



August 2018

# 513-515 West Ionia Street

## Ingham County's first PACE Project

The first PACE project in Ingham County is located two blocks from the Michigan State Capitol building in Lansing, and is primed to breathe life back into the properties located at 513-515 W. Ionia Street. The Orla H. Bailey Buildings, formerly home to Belen's Flowers, are a pair of blighted red brick buildings built in the mid-1920s. These properties will undergo extensive rehabilitation and will be turned into mixed use office/retail space and six multifamily units.

The gut-rehab of the buildings is part of a larger rehabilitation of the property. The owner will utilize a complex capital stack including PACE financing, MEDC CRP funds, Brownfield TIF, traditional bank finance, and potentially historic tax credits. This project will provide an economic injection into a distressed neighborhood, and is a great example of how PACE can play a vital role in making such projects feasible.

This marks the first PACE project for both Vesta Building and Counterpointe SRE, and the fifth for Newman Consulting Group. This project will incorporate exciting energy conservation measures — while maintaining the historical charm of the buildings.

### ✓ Project Quick Stats

**PACE District:** Ingham County

**Property Owner:** 515 Ionia LLC

**PACE lender:** Hannon Armstrong

**Amount Financed:** \$247,729

**Net Savings:** \$267,457

#### Energy Conservation Measures:

- 4-kw of solar power
- High-efficiency windows
- Installation of an electric vehicle charger
- Installation of a 4.4kw CHP system
- Boiler upgrade

**Project Term:** 20 years

**Impact:** This project will result in a reduction in CO2 emissions equivalent to eliminating the energy use of 11.2 homes for each of the 20 years of the project.

## Lean & Green Michigan

Lean & Green Michigan™ helps commercial, industrial and multi-family property owners take advantage of PACE to finance energy projects, eliminate waste and save money through long-term financing solutions that make energy projects profitable. Lean & Green Michigan™ is a public-private partnership that works with local governments, contractors, property owners, and lenders to invigorate Michigan's PACE statute with a market-based approach to energy finance and economic development.

## Project Partners



## PACE Financing

Commercial building owners spend \$200 billion per year on utilities, yet 30% of this is waste. The energy projects that could make these properties efficient often require significant up-front capital and take years to achieve profitability. Commercial loans typically have a tenor of 3-5 years, making the annual repayment greater than the energy savings. PACE changes all this by allowing property owners to finance energy efficiency and renewable energy projects via a property tax special assessment.

Ingham County's elected leaders created a countywide PACE district in April 2013 by joining the statewide Lean & Green Michigan PACE program. Since the County will enforce the PACE assessment just like any other property tax obligation, lenders feel secure in providing fixed-interest loans with terms of up to 25 years. The result is 100% up front financing to facilitate energy-saving projects. In addition, these projects create good jobs, and communities upgrade their building stock, increasing the local tax base over time.

## Contact Us

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