



Mayfly Uses \$1 Million in C-PACE Financing to Build New Headquarters

Project incorporates energy efficiency into building design

THE CHALLENGE

Mayfly Outdoors is building a new headquarters and manufacturing facility in Montrose, Colorado. Energy efficiency is a major concern, because the high-precision machines the company uses to make its premium fly-fishing equipment and other outdoor products use a great deal of electricity. What's more, the aerospace-grade parts Mayfly manufacturers require it to tightly control ambient temperatures. This is not easy to do in a high-altitude, low-humidity environment with four distinct seasons, and can quickly drive up energy costs.

THE SOLUTION

To ensure that its new manufacturing facility would be as efficient as possible, and therefore less expensive to run, Mayfly's architect designed the building to comply with the 2015 International Energy Conservation Code, which is more stringent than local code.

To fund the project, Mayfly President David Dragoo considered traditional financing, but after local economic development officials introduced him to C-PACE, he added it to the capital stack. "C-PACE provides the avenue to monetize energy efficiency improvements and was an important factor in getting the project done," he said.

THE IMPACT

C-PACE facilitated \$994,500 in affordable, long-term, non-recourse financing for Mayfly Outdoors' new headquarters. (Because the new building's design complies with the 2015 IECC, Mayfly was eligible for C-PACE financing for up to 15 percent of the project's construction cost.) Dragoo used the financing to displace a portion of traditional debt, lowering the company's weighted average cost of capital.

"C-PACE provides the avenue to monetize energy-efficiency improvements. The program was an important factor in getting the project done."

—David Dragoo, president, Mayfly Outdoors



Dragoo says his only stumbling block with C-PACE was a good one. “C-PACE is new, so it took time to get our banking and legal teams aligned with the structure.” He said the program representatives and the private capital provider he found through the program provided clarity when his team needed it.

To decide which energy-saving measures to include in the project, Mayfly looked at its energy use and maintenance costs. “We concluded that LED lighting, low-e glass, engineered concrete, and geothermal were the way to go,” Dragoo said, adding that the new facility will nearly double current operations. Notably, the facility is also one of the first buildings in the newly announced Colorado Outdoors Project, a 164-acre re-development along the Uncompahgre River.

ABOUT COLORADO C-PACE



Colorado C-PACE provides financing for energy efficiency, renewable energy, and water efficiency projects at existing buildings, as well as for ground-up new construction projects that will meet or exceed 2015 IECC/ASHRAE 90.1-2013. For new construction, C-PACE offers long-term financing for up to 20 percent of the total eligible construction cost and can displace more expensive types of capital. The financing is non-recourse and repayable over up to 25 years, and is secured by a voluntary assessment that is recorded against the property. The repayment obligation can be transferred to a new owner if the building is sold.

Visit copace.com for more information.

BY THE NUMBERS

Project type:
New construction

Building type:
Office/manufacturing

Building size:
41,000 square feet

Financed amount:
\$994,500

Total construction budget:
\$7.5 million

Finance term:
20 years

CONTACT COLORADO C-PACE TODAY TO LEARN MORE

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