



PACE IN MICHIGAN

January 2022

Meet our Team...



Todd M. Williams
PRESIDENT & GENERAL COUNSEL



Mary Freeman
OWNER AND OUTREACH



Aaron Pattison
ASSOCIATE COUNSEL



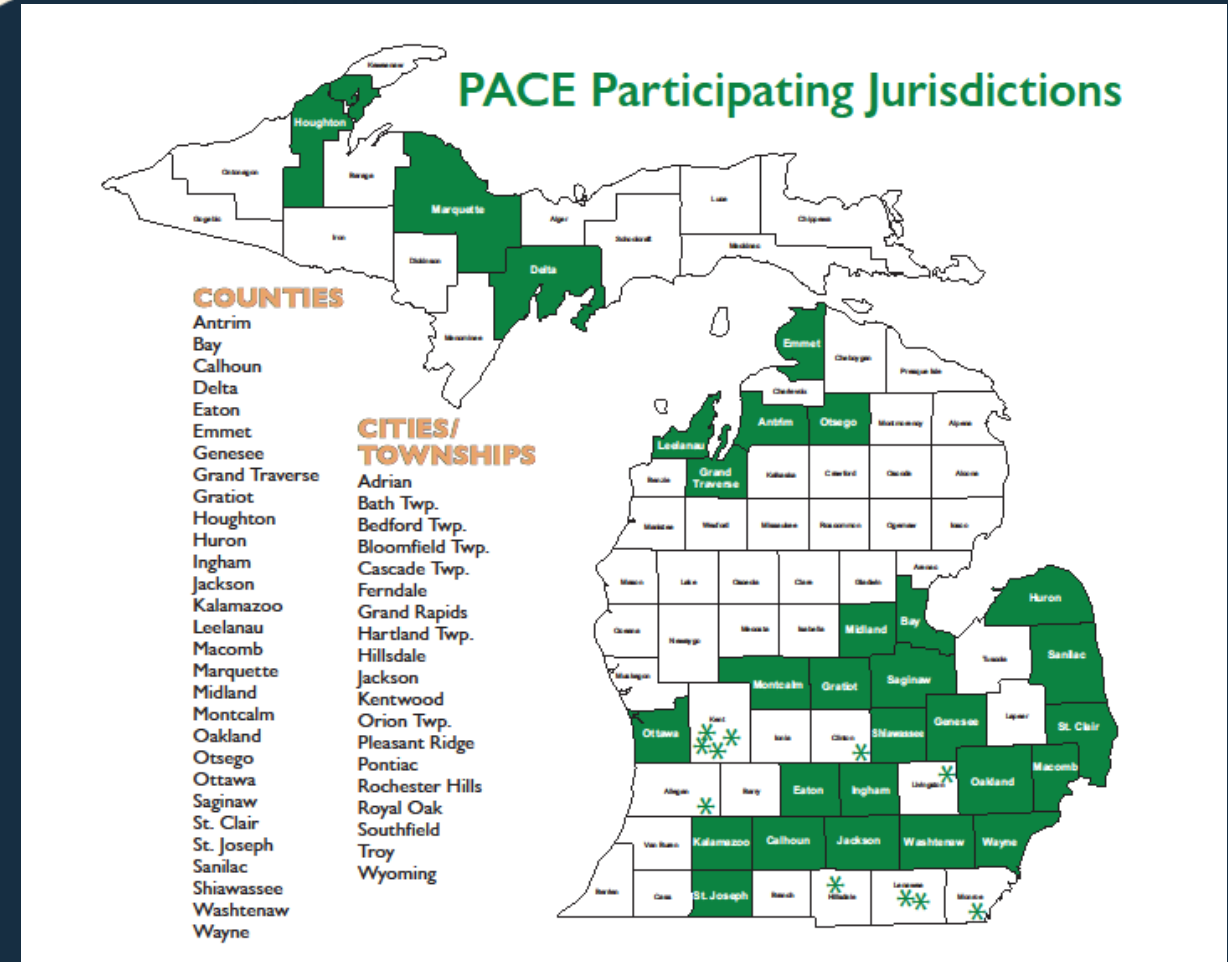
Christian G. Koch
EXTERNAL AFFAIRS MANAGER



