

Powering a Win-Win for a Nonprofit and the Environment



GreenPACE Capital helped a nonprofit art museum secure long-term financing for a \$156,000 solar energy project while improving cash flow and reducing operating costs. See how C-PACE provided a more flexible and cost-effective solution than traditional financing options.

The Lux Art Institute in Encinitas, California, was designed with the environment in mind. Lux, which is Latin for “light,” is burrowed into a hillside. The museum incorporates water- and energy-saving strategies across a six-acre campus to reduce its environmental impact.

As the first LEED Certified museum in the County of San Diego, being a good steward of the environment is a core value, so the Lux board wanted to develop a solar energy plan financially feasible for a nonprofit that serves the community.

THE CHALLENGE

Balancing a Commitment to the Community With the Environment

California leads the country in solar energy production, with [15% of its in-state energy generated from solar in 2020](#). The County of San Diego has pledged to generate 100% of its energy from renewable sources by 2035.

But retrofitting buildings with solar equipment requires large up-front costs. As a nonprofit, Lux needed a way to pay for the solar panels without diverting funds from its mission to provide programs that support the community.

THE SOLUTION

A Public-Private Financing Model

Lux's contractor shared a cost-effective way to pay for the solar panels – Commercial Property Assessed Clean Energy (C-PACE) financing.

GreenPACE worked closely with Lux board members to educate them about this public-private program solution. We answered questions, explained the history and process of C-PACE, and talked about the best approach to achieve the board's goals.

Our team ensured the project met the local municipality's requirements and maximized available tax benefits. With solar energy tax credits, different rules apply to businesses and nonprofits. As an experienced and

consultative PACE administrator, GreenPACE helps property owners get the best rates, terms, and discounts available for their specific situation.

From setting up the C-PACE financing to providing the solar panel equipment, we streamlined the entire project for Lux to secure a windfall of tax benefits, including \$30,000 in total project savings.

C-PACE allows Lux more budget flexibility because the financing doesn't impact cash flow. The museum pays for the cost of the solar panels via a fixed-rate, voluntary property tax assessment over 25 years.



THE RESULTS

A Bright Model for Future Generations

California's energy rates are among the highest in the country. Since installing the solar panels, Lux generates 100% of its energy needs from 160 solar panels.

GreenPACE Capital secured financing for Lux that helps improve the museum's bottom line. Having positive cash flow allows Lux to allocate more funds to programs that serve the community. Plus, predictable energy rates help Lux plan for future investments.

With the savings, Lux has started a [Sustainability Endowment](#) to fund future projects like public charging stations for electric vehicles, a campus-wide reclaimed water system, and better lighting to provide access to Lux's outdoor spaces at night.

C-PACE financing created a win-win reward for Lux and the environment. The transition to clean energy prepares the museum to meet the County of San Diego's 100% renewable energy goal and also supports a brighter, cleaner future for the community it serves.



I had a very good rapport with GreenPACE. Questions were answered and there was very good communication all around. I felt very competent in the speed ... but also the very truthful and direct way that they spoke about it."

– ANDREW ÜTT, EXECUTIVE DIRECTOR, LUX ART INSTITUTE

Reach Your Goals With C-PACE Financing

See the financing options available for your property, including rates and terms.

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