



September 2020

# St. Clair Inn

## Significant retrofit bridges energy and history

The historic St. Clair Inn is back and it is more beautiful and far more efficient than ever! Planet Clair, LLC, owned by developer Jeff Katofsky, implemented a broad array of updates including LED lights, efficient appliances and water saving measures, using \$11 million in PACE financing. The St. Clair initially began its PACE project in March 2018, but has since refinanced with PACE to create a larger and even more comprehensive project.

The project is part of a larger effort to restore a registered historic landmark from 1926 that will bring renewed pride to locals and luxury options for visitors. While the St. Clair Inn employed 97 workers at its historic peak, Planet Clair plans to hire 150 people to work year-round and 100 seasonal employees.

The St. Clair Inn was Katofsky's second PACE project; his first was at the Radisson Hotel located at the Detroit airport. This time, Katofsky teamed with Bernhard, Petros PACE Financing, and & Lean & Green Michigan to create a stunning example of environmental sustainability for hotels and other commercial properties nationwide. The St. Clair Inn was also the first hotel in the US to have air conditioning. Thanks to PACE, it will now be efficiently cooled for many summers to come!

### ✓ Project Quick Stats

**PACE District:** St. Clair County

**Property Owner:** Planet Clair, LLC

**PACE Contractor:** Bernhard

**PACE lender:** Petros PACE Finance

**Amount Financed:** \$11,000,000

**Total Savings:** SIR > 1

#### Energy Conservation Measures:

- Building insulation
- LED lights
- High efficiency HVAC
- Water efficient faucets, shower heads, toilets, urinals, hot water
- Energy Star windows, mini refrigerators, ice machines, TVs, and washing machines

**Project Term:** 25 years

**Impact:** The project will result in a reduction in energy consumption equivalent to taking 243 cars off the road each year. Further, the water savings could provide 14,980 people with drinking water for all 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



## Bernhard

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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.

St. Clair County's elected leaders created a countywide PACE district in June 2017 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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