



lean & green  
**MICHIGAN**<sup>™</sup>

PACE IN  
**MICHIGAN**

February 2022

# Meet our Team...



Todd M. Williams  
PRESIDENT & GENERAL COUNSEL



Mary Freeman  
OWNER AND OUTREACH



Aaron Pattison  
ASSOCIATE COUNSEL



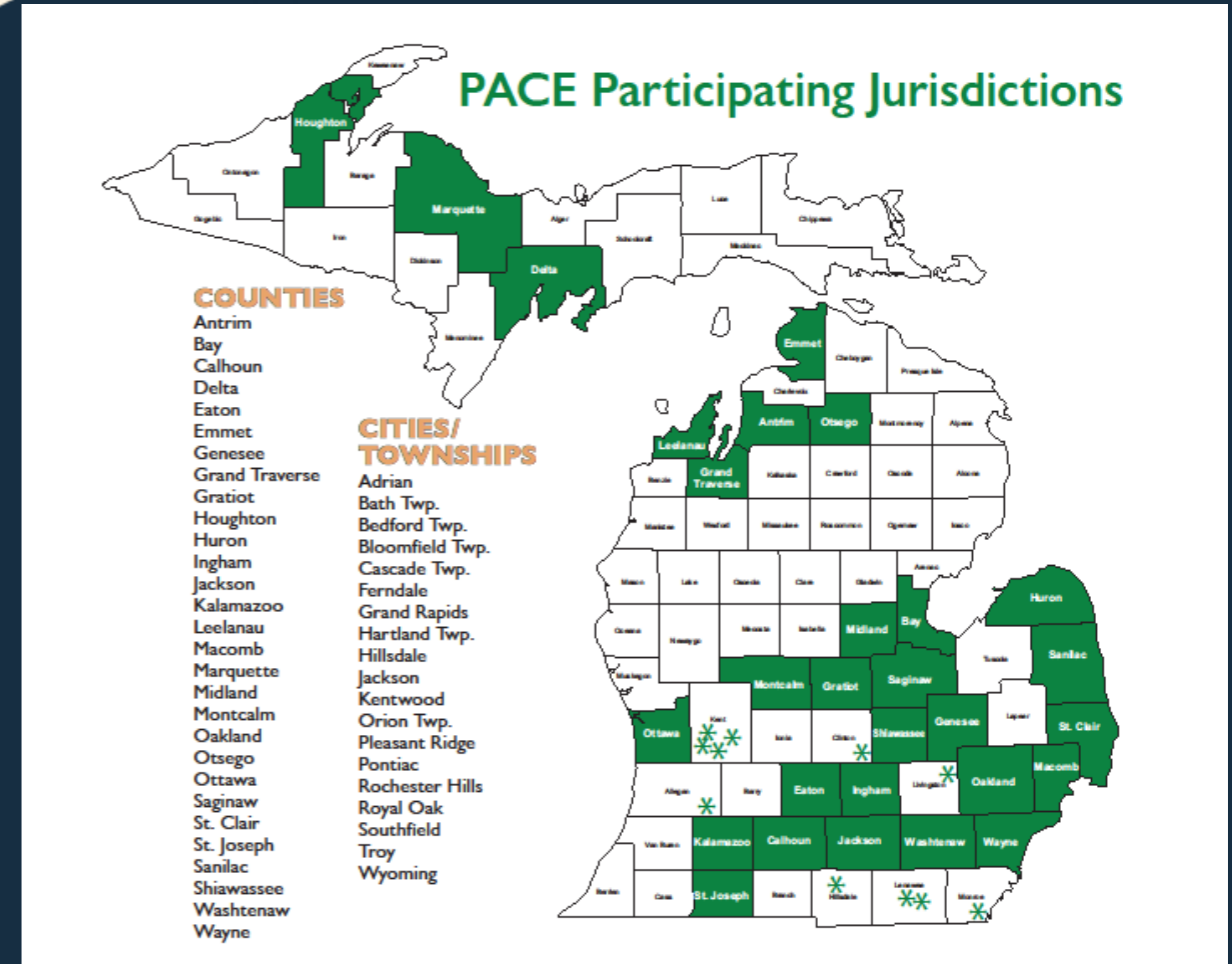
Christian G. Koch  
EXTERNAL AFFAIRS MANAGER



