

A stylized green leaf graphic with a white vein, positioned behind the main title text.

# Lean & Green Michigan

PACE Project Administration for Private & Non-Profit Buildings

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Levin Energy Partners, LLC



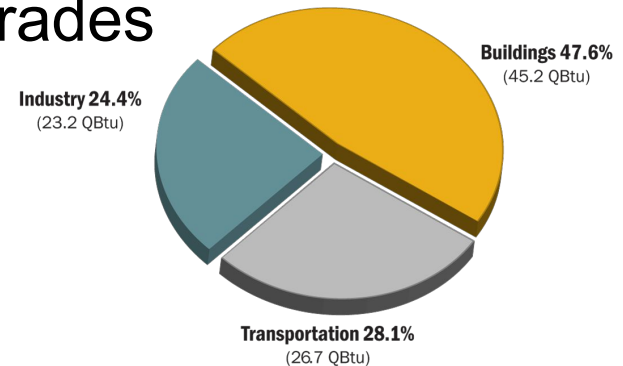
# What is PACE?

A long-term financing mechanism for commercial property owners to make their buildings more energy efficient without incurring upfront costs.

Property owners receive 100% financing for energy saving upgrades on their facilities and pay the PACE loan back through a special assessment on their property taxes.

# Why PACE?

- Buildings use 47.6% of energy in the United States (not counting industrial use)
- 30% of that energy (and expense) is wasted!
- Comprehensive energy efficiency upgrades take 5-25 years to pay back
- So businesses keep wasting energy and money!

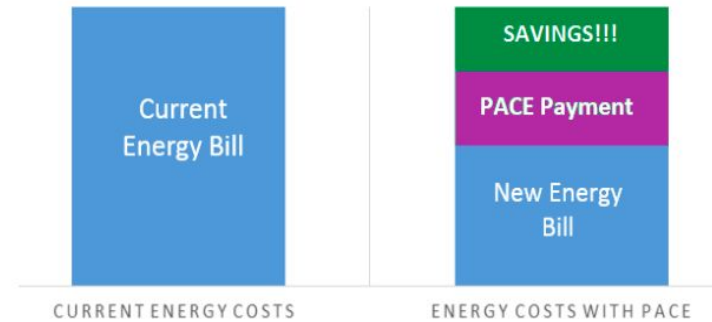


**U.S. Energy Consumption by Sector**

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# Benefits of PACE Financing

- Long-term financing up to 25 years, or the useful life of the measures
- Fixed interest rate (negotiated on each deal)
- No upfront costs — 100% financing
- Immediate positive cashflow
- $SIR > 1$
- Runs with the land, transferring to subsequent owner upon sale of the property
- Payments may be passed to tenants



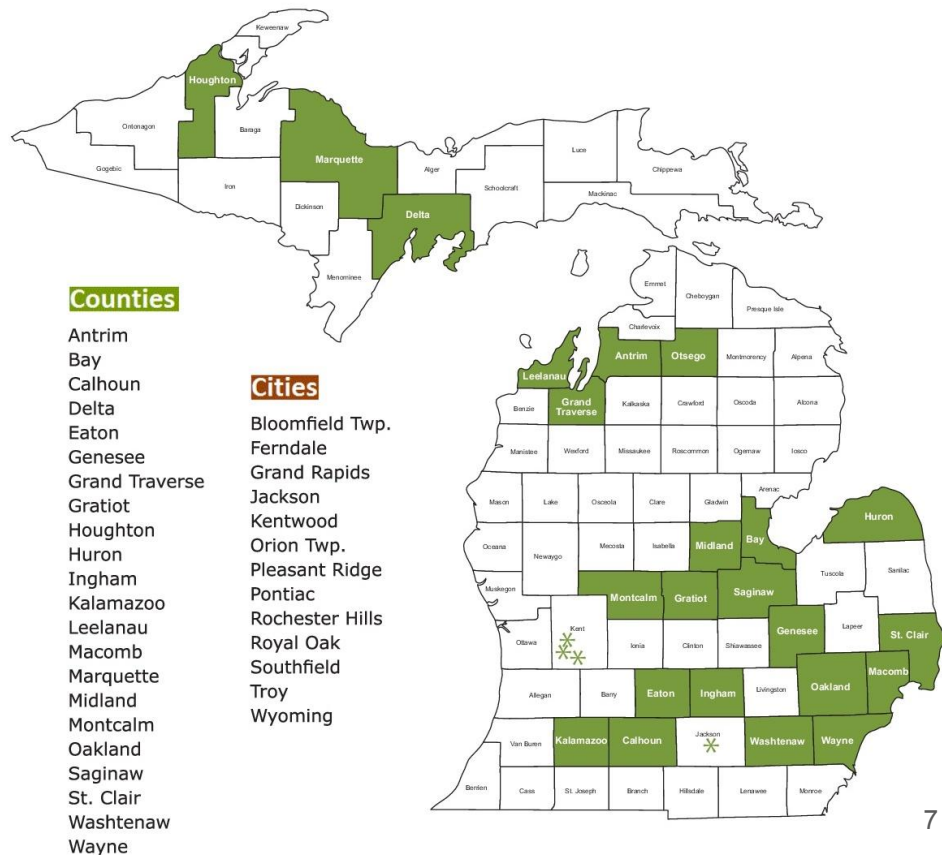
# What can be financed?

