The Four Outcomes Worksheet

Fill this in on the building actually in front of you. Bring it to the meeting.

PROPERTY	
DATE	
PREPARED WITH	

C-PACE is either right for your building or it is not. You decide by looking at four outcomes. If even two of the four matter on this building, the transaction deserves a serious look. Where you do not know a figure, that gap is itself the finding — it tells you what to ask for.

Outcome One — Return on Investment

Utility savings is one part of the return, not the whole return. Add all four factors before you judge the payback.

A. Annual utility savings projected $

B. Annual emergency repair costs avoided on aging equipment $

C. Annual value of tenant retention from reliable systems $

D. Annualized value of avoiding catastrophic failure $

TOTAL ANNUAL RETURN (A + B + C + D) $

> **THE MEASUREMENT SHIFT**
> When you pay out of pocket, ROI is measured against the cash you sent out the door. When the capital is financed through C-PACE, ROI is measured against the annual installment. The math is completely different — which is the whole of Outcome Two.

Outcome Two — Cash-Flow Neutrality

Cash-flow neutrality means annual savings from the improvements is approximately equal to, or greater than, the annual C-PACE installment.

E. Total annual return (from above) $

F. Annual C-PACE installment quoted $

NET ANNUAL CASH-FLOW EFFECT (E − F) $

Reading your answer: Positive is best. A modest gap is acceptable — you are still getting new systems without writing the check. A large gap is a flag, and the right response is to ask why, not to walk away.

WHAT THE LAW ACTUALLY REQUIRES — AND WHAT IT DOES NOT

The statutory standard in Missouri is economic benefit, not a savings ratio. Under §67.2815.1 RSMo, the district cannot enter into an assessment contract or levy the assessment without finding that there are sufficient resources to complete the project and that the estimated economic benefit expected from the project during the financing period is equal to or greater than the cost of the project.

Economic benefit is broader than the utility bill — which is why filling in all four factors of Outcome One is not busywork.

A savings-to-investment ratio of 1.0 or greater is an industry best-practice underwriting guideline. Worth asking for, and good evidence. But it is not the statutory standard, and it is not applied identically by every program or capital provider.

Outcome Three — Building Value Enhancement

The value of your building is what the next buyer will pay. That buyer looks at net operating income, cap rate, and capex burden — the capital improvements they inherit from you. Every dollar of deferred capex is a dollar subtracted from their offer, often with a multiplier.

G. Deferred capex on your building today, as a buyer would price it $

H. Annual NOI improvement from lower operating costs $

I. Your market cap rate %

VALUE EFFECT OF THE NOI IMPROVEMENT (H ÷ I) $

J. Remaining assessment balance a buyer would net from their offer $

Net effect: buildings with C-PACE-funded improvements typically sell at higher prices, and often faster, than buildings carrying held capex.

Outcome Four — Preservation of Your Operating Capital

If you fund building improvements out of pocket, that cash is gone — not forever, but for the next several years it is no longer available to you.

K. Project cost you would otherwise fund from operating capital $

What that capital stays available for — write in what applies to you

The next acquisition

Capital calls on other partnerships

Distributions to investors or family

The estate plan, a philanthropic commitment, the reserve that lets you sleep

WHY THIS ONE IS FELT THE MOST

Operating capital is optionality. The owner with operating capital can act. The owner without it can only react. C-PACE funds the improvements the building needs without consuming the cash you need for everything else.

Questions on your own transaction: (866) 554-4083 | communications@missourigreenbanc.org

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Markets set in motion. It all starts with collaboration.