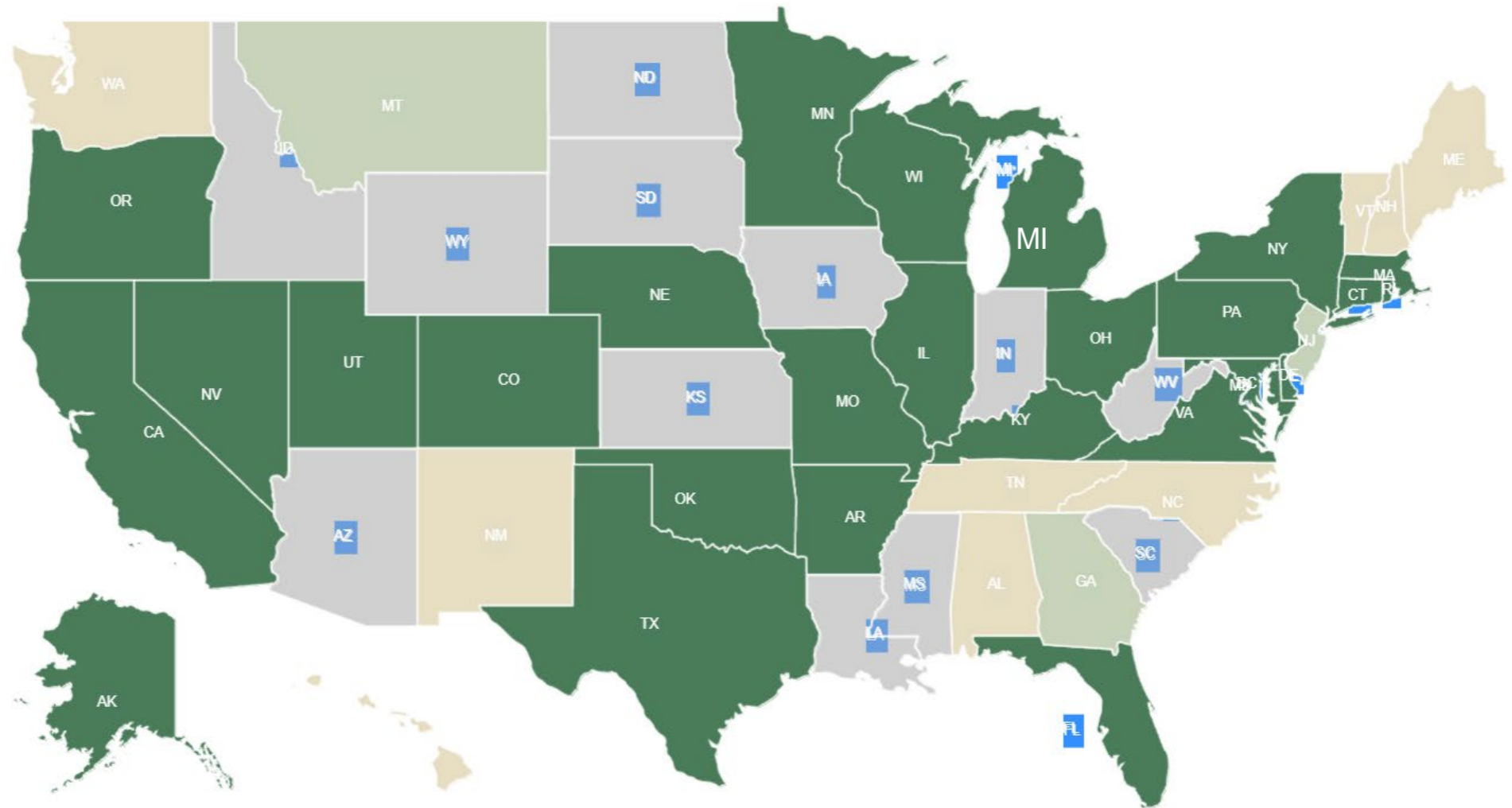
# PACE in Michigan

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](http://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.



