



The Hotel Harrington

St. Clair County's Second PACE project

Project Quick Stats:

PACE district: St. Clair County

Property owner: Hip Hip, Huron! LLC

PACE lender: Twain Financial Partners

Amount financed: \$2,627,750

Project term: 20 years

Net 20 year savings: \$1,964,749

Total 20 year savings: \$6,854,269

Energy conservation measures:

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

Impact: Each year, The Hotel Harrington project will **eliminate the equivalent of 2,659,257 miles driven** by an average vehicle, while also **saving 1,120,656 gallons of water every year!**

Overview

The historic Hotel Harrington — once a center of social and political life in Port Huron from its late 19th century beginnings — recently served as an assisted living center for seniors, before its closing in 2017. Developers Jeff Katofsky and Rick Barreca purchased the building in August 2018 through Hip Hip, Huron! LLC. They incorporated over \$2.6 million of PACE financing for a broad array of energy upgrades as part of the overall restoration of the hotel, including solar PV, high efficiency HVAC, LED lighting and water conservation measures.

The Hotel Harrington redevelopment marks Katofsky's third Michigan PACE project and his second in St. Clair County, after his landmark restoration of the St. Clair Inn. This new collaborative effort with G-Energy, Twain Financial and Lean & Green Michigan will help them transform a second historical landmark in the county with state-of-the-art energy and water efficiency and renewable energy measures.

With two projects together valued at over \$8 million occurring in one year, St. Clair County has become one of the most active PACE markets in the state.

Partners



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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.

Contact Lean & Green Michigan

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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 June 2017 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% 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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