



April 2023

# Stellar Residence Inn

## Grand Traverse County's third PACE project brings more energy efficient buildings to northern Michigan!

The Stellar Residence Inn is Grand Traverse County's 3rd PACE project to date, further expanding PACE's impact in northern Michigan. The property owners of Stellar Residence Inn will utilize over \$4 million of PACE financing to turn a previously empty lot into a 6-story, 120 room, extended-stay lodging facility. The establishment will include amenities such as a business center, indoor pool, fitness room, and a rooftop bar, a new destination for vacationing in beautiful Traverse City.

This new construction project will make use of PACE financing to build to a high efficiency. Stellar Hospitality Traverse City, LLC along with financing and engineering from PACE Equity, LLC will install a high efficiency HVAC system, high efficiency windows, insulation, LED lighting, a high efficiency water heater, and low flow water fixtures.

Realizing a financial savings of \$6 million, Stellar Residence Inn is not only eliminating energy waste in a cost effective manner, but they are also setting a great example on how to build sustainably in northern Michigan!

### ✓ Project Quick Stats

**PACE District:** Grand Traverse County

**Property Owner:** Stellar Hospitality, LLC

**PACE Contractor:** PACE Equity LLC

**PACE lender:** PACE Equity LLC

**Amount Financed:** \$4,504,983

**Net Savings:** \$6,000,000

#### Energy Conservation Measures:

- LED Lighting
- HVAC
- Windows
- Low flow water fixtures
- High efficiency water heater

**Project Term:** 25 years

**Impact:** The PACE project at Stellar Residence Inn is expected to save 3,400 metric tons of CO<sub>2</sub>, 1,458,700 kWh of electricity, and 21,078,750 gallons of water over the span on 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.

Grand Traverse County's elected leaders created a countywide PACE district in April 2014 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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