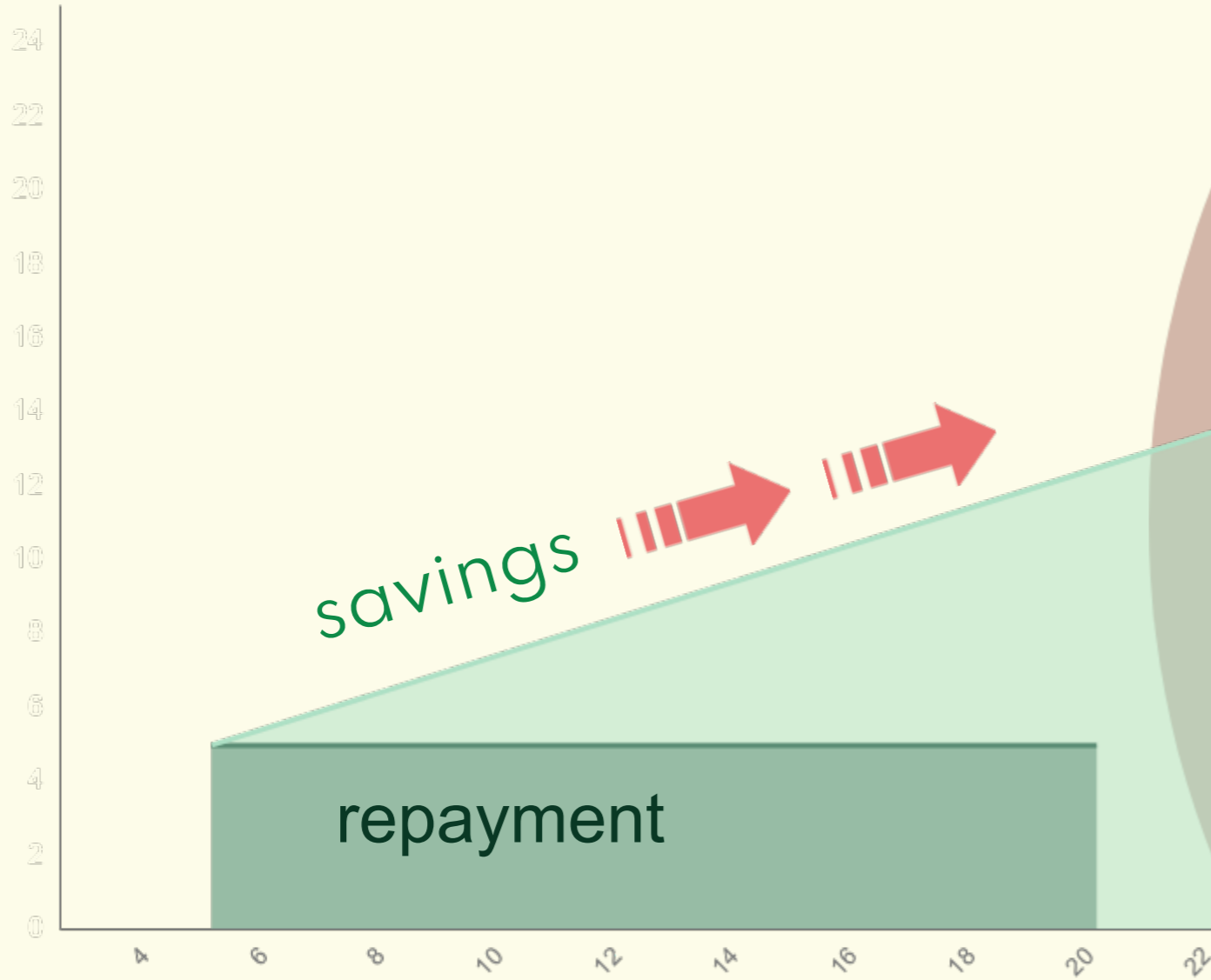
PACE lenders get the security of a property lien created by the special assessment.



