Lighting	LED retrofit and replacement, daylight harvesting, occupancy and vacancy sensing
Envelope	Roof replacement with insulation, wall insulation, air sealing, glazing and window film, doors and dock seals, cool roofing
Water	Domestic fixture retrofit, irrigation efficiency, cooling tower and process water measures — see confirmation note below
Generation and storage	Solar photovoltaic, solar thermal, combined heat and power, geothermal, battery storage — see confirmation note below
Process	Compressed air, process heat recovery, motor and drive replacement, refrigeration in agricultural and processing facilities

Financeable project costs

In most C-PACE programs the financed amount is not limited to installed equipment. Confirm specifics with MGB on each transaction, but understand what it means for your business: the investment grade audit can potentially sit inside the financing rather than being a cost you carry or the owner writes a check for.

Cost	Screening note
Investment grade audit	Frequently financeable. Confirm before you offer to carry it
Design and engineering	Financeable
Equipment and installed cost	Financeable
Commissioning	Financeable, and worth including — it protects your guarantee
Permitting and inspection fees	Financeable
Program and closing fees	Financeable
Capitalized interest during construction	Frequently financeable. Materially affects the closing number on a long build — size it at screening, not at closing
Contingency	Include it inside the financed amount, size it honestly, and disclose it. Hiding contingency in line items reads as padding under a reasonableness review, and reviewers find it

CONFIRM BEFORE USE IN A RECORDED SETTING

Three items on this page are stated in the script but not yet sourced: the multifamily unit threshold (a number is needed, not a description), the eligibility of water conservation and resiliency measures under §67.2800 RSMo, and the specific list of financeable soft costs and capitalized interest. See MGBA-ESCO-BR-01, items 4, 5, and 6.

Screening record

One line per property. Keep it — the disposition of a failed screen is worth as much as a passed one, and a non-member jurisdiction is a lead for MGB.

Property / address	Date	Gate 1	Gate 2	Gate 3	Gate 4 / disposition