

# Entrepreneur MAGAZINE

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## Energizing Profits

When it comes to maximizing the savings in energy-saving, Steve Gossett is on top of the trend—and he's making bank, too.

By David Worrell

Sadly, most energy-saving technologies are not economically attractive to owners of large office buildings and shopping centers. The cost to install solar panels on the roof of a mall, for example, takes many years to repay itself in energy savings. And since tenants typically pay for power, few landlords are willing to invest in energy-saving solutions.

But Steve Gossett Jr. isn't deterred. His 6-year-old company, Transcend Equity Development Corp., has come up with a way to finance all kinds of energy-saving improvements for large commercial buildings. Transcend contracts with building owners to deliver energy at a fixed cost for 10 years. "Once they [contract with me]," says Gossett, 34, "I invest capital in the building and create a space between what the [owners] pay me and what I pay the utility companies. That will generate a return of—and on—the capital invested in the building."

This largely financial [business](#) model works well thanks in large part to Gossett's good relationships with banks and private equity groups, which front the funds to cover the huge costs of new energy-saving technologies. Transcend then repays these investors over a period of five to 10 years.

The company has more than over 33 office buildings--nearly 5 million square feet--under contract and predicts eight-figure [sales](#) for 2008. And, says Gossett, new government-backed initiatives will drive stronger demand in the coming years.