MGB ACADEMY

C-PACE FOR PROPERTY MANAGEMENT COMPANIES

Term, Packaging and Assessment Sizing Guide

Working within the twenty-year cap to build projects that perform

DOCUMENT CODE	VERSION	ISSUED
MGBA-PM-JA-05	**1.0**	**August 2026**

THE STRUCTURAL RULE

The maximum financing term is twenty years, regardless of how long a measure lasts. A thirty-year roof still finances over twenty. Term is also constrained by the weighted average useful life of the financed improvements — a package of short-lived measures cannot reach the maximum simply because the maximum exists.

WHY THE CAP MATTERS TO YOUR ANNUAL NUMBER

The term cap compresses the annual assessment on long-lived measures. A measure that would comfortably self-fund over thirty years carries a higher annual charge over twenty. That is not a reason to avoid the measure — it is the reason strong projects are usually packages rather than single line items.

WEIGHTED AVERAGE USEFUL LIFE

Term is tested against the weighted average useful life of the package, weighted by cost. Compute it before you promise an owner a term.

MEASURE	COST	SHARE OF TOTAL	USEFUL LIFE (YRS)	WEIGHTED CONTRIBUTION
Roof and insulation	$540,000	54%	25	13.5
LED and lighting controls	$180,000	18%	15	2.7
Building automation system	$160,000	16%	15	2.4
Rooftop unit replacement (2)	$120,000	12%	18	2.2
Package total	$1,000,000	100%	—	20.8 → term capped at 20

Reading the example. The weighted average life of 20.8 years exceeds the statutory cap, so the package finances at the full twenty-year term. Had the lighting and controls been a larger share, the weighted average would have fallen below twenty and the available term would have fallen with it.

THE PACKAGING LOGIC

Packaging is not a way of smuggling a weak measure past a test. It is how you build a project that actually performs for the owner across its life. Three constructions do most of the work.

Carry construction

Pair a fast-payback measure with a slow one. Lighting and controls generate savings immediately; the roof generates avoided replacement and modest energy benefit. Together the package clears comfortably. Separately, the roof struggles to make a case on energy alone.

Life-balance construction

Where a package is dominated by short-life measures, the available term shortens and the annual assessment rises. Adding a long-life measure — envelope, geothermal loop, solar — lifts the weighted average and lengthens the available term for the whole package.

Sequencing construction

Do the load-reducing work before you size the generating or conditioning equipment. Envelope and lighting first, then HVAC and solar sized to the reduced load. A package sequenced this way costs less and performs better than one that finances an oversized chiller for a leaky building.

SIZING THE ANNUAL ASSESSMENT

The exact annual figure comes from the capital provider. For screening, three inputs get you close enough to have a conversation: total eligible project cost, the term supported by the weighted average life, and the indicative rate the provider quotes. The output you actually need is not the payment — it is the comparison.

COMPARE THE ANNUAL ASSESSMENT AGAINST	WHERE THE FIGURE COMES FROM
Modelled annual energy and water savings	Audit or engineering model
Three-year average emergency repair spend on the affected systems	Work order and invoice history
Annualised reserve contribution the project eliminates	Reserve study funding schedule
Insurance premium effect, where resiliency scope is included	Broker or carrier estimate
Recoverable share under the leases, if any	JA-06 and owner's counsel

QUESTIONS OWNERS ASK ABOUT TERM

QUESTION	ANSWER
Can we go longer than twenty years?	No. Twenty years is the statutory maximum in Missouri, and the weighted average useful life may cap it lower.
Can we prepay?	Prepayment terms are set by the capital provider in the financing documents. Ask before selection, not after.
What happens if we sell in year six?	The obligation attaches to the property and transfers with it, subject to the disclosure requirements in JA-08.

QUESTION	ANSWER
Can we add a second project later?	Yes. A subsequent assessment is a separate transaction with its own eligibility finding, benefit record and lender consent.
Does a shorter term save money?	A shorter term raises the annual assessment and lowers total finance cost. Match the term to the life of the assets and the owner's hold period.

WHERE THE MANAGER EARNS STANDING

The packaging decision is the technical judgment an owner cannot make alone and a contractor will not make on their behalf. Getting it right is the clearest demonstration that you are coordinating a transaction rather than forwarding a bid.

Markets set in motion. It all starts with collaboration.

Missouri Green Banc · Administrator of the Missouri Clean Energy District · (866) 554-4083