



December 2021

# Red Cedar Hyatt Hotel

## \$14 Million PACE project helps finalize Lansing River Trail's new hotel development

The dual-branded AC Hotel and Hyatt House development, Red Cedar Hyatt Hotel, will bring a five-story, 295-room, full service lodging facility to the Lansing community.

The hotel is part of a larger mixed-use development that will also include student housing, market-rate apartments, senior living, a restaurant, retail space, and a public park with amphitheater and connection to the iconic Lansing River Trail.

The PACE project at the Red Cedar Hyatt Hotel, which included financing for high-efficiency HVAC, lighting, elevators, and high-quality building envelope, was instrumental in delivering a final component to the capital stack to complete this new development.

"This project further opened my eyes to the power of PACE," said Ingham County Treasurer, Eric Schertzing. "While we have done a number of PACE projects in the county, I realize even more that PACE can really be the difference between whether a project moves forward or not. It's like a secret sauce for a great development!"

The Red Cedar Hyatt Hotel marks Ingham County's 4th PACE project to close in 2021 and its 6th PACE project to date.

### ✓ Project Quick Stats

**PACE District:** Ingham County

**Property Owner:** Red Cedar Hotel Holdings

**PACE Contractor:** Plug Smart

**PACE lender:** Petros PACE Finance

**Amount Financed:** \$14,000,000

**Net Savings:** \$15,052,333

**Total Savings:** \$29,052,335

#### Energy Conservation Measures:

- Building envelope
- Elevators
- HVAC
- Lighting

**Project Term:** 23 years

**Impact:** The PACE project at Red Cedar Hyatt Hotel will help save 3,730,324 kWh of energy and over 5,354 metric tons of CO<sub>2</sub>. That's the equivalent of eliminating greenhouse gas emissions from 1,164 cars in one year!

## 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



INGHAM COUNTY



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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.

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.

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