lean & green  
**MICHIGAN**<sup>tm</sup>



## 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



# Quality d 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!



EV charging  
stations are  
eligible

## THE BOTTOM LINE

---

WHEN FINANCING EFFICIENCY AND  
RENEWABLE ENERGY PROJECTS,

**PACE** makes the  
benefits outweigh the  
costs

---

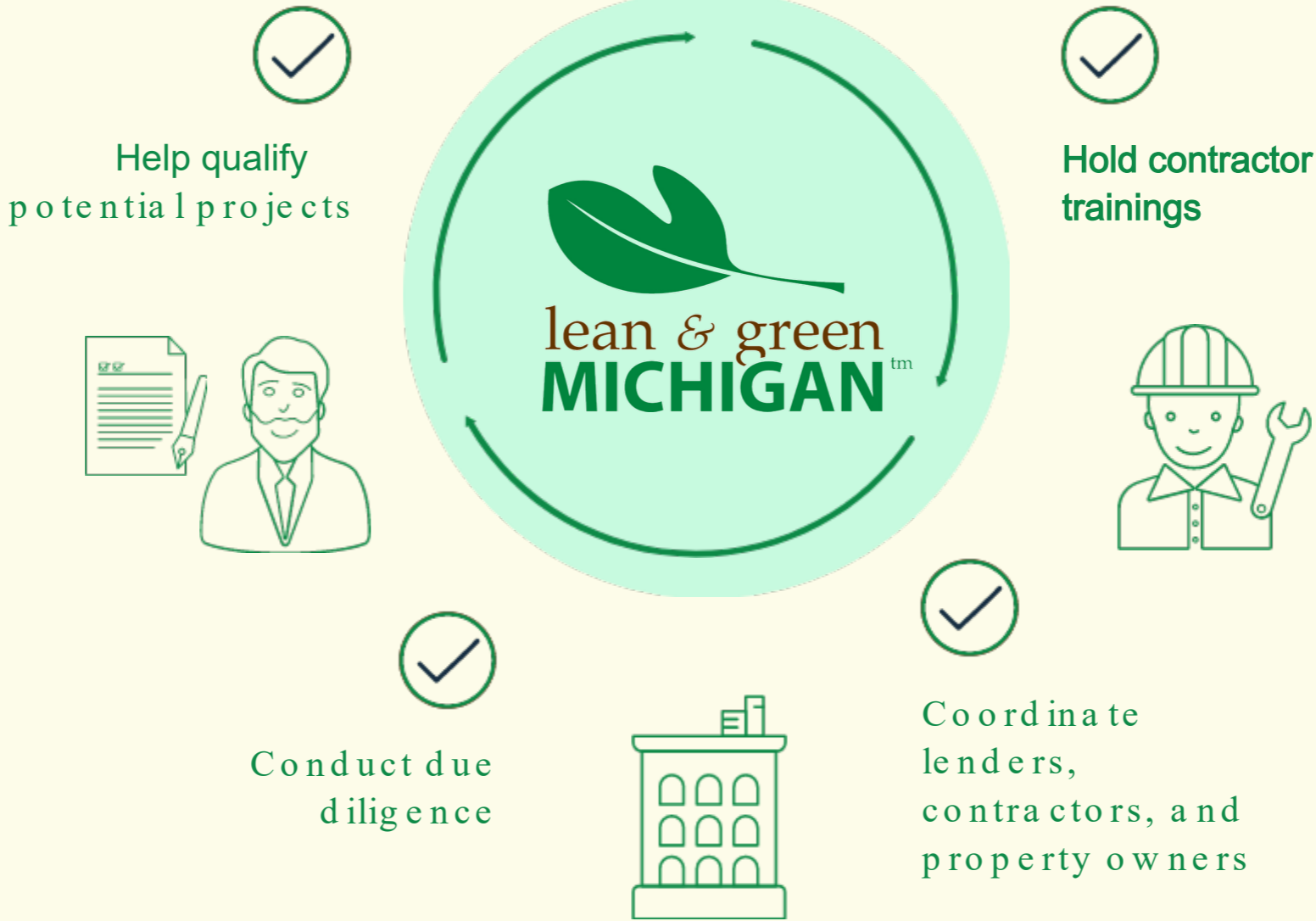




# Our Process

*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

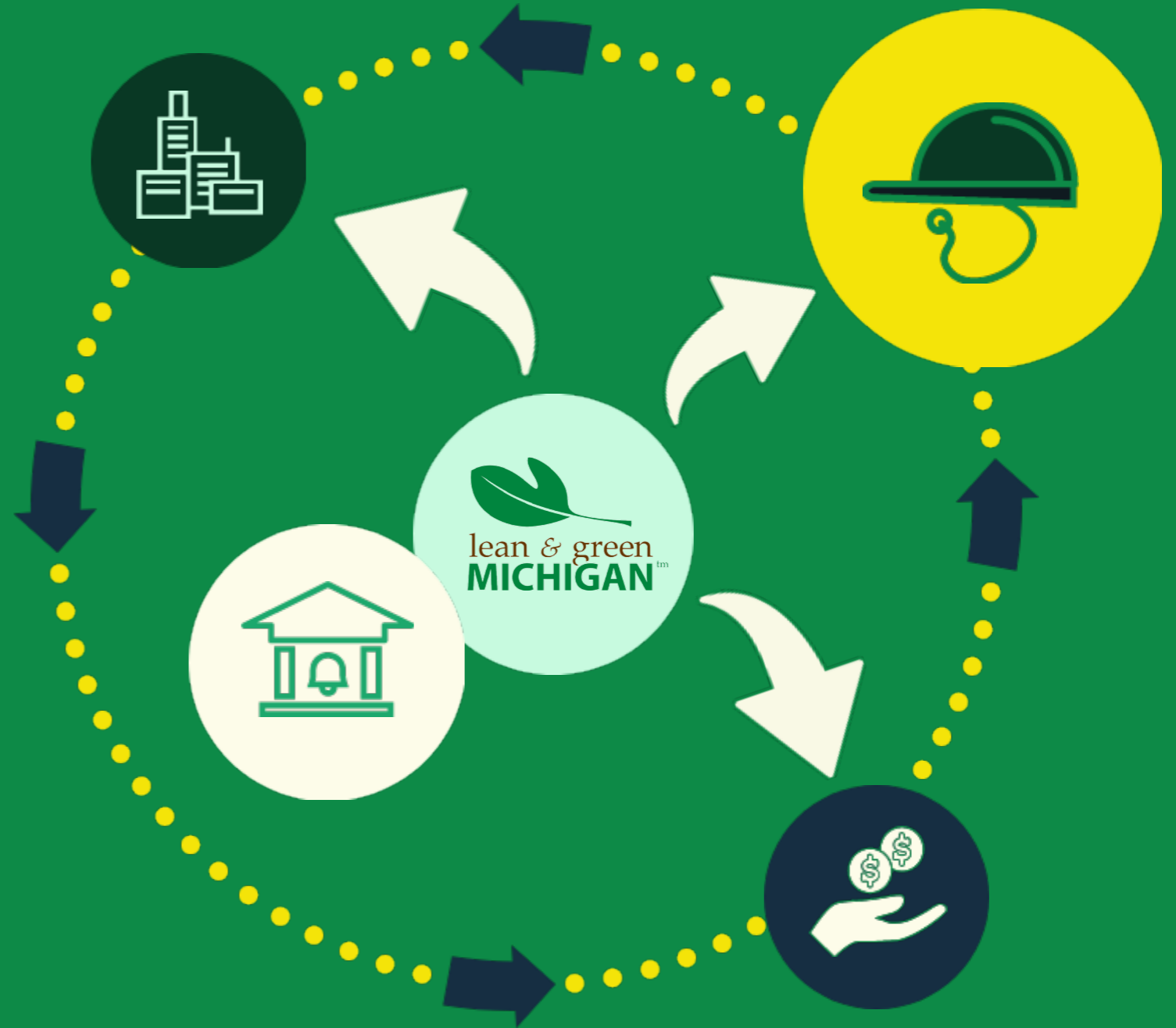
Underwrites the project and provides financial capital. Nine lenders have financed closed deals in Michigan, with more expressing interest in the PACE market each quarter!