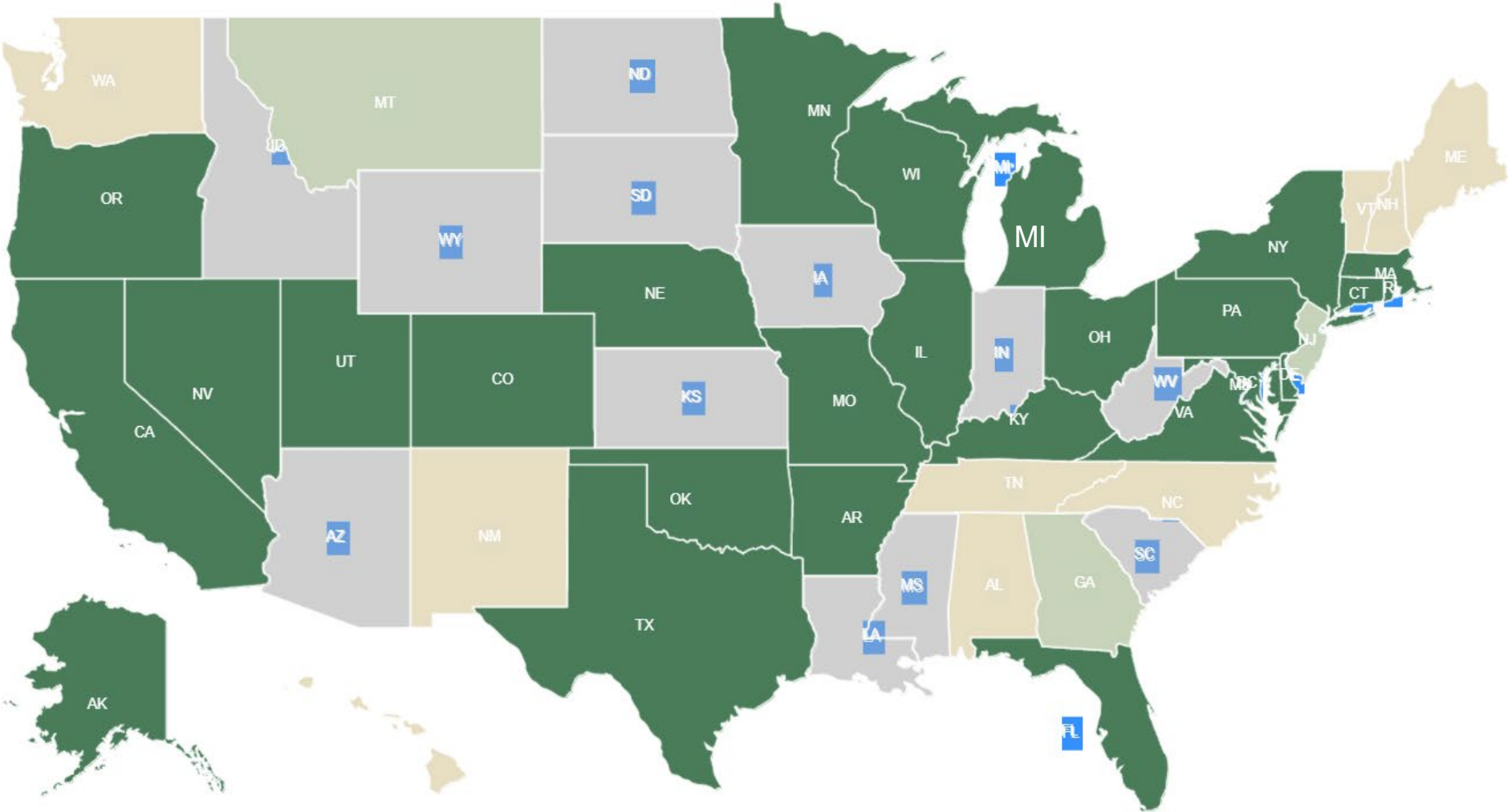
PACE in Michigan

PACE was established by the Michigan Property Assessed Clean Energy Act (PA 270, 2010).

Lean & Green Michigan is public-private partnership launched in 2012 that **serves 49 counties, cities and townships** in Michigan, comprising **over 76% of Michiganders**.



From www.pacenation.org



Active program(s)



Program in development



PACE-enabled

Problem

Energy efficiency, water efficiency, and renewable energy projects can be expensive.

Traditional financing tools require large, up-front capital investment for a slow, long-term payback, providing little incentive for businesses to undertake these projects.



Solution

PACE financing allows a property owner to voluntarily enter into a special assessment agreement, which can be repaid over a period up to 25 years.



Local governments get a free economic development tool.



