



December 2021

Lafayette West

A five acre community in the heart of historic Lafayette Park

Lafayette Acquisition Partners, LLC is developing Lafayette-West, a unique Mies van der Rohe inspired, five-acre community in the heart of historic Lafayette Park. PACE financing is part of a complex capital stack to fund the overall expected \$133 million project including 230 units in three 5-story multi-family apartment buildings with surface-level tuck-under parking; 80 condos; a 2-story clubhouse building with pool and resident amenities; as well as associated surface-level parking, carports, and retail space.

The energy project will include: electrical vehicle charging stations, energy efficient elevators, HVAC and LED lighting, water conservation appliances and building envelope.

Developer Mark Bennett observed, "[PACE] has significant advantages versus traditional mezz debt that might go with a construction loan because it's typically a 20- to 25-year term at a very reasonable, fixed mid single-digit interest rate with a lot of interest only...PACE motivates significant commitment to energy efficiencies...and aligns with residents' environmental affinity."

✓ Project Quick Stats

PACE District: Wayne County

Property Owner: Lafayette Acquisition

PACE Contractor: Plug Smart

PACE lender: Petros PACE Finance

Amount Financed: \$11,121,354

Net Savings: \$8,163,616

Total Savings: \$19,712,600

Energy Conservation Measures:

- Building envelope
- Electric vehicle charging stations
- Elevators
- HVAC and LED lighting
- Water conservation

Project Term: 25 years

Impact: The PACE project at Lafayette West is expected to save over 7 million gallons of water, 5 million kWh of energy, and 3 thousand metric tons of CO2!

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



LAFAYETTE WEST™

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.

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