



## Deployment Committee

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**Meeting Date**  
January 29, 2019





## **Deployment Committee**

### **Betsy Crum**

Former Executive Director, Women's Housing Institute

### **Shawn Wooden – Designee, Bettina Bronisz**

Treasurer, State of Connecticut

### **Matthew Ranelli**

Partner, Shipman & Goodwin LLP

### **Mary Sotos**

Deputy Commissioner, Energy, DEEP

845 Brook Street, Rocky Hill, CT 06067  
T 860.563.0015  
ctgreenbank.com



January 22, 2019

Dear Connecticut Green Bank Deployment Committee:

We have a special meeting of the Deployment Committee scheduled on Tuesday, January 29, 2019 from 12:00 to 1:00 p.m. in the Colonel Albert Pope Board Room of the Connecticut Green Bank at 845 Brook Street, Rocky Hill, CT 06067.

On the agenda we have the following items:

- **Consent Agenda** – approval of the meeting minutes for November 13, 2018 and the extension of the approvals for two C-PACE projects to give staff more time to close them
- **Investment Business** – a recommendation for approval of a C-PACE transaction and recommendations to restructure two existing C-PACE transactions.

If you have any questions, comments or concerns, please feel free to contact me at any time. Looking forward to talking to you next week.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Garcia", with a long horizontal flourish extending to the right.

Bryan Garcia  
President and CEO



## **AGENDA**

Deployment Committee of the  
Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067

Tuesday, January 29, 2019  
12:00 - 1:00 p.m.

Staff Invited: George Bellas, Catherine Duncan, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Alex Kovtunenکو, Alysse Lembo-Buzzelli, Eric Shrago, and Nicholas Zuba

1. Call to order
2. Public Comments – 5 minutes
3. Consent Agenda – 5 minutes
  - a. Approval of Meeting Minutes for November 13, 2018
  - b. C-PACE Transaction – Approval Extensions – New London & Middlefield
4. Investment Business – Transaction Recommendations – 15 minutes
  - a. C-PACE Transaction – Newtown
  - b. C-PACE Transaction – Restructuring – Ellington
  - c. C-PACE Transaction – Restructuring – Brookfield
5. Adjourn

***Next Regular Meeting: Wednesday, March 27, 2019 from 2:00-3:00 p.m.  
Colonel Albert Pope Board Room at the  
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT***



## **RESOLUTIONS**

Deployment Committee of the  
Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067

Tuesday, January 29, 2019  
12:00 - 1:00 p.m.

Staff Invited: George Bellas, Catherine Duncan, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Alex Kovtunenکو, Alysse Lembo-Buzzelli, Eric Shrago, and Nicholas Zuba

1. Call to order
2. Public Comments – 5 minutes
3. Consent Agenda – 5 minutes
  - a. Approval of Meeting Minutes for November 13, 2018

### **Resolution #1**

Motion to approve the meeting minutes of the Deployment Committee for November 13, 2018.

- b. C-PACE Transaction – Approval Extension – New London
- c. C-PACE Transaction – Approval Extension – Middlefield

### **Resolution #2**

**WHEREAS**, pursuant to Conn. Gen. Stat. 16a-40g (the “Act”) the Connecticut Green Bank (“Green Bank”) is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy (“C-PACE”);

**WHEREAS**, pursuant to the C-PACE program, the Green Bank Board of Directors (the “Board”) had previously approved and authorized the President of the Green Bank to execute financing agreements for the C-PACE projects described in the Memo submitted to the Green Bank Deployment Committee (the “Deployment Committee”) on January 29, 2019 (the “Finance Agreements”);

**WHEREAS**, the Finance Agreements were authorized to be consistent with the terms, conditions, and memorandums submitted to the Board and executed no later than 120 days from the date of Board approval; and

**WHEREAS**, due to delays in fulfilling pre-closing requirements the Green Bank will need more time to execute the Finance Agreements.

**NOW**, therefore be it:

**RESOLVED**, that the Deployment Committee extends authorization of the Finance Agreements to no later than 120 days from January 29, 2019 and consistent in every other manner with the original Board authorization for the Finance Agreement.

4. Investment Business – Transaction Recommendations – 15 minutes
  - a. C-PACE Transaction – Newtown

### **Resolution #3**

**WHEREAS**, pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the “Act”), the Connecticut Green Bank (Green Bank) is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy (“C-PACE”);

**WHEREAS**, the Green Bank Board of Directors (the “Board”) has approved a \$40,000,000 C-PACE construction and term loan program;

**WHEREAS**, the Green Bank seeks to provide a **\$758,654** construction and (potentially) term loan under the C-PACE program to Simm Lane, LLC., the building owner of 3 Simm Lane, Newtown, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State’s Comprehensive Energy Strategy and the Green Bank’s Strategic Plan; and

**WHEREAS**, the Green Bank may also provide a short-term unsecured loan (the “Feasibility Study Loan”) from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Committee dated January 22, 2019, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Deployment Committee;

**RESOLVED**, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Act, including but not limited to the savings to investment ratio and lender consent requirements; and

**RESOLVED**, that the proper the Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to effect the above-mentioned legal instruments.

b. C-PACE Transaction – Restructuring – Ellington

**Resolution #4**

**WHEREAS**, pursuant to Section 16a-40g of the Connecticut General Statutes (as amended, the “Act”), the Connecticut Green Bank (“Green Bank”) established a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy (“C-PACE”);