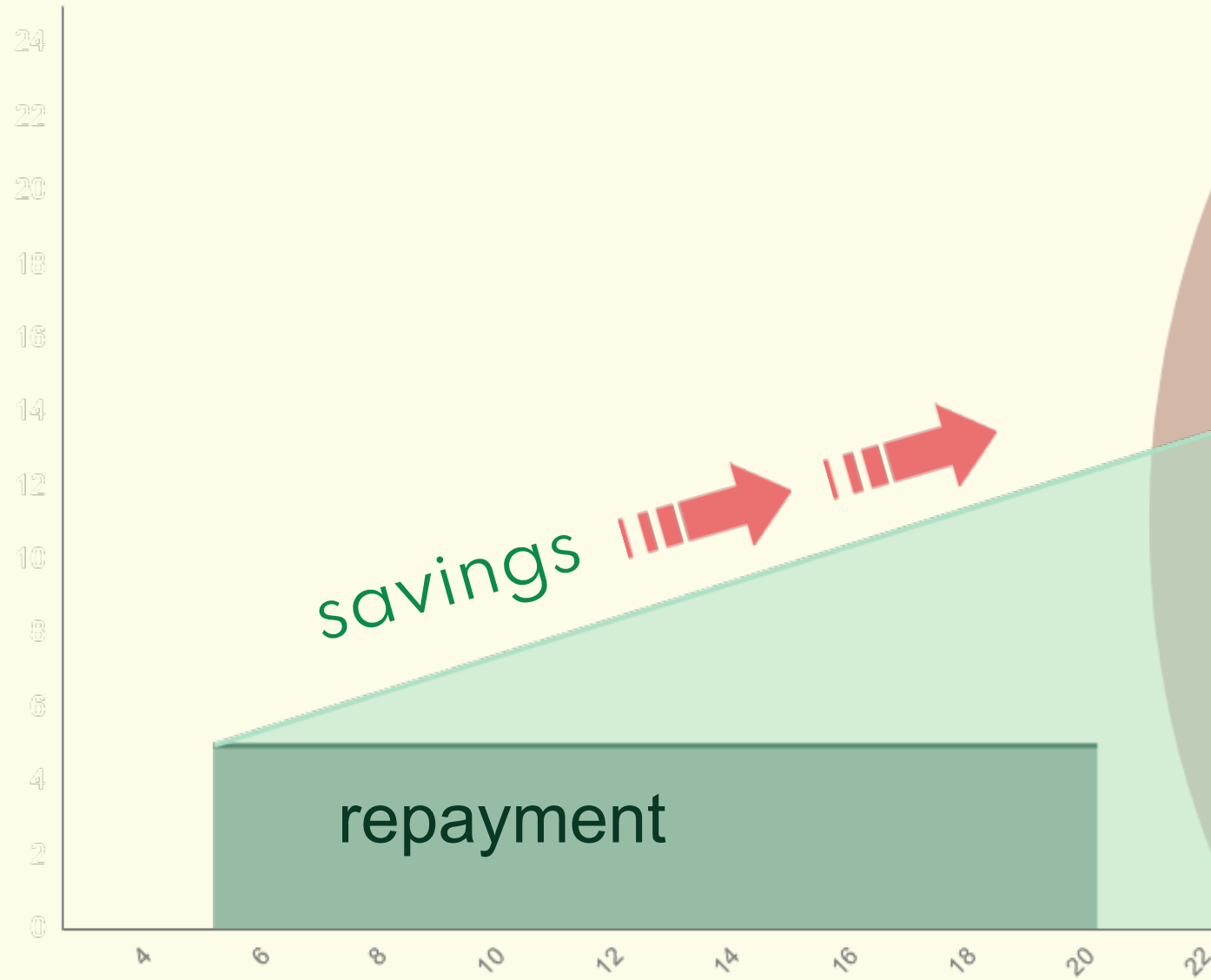
Property owners get 100 percent up-front financing and a fixed interest rate.



PACE lenders get the security of a property lien created by the special assessment.



Project Cost vs. Savings



PACE Financing

- 100% upfront financing
- Up to 25% loan-to-value ratio
- Fixed interest rates
- Long-term loans, up to 25 years
- The loan runs with the land

PACE vs. PACE EXPRESS

TRADITIONAL PACE

PACE EXPRESS

Project Cost

Greater than \$250,000

\$250,000 or less

Savings Guarantee



Savings-to-Investment Ratio

Must be > 1

N/A

Qualified PACE Upgrades:



Energy efficiency lighting, HVAC, windows, EV charging, insulation, roofing, caulking



Water efficiency stormwater recapture, low-flow toilets / sinks / showerheads, greywater systems



Renewables solar energy, solar roofs, wind energy, geothermal, CHP

... and more!

