



December 2020

# Exchange

## 16-story new construction project in Detroit's Greektown district

With an overall development value of \$64 million and \$13 million in PACE financing, Exchange will make for an impressive energy- and water-efficient new construction PACE project. Once completed in 2022, Exchange will add a state-of-the-art mixed use (commercial + multifamily) building to the Greektown neighborhood. Mark J. Bennett of MJBennett PLLC, strategized the use of PACE financing on behalf of Exchange as a critical element of its capital stack. Mark commented, "I was delighted to bring my PACE experience to Exchange enabling it to become an important part of the City's continued redevelopment." Mark's experience with PACE began in 2010 while an attorney at Miller Canfield and leader of its Climate Change Practice where he participated in creating Michigan's PACE enabling legislation. Thereafter, he co-founded Sustainable Real Estate Solutions, a national PACE building energy benchmarking and underwriting technology platform. "We are pleased to see that Wayne County continues to exhibit some of the largest PACE projects in the state," said Wayne County Executive, Warren C. Evans. "Exchange shows that PACE is a game-changing economic development tool for the County's real estate market."

### ✓ Project Quick Stats

**PACE District:** Wayne County

**Property Owner:** Exchange Detroit LLC

**PACE Contractor:** Edison Energy

**PACE lender:** Greenworks Lending LLC

**Amount Financed:** \$13 million

**Net Savings:** \$26,863,448

**Total Savings:** \$39,863,448

#### Energy Conservation Measures:

- Roofing
- Windows
- HVAC
- Low flow fixtures
- Low flow fixtures

**Project Term:** 25 years

**Impact:** The Exchange PACE project is projected to save over 63 million gallons of water and 18,256 metric tons of CO<sub>2</sub>. That's the equivalent to eliminating the energy use of 2,107 homes for each of the 25 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



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## 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.

Wayne County's elected leaders created a countywide PACE district in December 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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