June 2020

501 South Capitol

A complete office to mixed-use renovation

501 S. Capitol sits three blocks south of the Michigan State Capitol building. To be repurposed as a space for offices and apartments, the PACE project will revitalize this former Lake Trust Credit Union building, while producing substantial energy savings for the property owner.

The PACE project at 501 S. Capitol will implement a number of energy and water efficiency measures that will bolster Lansing's sustainability efforts and support the property's revitalization. The project features building envelope improvements, new lighting fixtures, water conservation measures, and HVAC upgrades.

As Ingham County's second PACE project, 501 S. Capitol is helping to lead the way in energy efficiency by providing over $5 million in net savings over the next 23 years. "Repurposing is an important revitalization effort," Lansing Mayor Andy Schor said in a statement released by Lansing Economic Area Partnership. "Creating new housing and business opportunities will be tremendous for Cherry Hill and downtown neighborhoods. We look forward to working on getting this done."

Project Quick Stats

PACE District: Ingham County

Property Owner: 501 S. Capitol, LLC

PACE Contractor: Blue Sky Development Group

PACE Lender: Petros PACE Finance

Amount Financed: $2,997,500

Net Savings: $5,151,371

Total Savings: $10,608,559

Energy Conservation Measures:

- Equipment and LED lighting retrofit
- Wall insulation replacement
- HVAC system & water fixture efficiency upgrades
- High efficiency water heating and cooling

Project Term: 23 years

Impact: This project will offset approximately 331 metric tons of CO2 from the atmosphere. That's the equivalent of eliminating the consumption of 37,214 gallons of gasoline.

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 implement Michigan's PACE statute with a market-based approach to energy finance and economic development.

Project Partners

PACE Financing

Commercial building owners spend $241 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.

Ingham County's elected leaders created a countywide PACE district in April 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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