# 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

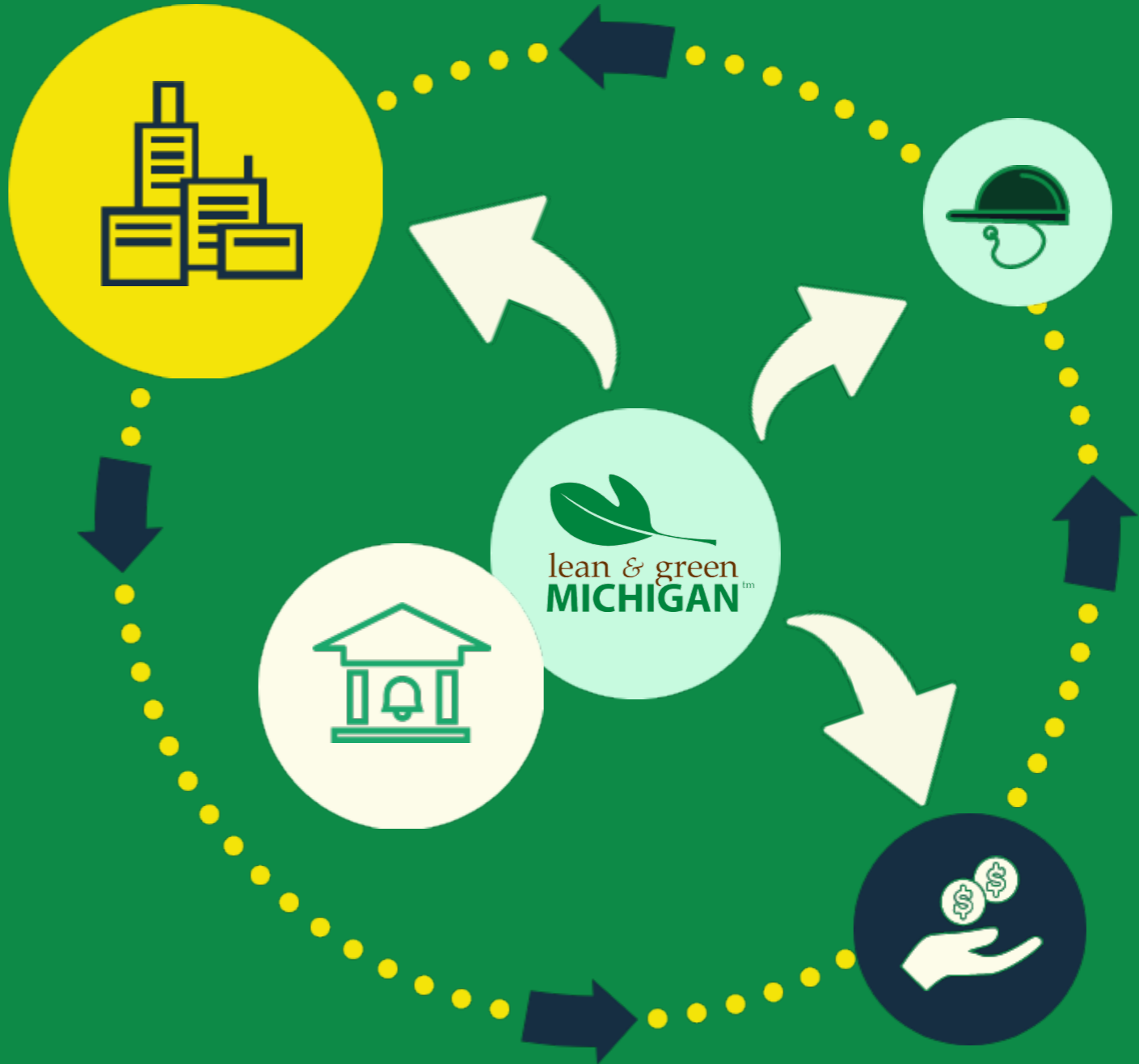
*both market-rate and low-income apartment buildings*