Water Conservation and PACE

- Offset Stormwater Charges
- Green Roofs
- Stormwater Retention Ponds
- Permeable Pavement
- Grey Water Systems
- Low Flow Toilets/Sinks/Showerheads





EV charging
stations are
eligible

THE BOTTOM LINE

WHEN FINANCING EFFICIENCY AND
RENEWABLE ENERGY PROJECTS,

PACE makes the
benefits outweigh the
costs

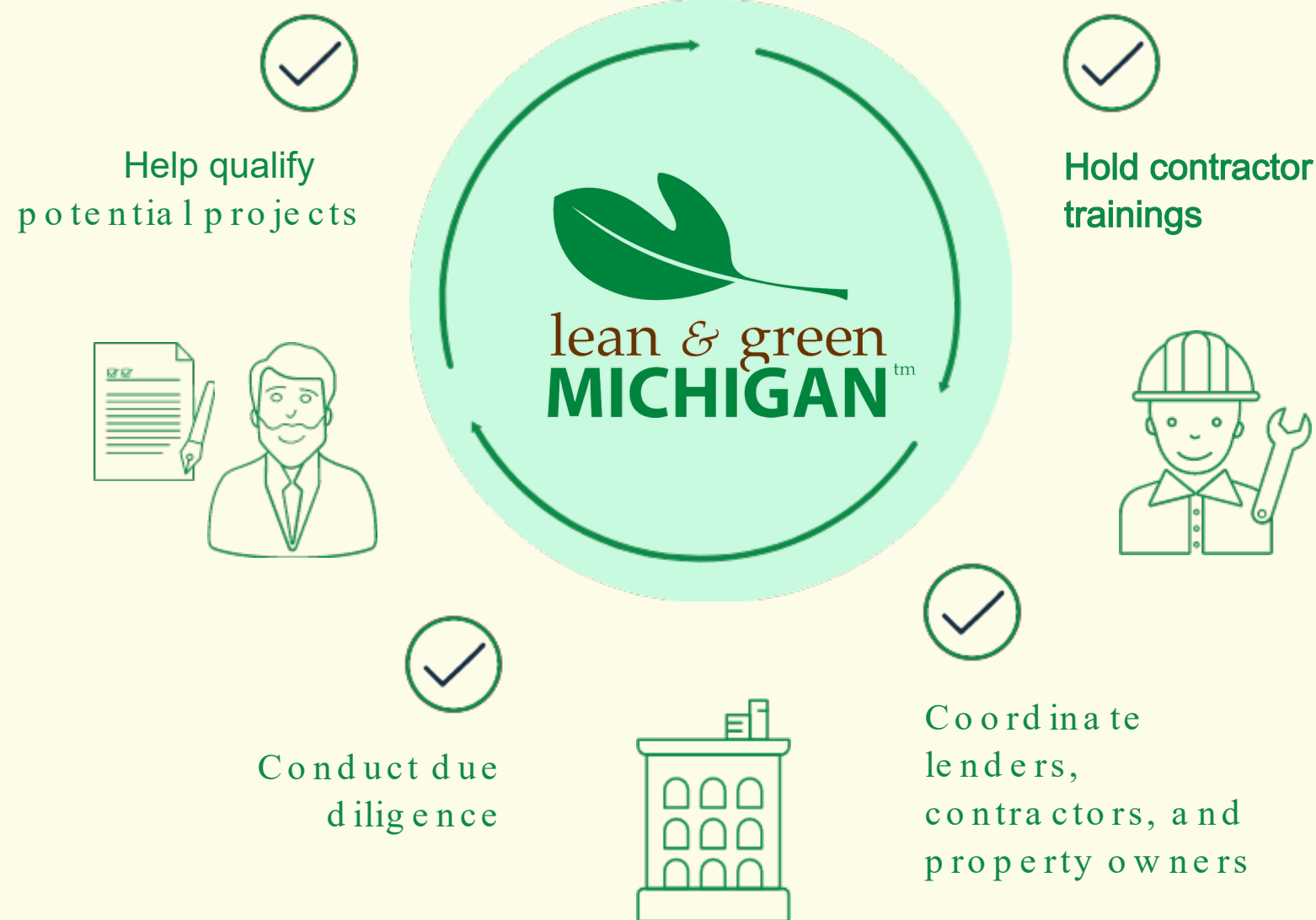




Our Process

*How Lean & Green
makes PACE work*

*Lean & Green Michigan is your resource for all things PACE.
PACE is complex, but we make it simple for you - with NO government
funding*



