



HELLER MACHINE TOOLS

FIRST MICHIGAN MANUFACTURER TO USE PACE

Project Quick Stats:

PACE district: City of Troy

Property owner: Heller Machine Tools

PACE developer: ABM

PACE lender: Petros PACE Finance

Amount financed: \$978,607

Project term: 15 years

Total 15 year savings: \$1.7 Million

Total net savings: \$170,454

Energy conservation measures: HVAC, networked building controls, compressed air upgrades, partial roof replacement, lighting replacement, and server room cooling

Impact: Each year, the Heller PACE project will replace **460,029 kWh of electricity** and **658 MMBTU of natural gas**.

That will result in, a **carbon reduction of 357.5 metric tons** annually

- That's like **eliminating 857,453 passenger car miles** each year!

Overview

In June 2016, Heller Machine Tools became the first manufacturing company in Michigan to use PACE financing to pay for a deep energy retrofit. Heller worked with Levin Energy Partners, ABM, and Petros PACE Finance, a national PACE lender, to replace outdated and inefficient equipment and make the company even more competitive and profitable. The facility upgrade was the largest PACE-financed project in Michigan to date, helping the international manufacturing company pay for \$978,607 of energy saving improvements.

The City of Troy established a PACE program by joining Lean & Green Michigan with a unanimous City Council vote in February 2016. Heller's project, which was completed in early 2017, involves networked building controls, comprehensive lighting replacement, server room cooling, partial roof replacement, HVAC, and compressed air upgrades. The work was completed by ABM, an international provider of facility services for over 100 years. These improvements will save the company \$1.7 million over 15 years, with a positive cash flow of \$170,454 net of all closing costs and payments. With PACE, Heller is not only saving money and eliminating energy waste, but is also making a positive and lasting impact on the environment.

Partners

HELLER



PACE Financing

Commercial building owners spend \$200 billion per year on utilities, yet 30% of this is waste. The comprehensive 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 much greater than the energy savings. PACE changes all this by allowing property owners to finance energy efficiency and renewable energy projects through a property tax special assessment.

Troy's elected leaders created a citywide PACE district in February 2016 by joining the statewide Lean & Green Michigan PACE program. Since the local government will enforce this 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 with positive cash flow for commercial and non-profit property owners, since the savings generated by the energy project are greater than the PACE loan repayments. In addition, these projects create good jobs and communities upgrade their building stock, increasing the local tax base over time.

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.

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