### Nonprofit

*houses of worship, private schools, cooperatives*

### Industrial

### Senior Living Facilities

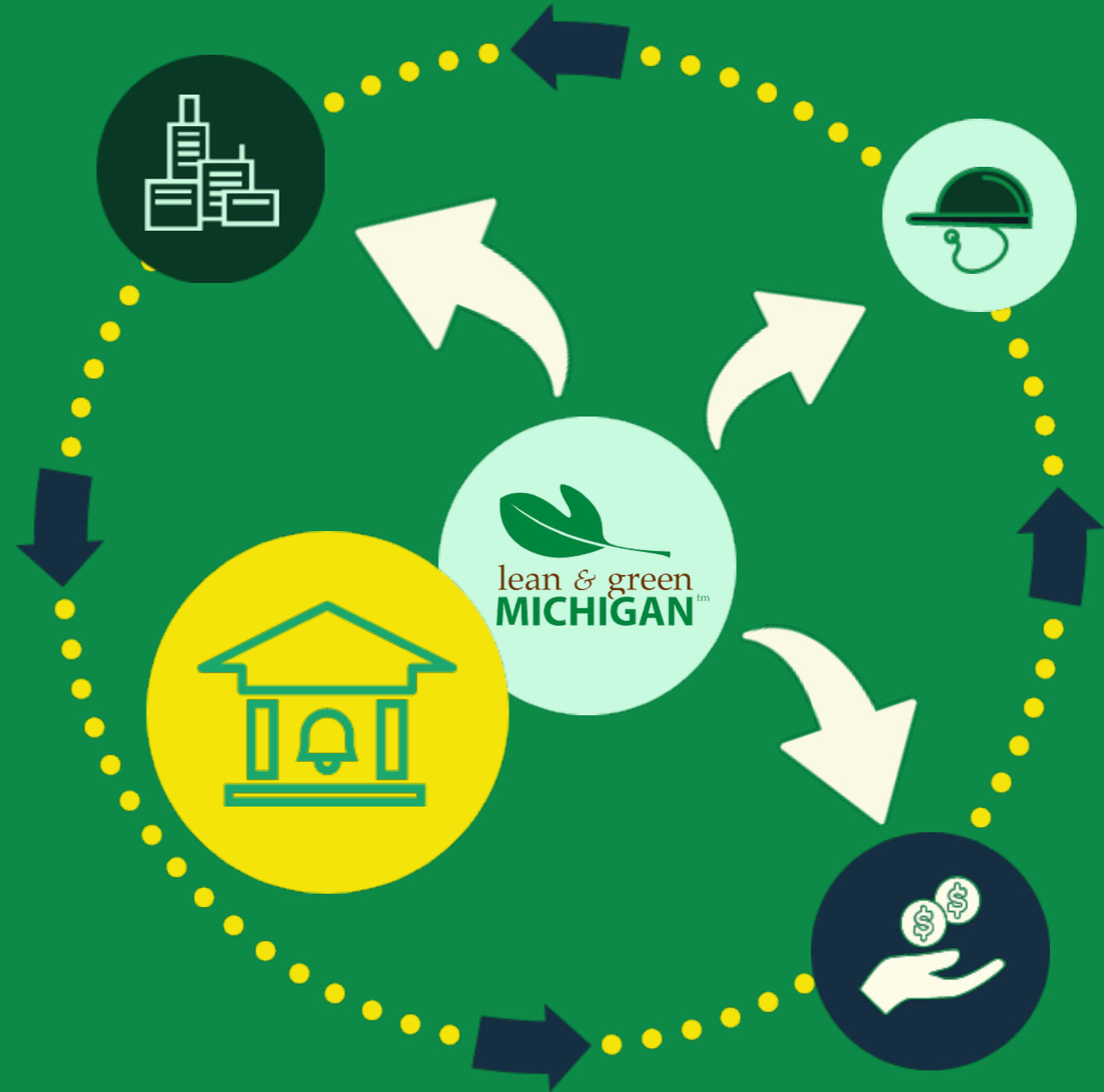




# The PACE Process

## Local Government

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





# Market Data



*Setting the PACE*

## MARKET DATA

---



57

PACE projects financed since 2015



\$ 179 million

Private investment

---

## LEAN & GREEN'S IMPACT

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

