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Innovation Hub in Harrisonburg Highlights Use of Virginia Statewide Commercial Property Assessed Clean Energy Program (C-PACE) for Energy Efficiency Upgrades

Harrisonburg, VA.- The Harrisonburg Innovation Hub (HIH) building in Harrisonburg is seeing significant energy savings thanks to a loan program designed for energy efficiency upgrades. An \$817,000 C-PACE loan financed through PACE Equity will contribute toward these reductions in further renovations of a building constructed in 1925. Exterior lighting, internal lighting controls and power, and HVAC systems are being replaced for energy savings of \$2,416.00 annually. The building is being renovated into a multi-use facility featuring office and retail spaces. The annual energy savings is equivalent to that of five households' electricity use in one year. The project will also create 8 jobs.

This historic building in downtown Harrisonburg, now open for business, is being transformed into a three-floor shared workspace offering a variety of office settings including conference rooms, focus rooms, and common areas. The building also features electric vehicle charging stations to help generate significant annual energy savings. HIH anticipates more than 150 businesses working from the building, with at least 300 members among them. The Innovation Hub Grand Opening Celebration was held February 27.



(Above) Innovation Hub Rendering

(Below) Participants take part in a ribbon-cutting ceremony on Thursday, Feb. 27, at the Innovation Hub)

The Virginia PACE Authority oversees the C-PACE program in Virginia which funds a wide variety of building measures on commercial properties through competitively priced loans.

“The Innovation Hub is a great example of an older building being revitalized and providing mixed use for the City of Harrisonburg. This project demonstrates the flexibility of our program for successful results and is a double win for the property owner as well as for the City,” said Abby Johnson, Executive Director of the Virginia PACE Authority.

Building improvements financed using C-PACE can be completed with minimal up-front, out-of-pocket costs to property owners and can generate positive cash flow upon



completion. The results may include reduced energy or other operating costs, improved business profitability, increased property value and improved resiliency to the real estate.

“The transformation of the Innovation Hub demonstrates how our strategic financing can reinforce good building practices while it fuels economic revitalization,” said Beau Engman, Founder and President of PACE Equity. “We’re proud to fund this project and watch as this project makes a lasting impact on the Harrisonburg community.”

The PACE program finances energy and water efficiency, renewable energy, stormwater management, electric vehicle charging infrastructure, environmental remediation, resiliency, and indoor air and water quality projects.

“Harrisonburg Innovation Hub is the City’s first C-PACE project. Harrisonburg City Council adopted the C-PACE ordinance in October 2023 as a win-win scenario to provide our development community with a new financing tool and create an incentive for increased energy efficiency investments. HIH is a transformative project that will enable Harrisonburg to help meet the needs of an ever-changing business ecosystem. We have been excited to partner with the HIH team since Day 1 and we look forward to tremendous success,” commented Brian Shull, Economic Development Director for Harrisonburg.

By passing ordinances for C-PACE, jurisdictions can use the VA C-PACE Program as an economic development tool for both new construction and rehabilitation of existing buildings. In addition to the City of Harrisonburg, the following cities and counties have joined Virginia C-PACE: Albemarle, Alexandria, Charlottesville, Chesapeake, Chesterfield, Fairfax County, Henrico, Hopewell, Loudoun, Martinsburg, Petersburg, Prince William, Richmond, Rockingham, Shenandoah, Virginia Beach, and Winchester. To participate, commercial lending institutions must be registered with the Program. The Program currently has twenty-three registered lenders.

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Virginia PACE is an innovator in the PACE marketplace, advising localities on establishing and developing C-PACE programs, opening up new markets for institutional investors, and educating contractors, financial institutions, and property owners on the business case for C-PACE. To learn more about C-PACE, and find program guidance, forms and the application process, visit: <https://virginiapace.com/>

Virginia Energy, the sponsor of the C-PACE program, leads the Commonwealth to a reliable and responsible energy future. The agency is home to the State Energy Office which supports informed decision making by providing data, information and analyses to stakeholders that are responsible for the development and maintenance of the



Commonwealth's energy system. To learn more about Virginia Energy visit: <https://energy.virginia.gov/>

For more information about the City of Harrisonburg, visit <https://harrisonburgdevelopment.com/>

PACE Equity, for over a decade, has funded Commercial Property Assessed Clean Energy projects in innovative, never-before-seen ways, with better financing for better buildings. PACE Equity has closed C- PACE projects across the U.S. and enabled the energy efficient commercial development of over \$6.3 billion while eliminating over 1.4 million metric tons of carbon. PACE Equity offers the design and support that allow customers to intelligently meet the demands of today's consumer and tomorrow's building requirements. Visit www.pace-equity.com to get started.