



September 2020

Harrington Inn

Port Huron's historic inn finances with PACE

A center of social and political life during its late 19th century heyday (which hosted Harry S. Truman and his wife during their honeymoon, 26 years before he became the 33rd U.S. president) the historic Harrington Inn had more recently served as an assisted living center for seniors, before closing in 2017.

Developer Jeff Katofsky purchased the building in August 2018 and initially financed new energy improvements through PACE, but has since refinanced his project in order to revamp his initial project. The refinance will incorporate over \$3.3 million in PACE financing for a broad array of energy upgrades as part of the overall restoration of the hotel. The energy improvements financed through PACE will include solar PV, high efficiency HVAC, LED lighting and water conservation measures.

The Harrington Inn is one of multiple St. Clair County PACE projects owned by Katofsky's, including the St. Clair Inn and On The Vine. The Harrington Inn will be another historical landmark in the county that will undergo cost- saving energy and water efficiency improvements through PACE financing.

✔ Project Quick Stats

Pace District: St. Clair County

Property Owner: Hip Hip, Huron! LLC

PACE lender: Petros PACE Finance

Amount Financed: \$3,386,489

Net Savings: \$1,964,749

Total Savings: \$6,854,269

Energy Conservation Measures:

- High efficiency faucets, toilets and showerheads
- High efficiency elevators and HVAC
- Solar PV
- LED lighting
- Window improvements

Project Term: 22 years

Impact: Each year, the Harrington Inn PACE project will eliminate the equivalent of 2,659,257 miles driven by an average vehicle, while also saving 1,120,656 gallons of water.

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



Bernhard

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.

St. Clair County's elected leaders created a countywide PACE district in 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

info@leanandgreenmi.com
313.444.1474

500 Temple Street #6270
Detroit, Michigan 48201