The PACE Process

Lender

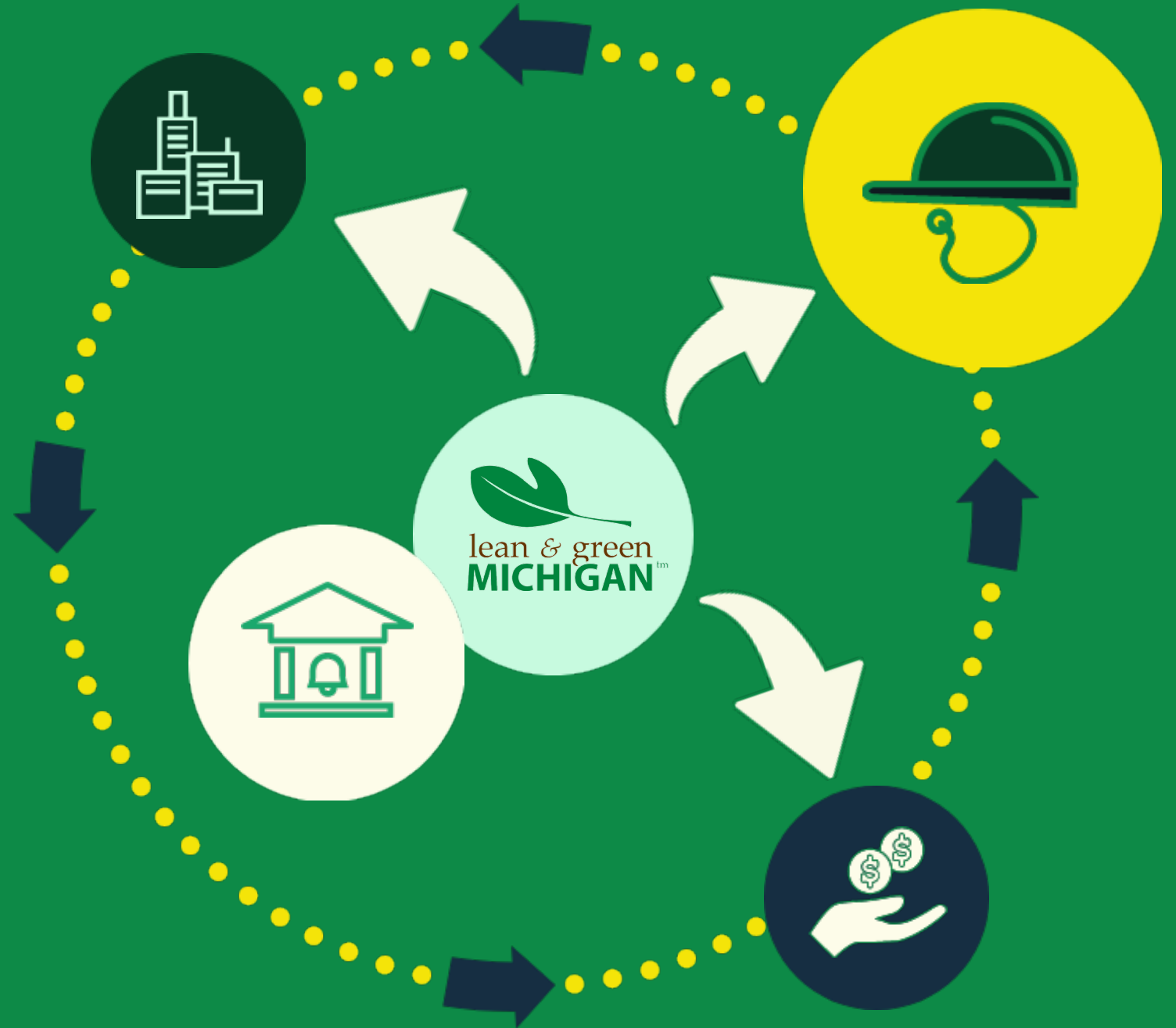
Underwrites the project and provides financial capital. Nine lenders have financed closed deals in Michigan, with more expressing interest in the PACE market each quarter!



The PACE Process

Contractor

Designs the project, provides an energy audit, and for projects greater than \$250,000, guarantees a savings-to-investment ratio of greater than 1.



