



December 2020

Hotel Saint Regis

Detroit luxury boutique hotel finances phase two retrofit with PACE

As the Hotel Saint Regis undergoes phase two of a long term redevelopment project that began in 2018, the owners of the Hotel Saint Regis are utilizing upfront financing through PACE to serve as a component of their capital stack to upgrade the Hotel Saint Regis with new energy efficient appliances.

Connecting Detroit's historic Cadillac Place and Fisher Building landmarks, the completion of this 125-room hotel modernization project will make the Hotel Saint Regis a focal point of the ongoing redevelopment efforts in Detroit's New Center area.

"When looking at all of the financing choices for our Hotel Saint Regis renovation, PACE was the best all-around solution for completing our capital stack," said Christos Moisides with St. Regis Real Estate Holdings. "A key factor to accessing this solution was the outstanding support of Stephen Guy at Bank of Ann Arbor and their forward vision in accepting the PACE financing as an integral component of the overall project financing. PACE's long-term fixed-rate financing was cheaper than mezzanine debt and the non-recourse feature made it an attractive option for our vested partners."

✔ Project Quick Stats

Pace District: Wayne County

Property Owner: St. Regis Real Estate Holdings

PACE Contractor: Ebee Management, Catalyst Partners

PACE lender: PACE Loan Group

Amount Financed: \$3,500,000

Net Savings: \$801,825

Total Savings: \$2,698,175

Energy Conservation Measures:

- Domestic hot water
- Elevator upgrade
- HVAC
- LED lighting
- Window glazing

Project Term: 25 years

Impact: The PACE project at the Hotel Saint Regis is projected to save over 15,118 metric tons of CO₂. That's the equivalent of eliminating the energy use of 1,745 homes for each of the 25 years of the project.

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



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.

Wayne County's elected leaders created a countywide PACE district in December 2013 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.

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