



December 2021

# Keefer House Hotel

## City of Hillsdale's first PACE project helps transform a piece of downtown history

Established in 1885, the Keefer House Hotel was built as rail service was expanding into Michigan and America grew westward. At the time, the hotel housed many of Hillsdale's railway visitors, including famous ones like Annie Oakley, 'Buffalo' Bill Cody, as well as the Ringling Brothers and their traveling circus. Before closing its doors in the 1960s, Keefer House served as an active hotel and restaurant.

After becoming vacant, the 137-year-old building slowly deteriorated, requiring significant investments to revitalize. In 2018, CL Real Estate rose to the task of restoring this piece of Hillsdale's history to once again make Keefer House a staple in the community, while also fulfilling the need for lodging options.

"The Keefer House Hotel will be a catalyst for economic development and downtown investment in Hillsdale," said Brant Cohen with CL Real Estate. "PACE funding made this investment possible and played a major role in the financial stack allowing us to develop this property into a premiere boutique hotel.

"The Keefer House is one of the most prominent buildings in our historic downtown district, and we are excited to see it revitalized after all these years," said David Mackie, City Manager at the City of Hillsdale. "Hillsdale's participation in the Lean & Green Michigan PACE

### ✓ Project Quick Stats

**PACE District:** City of Hillsdale

**Property Owner:** Keefer House Hotel, LLC

**PACE Contractor:** G-Energy

**PACE lender:** PACE Loan Group

**Amount Financed:** \$2,400,000

**Net Savings:** \$1,520,511

**Total Savings:** \$2,784,645

#### **Energy Conservation Measures:**

- Building envelope
- High efficiency plumbing
- HVAC
- Lighting systems and controls

**Project Term:** 20 years

**Impact:** The PACE project at Keefer House Hotel is expected to save over 5 million kWh of electricity, 12 million gallons of water, and over 8 thousand metric tons of CO<sub>2</sub>!

program is a valuable tool for economic development and we hope this project, made possible in part by PACE funding, is an inspiration for other developers.”

## 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.

City of Hillsdale's elected leaders created a countywide PACE district in July 2019 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.

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