

The Challenge

Salut Bar Americain is one of the Edina's most popular neighborhood restaurants known for its great service and carefully chosen eclectic French menu. The Salut's owner, Parasole Restaurant Holdings, had recently installed LED lighting and energy-saving hood vent controls in two new restaurants in the Minneapolis St Paul region. With positive experiences resulting in lower electric bills and improved light quality for the "front of the house," Parasole wanted to try retrofitting an existing restaurant with the same energy saving technologies. The Salut Bar American project goals included:

- Reduce monthly utility bills and maintenance costs
- Ensure quality, dimmable lighting for a high-quality dining experience
- Financing that fits the unique structure of a restaurant group
- Environmental stewardship through energy conservation

The Solution

Salut Bar Americain is located in the heart of Edina, MN; in 2012, Edina adopted Minnesota's first Property Assessed Clean Energy ("PACE") financing platform. The Edina Emerald Energy Program provides an upfront financing that borrowers pay back as a voluntary special assessment on their property taxes. PACE financing allowed Parasole Restaurant Holdings to finance the energy savings projects at Salut by putting the entire project, after subtracting the upfront utility rebate, as an additional charge on their property taxes over five years. The following features of PACE attracted Parasole:

- Zero-down, cash-flow-positive financing structure
- Security through special assessment rather than via owners' personal guarantees
- Energy savings exceeds loan payments every year
- Cash preserved for core business operations, including new kitchen equipment

Project Success

The building owner worked closely with the EnergyMisers LLC to identify the necessary improvements: LED lights and kitchen hood controls. EnergyMisers secured upfront rebates from Xcel Energy, Minnesota's largest electric utility. The contractor and Parasole enlisted Eutectics Consulting to facilitate financing via Edina's PACE program. Eutectics, the Midwest's leading energy financing facilitator, shepherded the Salut project through the Edina Emerald Energy Program, and convinced Bremer Bank to provide the funding.

"Working with Eutectics and with PACE financing was no different from any other project we have proposed - except that it actually got financed, and we were able to get the project completed." Bill Bieganek, Principal, EnergyMisers LLC.

Jeremy Kalin, president of Eutectics Consulting notes "The Salut project is a landmark project for 3 reasons. First, Bremer Bank was the first community bank in the country to fund a PACE project. Second, Salut is the first energy efficiency project in Edina - and in Minnesota - to be financed via PACE. And third - maybe most importantly - without PACE financing, Salut would never have been able to move forward with the project."

This project saved the building owner money, supported the local economy, and reduced greenhouse gas emissions. It was made possible by the collaborative effort between Parasole, Energy Misers, Xcel Energy, and Eutectics Consulting.

"The savings should pay back the investment... It's a no-brainer." Alan Ackenberg, Parasole Restaurant Group.



PACE in Minnesota

The Edina Emerald Energy PACE program is designed to help businesses finance clean energy projects through a special assessment to their property, paid alongside property taxes. Eligible projects include energy efficiency measures and renewable energy systems.

Contact Information

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Project Financing

PACE Assessment: \$39,308
Term: 10 years
Rate: 7.5% fixed

Building Details

Size: 13,000 sq ft
Year built: 1940
Building Value: \$2.9million

Improvements

LED lights
Kitchen hood controls

Savings

Annual savings for the first 5 years: \$5,569
Annual savings after PACE is repaid: \$15,296