The PACE Process

Property Owner

Commercial

hotels, hospitals, restaurants, office buildings

Multi-family

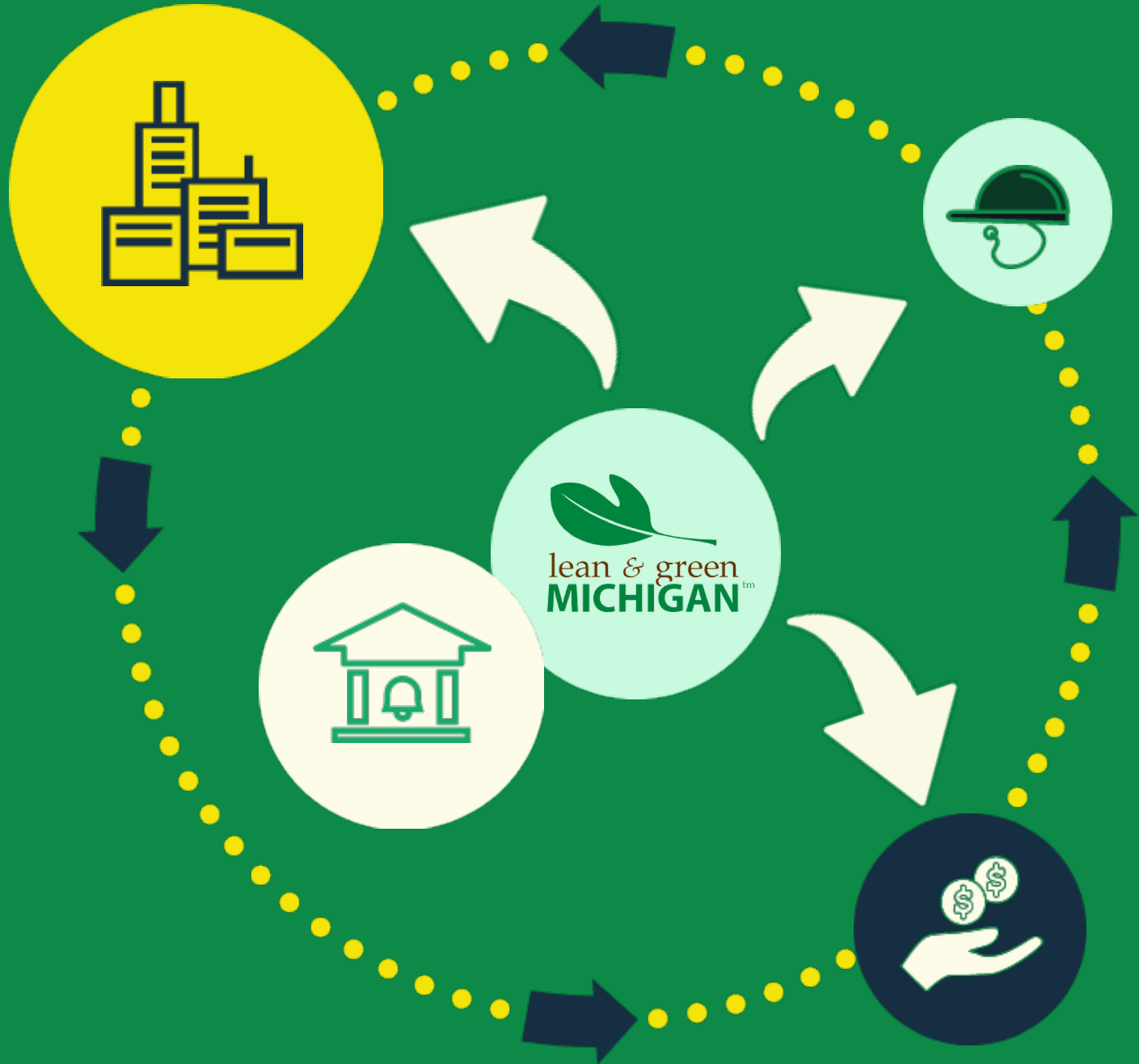
both market-rate and low-income apartment buildings

