New Construction Hotel

Cost-Effective Substitute to Equity in New Construction

One York LLC, developers of the AC Hotel Marriott, were looking to complete the capital stack for the development of this new construction, 192 guest room, boutique hotel. The developers sought low cost financing to avoid preferred equity, to maximize returns, and to lower the cost of development.

The solution was a $4.6 million 20-year fixed rate PACE financing asessment with the first repayment deferred for 2 years, further reducing development costs,

The completed property features energy efficient HVAC with a modeled projected savings of $41,600 per year from the heating and cooling systems. Additionally, it features LED lighting with a modeled energy savings of $19,400 per year. Overall, the total economic benefit based upon energy efficiency improvements with estimated 768,746 kwH per year reduction are estimated to be $5.4 million over 20 years.

> *"From the standpoint of the financial in the capital stack, PACE makes the project a lot more feasible, because the cost of capital coming in is less expensive than your ordinary equity capital. It's a win-win in a lot of ways."*
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> Sam Koplar
> Partner, One York LLC

Location	Saint Louis, MO
Asset Class	Hotel
Developer	One York LLC
C-PACE Financing	$4.64 million
Construction Loan	$26 million
Avoided Cost of Capital	$4.3 million
20 Year Utility Bill Saving	$5.4 million
Annual Carbon Reduction	658.3 MTCO2e

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