

What Is PACE?

Property Assessed Clean Energy, or PACE, is a long-term financing tool for commercial property owners in Michigan to pay for energy efficiency, water efficiency, and renewable energy upgrades. Property owners receive 100% pre-funding for energy saving upgrades on their facilities, and pay the loan back through their property tax bill.

Benefits of PACE financing

- Long-term financing up to 20 years or the useful life of the project
- No upfront cost – 100% financing
- Immediate positive cash flow
- Runs with the land, transferring to the subsequent owner upon sale of the property
- Solves split incentive problem – payments can be passed easily to tenants
- Fixed interest rate (typically between 5.5% and 7.5%)

Eligibility

Qualifying Properties

- Manufacturing facilities
- Agricultural operations
- Office buildings
- Non-profits, including faith-based institutions and hospitals
- Multifamily housing properties
- And more!

Qualifying measures

- Energy efficiency
- Water efficiency
- Renewable energy (nearly all)

Why?

Buildings consume 40 percent of energy in the United States and 30 percent of this consumption is wasted due to inefficiency. However, the payback period is simply too long on many energy efficiency and renewable energy measures – so businesses continue wasting energy and money! PACE solves this problem by offering long-term financing at a fixed rate, leading to no upfront cost and *immediate positive cash flow*.

About PACE and Lean & Green Michigan

Local governments facilitate PACE financing by allowing commercial property owners to repay private lenders via a special assessment on their property tax bill. To take advantage of PACE financing, the property owner signs an agreement with a private lender and the local government, and the loan repayment is then added to its property taxes.

Lean & Green Michigan, a program of Levin Energy Partners, is Michigan's PACE marketplace, growing and managing one, statewide PACE program in collaboration with local governments, lenders, contractors, and property owners. Lean & Green Michigan offers PACE in jurisdictions representing more than 50% of all Michiganders, with these numbers growing every month.

Lean & Green Michigan

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