Nonprofit

houses of worship, private schools, cooperatives

Industrial

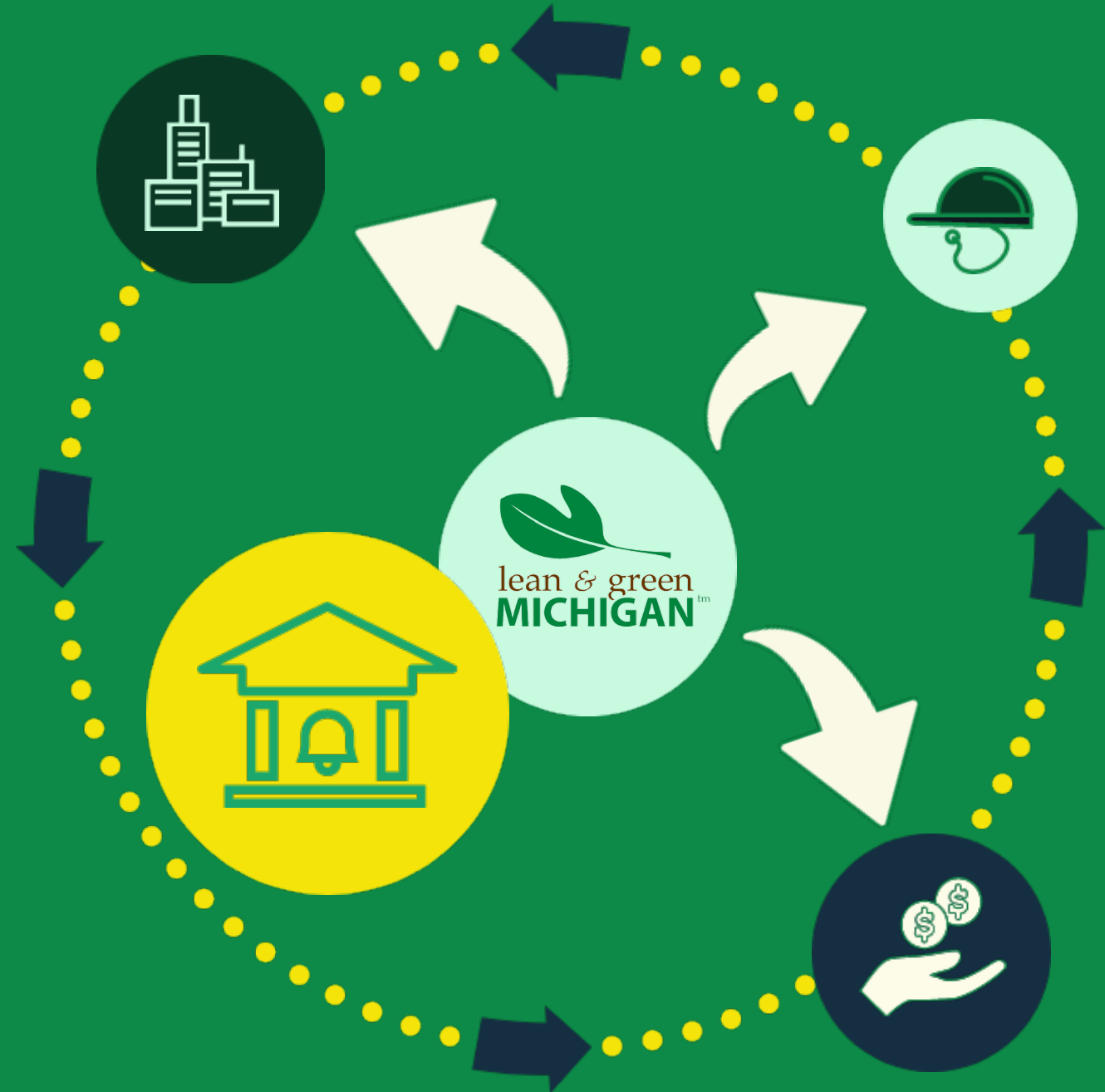
Senior Living Facilities



The PACE Process

Local Government

With the assistance of Lean & Green, the local government provides security to a lender by creating a voluntary assessment on a property.



Consent of Mortgage Holders Required by MI PACE Statute

Lean & Green Michigan regularly meets with banks to secure lender consent for PACE projects.



Closely monitor overall debt on property



Assessment-to-Value: soft cap at 25% of property value



Loan-to-Value: (PACE + Mortgage) soft cap at 90-95% of property value

Encourage banks to make referrals and/or become PACE lenders themselves





Consenting Institutions for Michigan PACE Projects

**Nationally, 262 banks
have provided lender
consent for 2000 PACE
projects.



Access Point Financial, Inc.

Bank Michigan

Bank of Ann Arbor

BC33, LLC

Capital National Bank

Case Credit Union

Centennial Bank

Centier Bank

CIBC Bank USA

Coastal States Bank

Comerica Bank

Detroit Investment Fund

Dima Investments, LLC

Dwight Mortgage Trust, LLC

Farmers & Merchants Bank

Flagstar Bank

Huntington National Bank

IFF

Isabella Bank

Key Bank

Level One Bank

Live Oak Bank

Michigan Strategic Fund

MSUFCU

Old National Bank

PNC Bank National Association

Premier Bank

Private Bank & Trust Company

Southern Michigan Bank &

Trust

SunTrust Bank

TCF National Bank

Waterford Bank N.A.



