



December 2020

# Strand Theatre

## PACE used to meet operating expenses during COVID-19 pandemic

Before the COVID-19 pandemic, the owners of the Strand Theatre installed a series of building improvements to their community theatre. Since the pandemic, the Strand Theatre has struggled to stay open. It has also been difficult to meet their obligations to existing lenders.

Through PACE, the owners have refinanced their energy efficiency improvements, receive immediate financial relief, and collect further financial assistance over the long term from the benefits associated with owning an energy efficient building.

"Due to the PACE refinance we are able to defer payments until July of 2023. By doing this we are able to meet all of our operating expenses during this COVID-19 pandemic," said Kyle Westberg, owner of the Strand Theater and West Construction Services. "Therefore, the theatre will stay in business and be able to build out our calendar with community events, children's programming and tickets shows. Without the finance, we would have been forced to close the theatre and potential for good."

### ✓ Project Quick Stats

**PACE District:** Oakland County

**Property Owner:** The Strand Theatre Owner, LLC

**PACE Contractor:** West Investment Group

**PACE lender:** PACE Loan Group

**Amount Financed:** \$1,810,000

**Net Savings:** \$4,775,266

**Total Savings:** \$8,236,171

#### Energy Conservation Measures:

- High efficiency HVAC
- LED lighting
- Building insulation and infiltration

**Project Term:** 25 years

**Impact:** Refinancing through PACE helped the Strand Theatre continue to meet its operating expenses during the economic downturn associated with the COVID-19 pandemic and remain in business as a historic centerpiece within the community.

## 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.

Oakland County's elected leaders created a countywide PACE district in November 2016 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.

## Contact Us

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