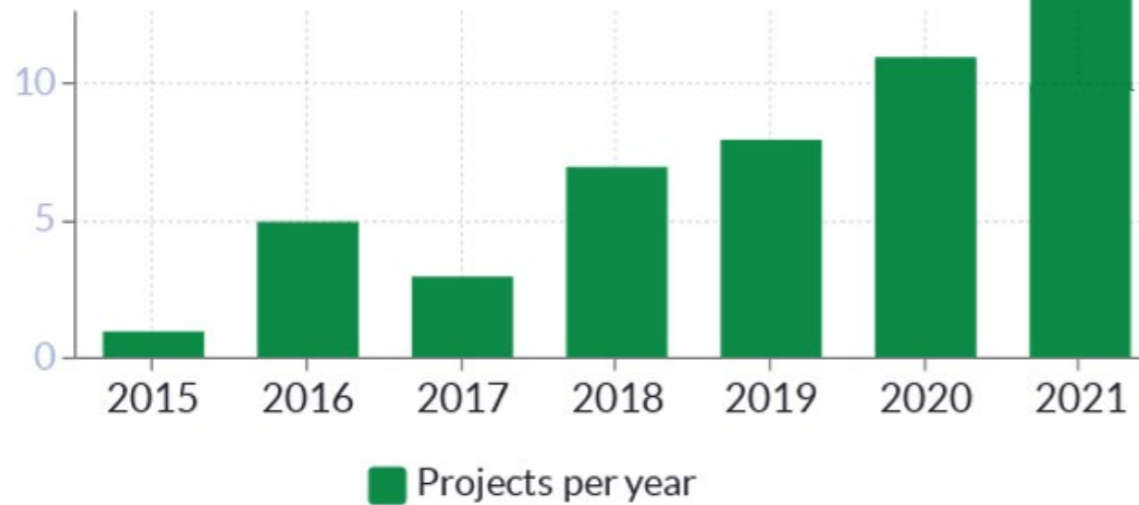




# As of December 2021

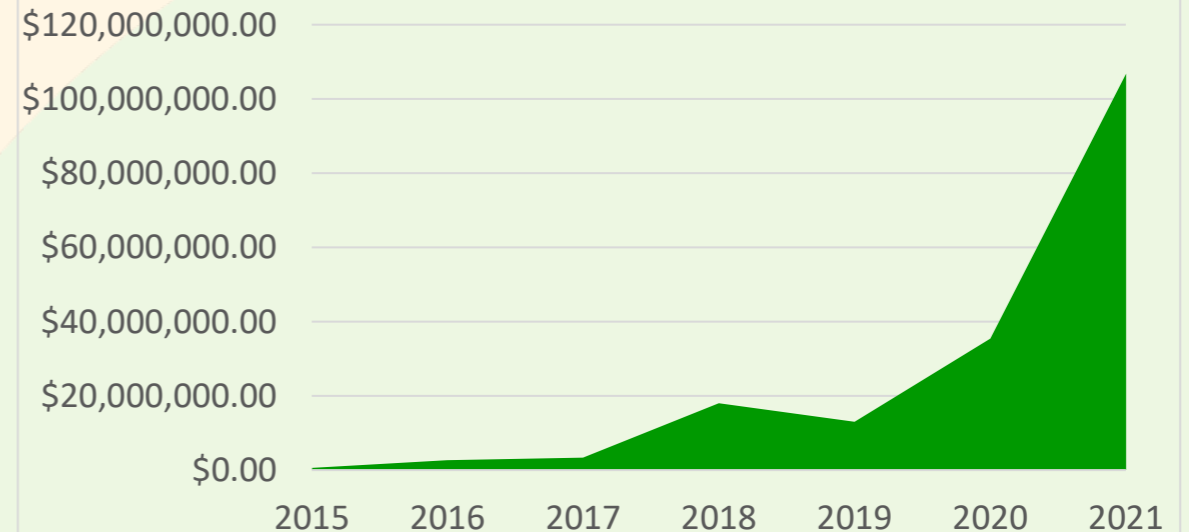
## Projects Financed

2015 - 2021



## Capital Invested

### 2015-2021





# Case Studies

<https://leanandgreenmi.com/projects>



lean & green  
**MICHIGAN**<sup>tm</sup>

**THANK YOU!**

Get in touch:

[todd@leanandgreenmi.com](mailto:todd@leanandgreenmi.com)

[mary@leanandgreenmi.com](mailto:mary@leanandgreenmi.com)