Market Data

Setting the PACE

MARKET DATA



57

PACE projects financed since 2015



\$ 177 million

Private investment

LEAN & GREEN'S IMPACT

kWh of Electricity Savings	455,865,924
Tons of CO2 Savings	465,414
Gallons of Water Saved	355,916,472
Money Saved	\$332 million
Jobs Created	2024

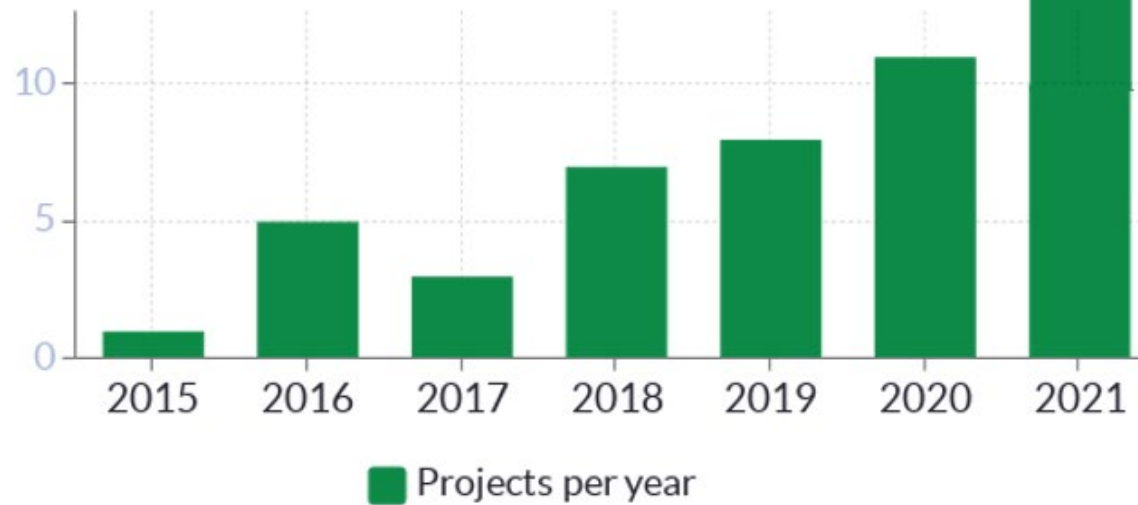




As of December 2021

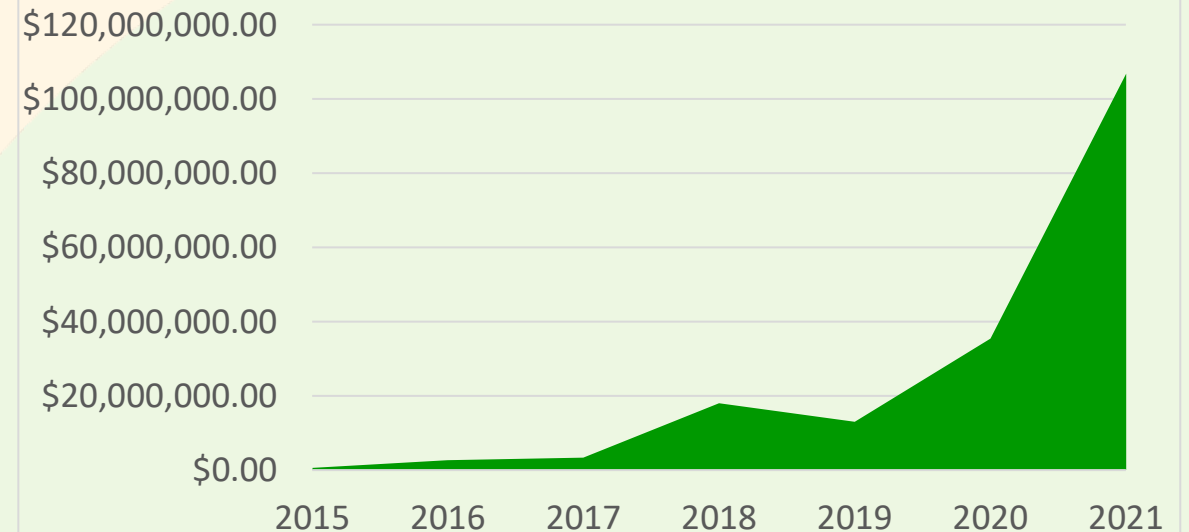
Projects Financed

2015 - 2021



Capital Invested

2015-2021





Case Studies

[*https://leanandgreenmi.com/projects*](https://leanandgreenmi.com/projects)



lean & green
MICHIGANtm

THANK YOU!

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