- Energy efficiency improvements
- Water efficiency improvements
- Renewable energy improvements
- Refinancing all of the above



# PACE in Michigan

- Property Assessed Clean Energy Act (2010)
- One efficient PACE market
- All privately funded by market lenders
- Public-private partnership: counties join for free
- Consumer protections
  - Energy savings guarantee
  - Positive cash flow requirement
    - For projects > \$250,000



# Lean & Green Michigan's Rapid Growth

**36**

Local governments  
have joined Lean &  
Green Michigan

**\$21M**

worth of C-PACE  
projects have been  
completed in Michigan

**69%**

of Michigan's population  
lives in Lean & Green  
jurisdictions



# One efficient statewide marketplace



# PACE Financing: Step 1

## Determining Eligibility

- Is the property a commercial, industrial, or non-profit?
- Is the property value greater than \$400,000?
- Does the property spend more than \$60,000 on utilities annually?
- Is the existing debt on the property less than 80% the value of the property?
- Is the property owner current on all property tax obligations?

# PACE Financing: Step 2

## Initial Energy Analysis

- PACE contractor or consultant
  - Visits property
  - Reviews historical utility bills
  - Gathers information about what property owner wants/needs
- PACE contractor provides general estimate on viability of project and PACE opportunity for property owner

# PACE Financing: Step 3

## Financing

- Lean & Green Michigan (LAGM) is an open market: property owners may use any appropriate lender
  - (currently, rates can range between 5.5% and 7.5%)
- We can connect you with PACE lenders

# PACE Financing: Step 4

## Apply Using LAGM Application

- Once you have a viable project, it is time to finalize an application for PACE financing with LAGM
- Send attachments to christian@levinenergypartners.com

**PACE Program Application**

**Property and Property Owner Information**

1. **Property Parcel Legal Name(s)** (as they appear on property tax records)  
**Parcel #:** [Click here to enter text.](#)  
**Address:** [Click here to enter text.](#)  
**Owner:** [Click here to enter text.](#) (Legal name)

2. **Property Type** (Check all that apply)

**Commercial**

- Grocery/convenience store
- Health care/clinic
- Mixed use
- Multi-family unit (3 or more)
- Office
- Retail
- Restaurant
- Recreational
- Warehouse
- Other - Please describe [Click here to enter text.](#)

**Industrial**

**Agricultural**

**Nonprofit**

3. **Property Owner(s) Contact Information**

**Contact Name:** [Click here to enter text.](#) (Person that will sign loan documents)  
**Company Name:** [Click here to enter text.](#) (As it should appear in legal documents)  
**Address:** [Click here to enter text.](#)  
**E-mail Address:** [Click here to enter text.](#)  
**Telephone Number:** [Click here to enter text.](#)

4. **Property Owner(s) Type**

Individual       LLP       LLC  
 Corporation       501C3       Other (please specify)

5. **Property Valuation**

**State Equalized Value (SEV):** NA  
**Date of SEV:** NA

# PACE Financing: Step 5

## Energy Audit & Final Scope of Work

- PACE contractor needs to:
  - Complete an ASHRAE Level 2 energy audit
  - Finalize a scope of work
  - Develop energy modeling for SIR
  - Provide an energy savings guarantee

# Final Step: Documentation and Deal Closing

- Contractor provides **audit, useful life calculation, project proposal, and Energy Savings Guarantee**
- Once lender has been secured and the energy savings is guaranteed, it is time to document the project and close the deal
- Levin Energy Partners will coordinate deal closing



# Additional Benefits of PACE

- More local jobs/increased market for projects
- Updates to building's energy infrastructure
- More comfortable buildings
- Increases property values for local governments
- Reduces energy burdens
- Reduces environmental impacts
- Reduces CO2 emissions
- Green PR opportunities



## Featured Projects



513-515 West Ionia Street



Cambridge Court Apartments



Garfield Metro Building



Hannan Memorial Foundation



Hatchery Road Apartments



Heller Machine Tools



Liquid Web/Hillcorp



Michigan Public Service Commission



Powers Distributing



Radisson Hotel



Roberts Riverwalk Hotel



St. Clair Inn



The Whitney Restaurant



# Thank you!

- **Christian G. Koch,  
Levin Energy Partners, LLC**