



Bayview PACE is providing key C-PACE financing for the adaptive reuse of the historic Pocketbook Hudson project in Upstate NY

## **Hudson NY Historic Mill Transformation Gets Key \$7 Million C-PACE Financing from Bayview PACE**

*Flexible, innovative C-PACE funding in combination with tax-credit and EB-5 financing backs adaptive re-use of historic mill into hotel/wellness/cultural enclave, a first of its kind*

Coral Gables, FL and Hudson, NY (July 11, 2024) – Bayview PACE today announced providing \$7 million in C-PACE financing for the innovative adaptive reuse of the historic Pocketbook Factory property in Hudson, NY, to create a mixed-use hotel/hospitality/wellness/cultural space renamed Pocketbook Hudson. Commercial Property-Assessed Clean Energy financing (C-PACE) offers favorable and cost-effective terms for qualified improvements in energy, lighting, water systems, building envelope and other resiliency components, and it can be applied to new construction as well as renovations.

Developed by a locally-based investment partnership, the 70,000 square-foot, \$42 million Pocketbook Hudson development will offer a unique owner-operated hospitality business including a 40-room hotel, wellness center, lounge, restaurant, bar and café, comprising approximately half the complex. The other spaces in the circa-1890's character-rich property will be a mix of locally-oriented art and design uses, affordable retail space, and not-for-profit offices.

Hudson Mayor Kamal Johnson emphasized the significance of this project, stating, "By utilizing EIC NY PACE, this project takes the City of Hudson a significant step towards sustainability, committing to innovative financing solutions that will reduce greenhouse gas emissions and foster a greener future for our community."

Bayview worked with EIC Open C-PACE to close the C-PACE loan. EIC Open C-PACE is operated by Energy Improvement Corporation (EIC), a New York State non-profit,

local development corporation which provides long-term alternative financing to fund clean energy projects in commercially owned buildings for the benefit of member municipalities including counties and cities across New York State.

The project used an innovative financing combination of C-PACE, tax credits and EB-5 financing including:

- Historic Tax Credit Financing of \$8.96 million
- EB-5 debt totaling approx. \$13 million being used for the construction financing

“The flexible, attractive terms of C-PACE financing were a key benefit for Pocketbook Hudson, and we’re pleased to be able to support a strong project sponsor,” said Anne Hill of Coral Gables, FL-based Bayview PACE. “Bayview PACE’s specialty in C-PACE and our experience in structuring hybrid combinations with other tools such as EB-5 and tax-credit financing are proving to be very attractive in today’s competitive financial markets. C-PACE financing provides borrowers ultimate flexibility, certainty of execution, and highly competitive terms.”

C-PACE financings to date in the U.S. exceed well over \$7 billion, according to PACEnation. It has been approved through legislation in 39 states, gaining popularity among real estate owners and the financial institutions looking to serve them.

Pocketbook Hudson is brick-and-timber complex that originated as a knitting mill and was later used to make garments, pocketbooks and luggage, becoming known as "the pocketbook factory." It had been vacant since the 1970s before it was purchased.

According to local market studies, Pocketbook Hudson is positioned to benefit from strong hotel, food & beverage and visitor trends. As a smaller, supply-constrained hospitality market, Hudson area hotel occupancy often runs full especially in peak seasons. Pocketbook Hudson’s 40 rooms will technically increase the local market by approximately 10%, but during the COVID-19 pandemic some 40-50 motel/limited service hotel rooms closed to provide a residential redevelopment. Therefore, Pocketbooks’ new rooms aren’t increasing supply but returning the market to 2020 levels. A recent NY Empire State Development report states that Hudson is the #1 most-visited Amtrak stop in New York and could accommodate 700-800 hotel rooms to satisfy current demand.

#### **About Bayview PACE**

Bayview PACE offers creative financing solutions that combine construction, bridge and CPACE lending. Unlike most PACE-only providers, Bayview PACE works with commercial property owners and developers to provide a full capital stack solution. Bayview PACE is a division of Silver Hill Funding, LLC. NMLS# 1564077 [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org) Please visit [www.bayviewpace.com](http://www.bayviewpace.com).