**WHEREAS**, pursuant to the Act and its Bylaws, Green Bank entered into that certain Financing Agreement dated December 17, 2014 (as amended, the “Loan”) with Think Snowmobiles, INC and Harold G. Levesque Jr, the building owners of 398 Somers Road, Ellington CT, to finance the construction of certain clean energy measures through C-PACE;

**WHEREAS**, on June 13, 2018, the Green Bank Board of Directors (“Board”) approved the Loan Loss Decision Framework and Process, set forth in that certain memo to the Board dated June 13, 2018 (the “Loss Process”), which established the process of dealing with provisional loss reserves, restructurings, and write-offs for assets on Green Bank’s balance sheet; and

**WHEREAS**, in accordance with the Loss Process, Green Bank staff seeks the Green Bank Deployment Committee’s (“Deployment Committee”) approval to restructure the Loan by extending the duration and increasing the interest rate (collectively the “Restructured Loan”), as more particularly described in the memorandum submitted to the Deployment Committee dated January 22, 2019 (the “Memo”).

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Restructured Loan, with terms and conditions consistent with the Memo, as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of this Deployment Committee meeting; and

**RESOLVED**, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to affect the above-mentioned legal instruments.

c. C-PACE Transaction – Restructuring – Brookfield

**Resolution #5**

**WHEREAS**, pursuant to Section 16a-40g of the Connecticut General Statutes (as amended, the “Act”), the Connecticut Green Bank (“Green Bank”) established a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy (“C-PACE”);

**WHEREAS**, pursuant to Conn. General Statute 16a-40g, Green Bank entered into that certain Financing Agreement dated September 30, 2014 (as amended, the "Loan") with the Regional YMCA of Western Connecticut and Eastern Putnam County, Inc., the building owner of the Brookfield YMCA at 2 Huckleberry Hill Road, Brookfield, CT 06804, to finance the construction of certain clean energy measures through C-PACE;

**WHEREAS**, in accordance with the Green Bank's process for loan losses which was approved by the Green Bank Board of Directors on June 13, 2018, Green Bank staff seeks the Deployment Committee's approval to restructure the Loan as detailed in Exhibit B (the "Restructured Loan") of the memorandum dated January 22, 2019 and submitted to the Deployment Committee (the "Memo").

**NOW**, therefore be it:

**RESOLVED**, that, the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Restructured Loan with terms and conditions consistent with the Memo no later than 120 days from the date of the Deployment Committee approval; and

**RESOLVED**, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to affect the above-mentioned legal instruments.

5. Adjourn

***Next Regular Meeting: Wednesday, March 27, 2019 from 2:00-3:00 p.m.  
Colonel Albert Pope Board Room at the  
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT***





CONNECTICUT  
**GREEN BANK**<sup>SM</sup>

# Deployment Committee Meeting

January 29, 2019

# Deployment Committee

## Agenda Item #1

### Call to Order

# Deployment Committee

## Agenda Item #2

### Public Comments

# Deployment Committee

## Agenda Item #3

### Consent Agenda

# Consent Agenda

## Resolutions 1 & 2



1. **Meeting Minutes** – approval of meeting minutes of November 13, 2018
2. **C-PACE Approval Extensions**

<b>Project Address</b>	<b>Approved</b>	<b>Expired</b>	<b>Project Amount</b>
6 Shaws Cove, New London, CT 06320	1/26/18 by Board	1/18/19	\$1,042,884
99 Powder Hill Road, Middlefield, CT 06455	1/26/18 by Board	1/18/19	\$2,006,822

# Deployment Committee

## Agenda Item #4a

### Investment Business

### C-PACE Transaction – Newtown

# 3 Simm Lane, Newtown

## Ratepayer Payback



**REDACTED**

- **\$758,654** for a 225.1 kW roof mounted solar PV system & roof replacement
- Projected savings are **19,766 MMBtu** versus **\$758,654** of ratepayer funds at risk.
- Ratepayer funds will be paid back in one of the following ways
  - ❑ (a) through a take-out by a private capital provider at the end of construction (project completion);
  - ❑ (b) subsequently, when the loan is sold down to a private capital provider; or
  - ❑ (c) through receipt of funds from the Town of Newtown as it collects the C-PACE benefit assessment from the property owner.

# 3 Simm Lane, Newtown

## Terms and Conditions



- **\$758,654** construction loan at 5% and term loan set at a fixed 6.125% over the 20-year term
- **\$758,654** loan against the property
  - ❑ Property valued at **REDACTED**
  - ❑ Loan-to-value ratio equals **REDACTED**; Lien-to-value ratio equals **REDACTED**
- DSCR > **REDACTED**



# 3 Simm Lane, Newtown

## The Five W's



- **What?** Receive approval for a \$758,654 construction and (potentially) term loans under the C-PACE program to Simm Lane, LLC to finance the construction of specified energy upgrade
- **When?** Project to commence 2019
- **Why?** Allow Green Bank to finance this C-PACE transaction, continue to build momentum in the market, and potentially provide term financing for this project until Green Bank sells it along with its other loan positions in C-PACE transactions.
- **Who?** Simm Lane, LLC, the property owner of 3 Simm Lane, Newtown CT
- **Where?** 3 Simm Lane, Newtown CT

# 3 Simm Lane, Newtown Project Tear Sheet



**REDACTED**

# 3 Simm Lane, Newtown

## Key Financial Metrics



**REDACTED**

# Deployment Committee

Agenda Item #5  
Adjourn



Deployment Committee of the  
Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067

Tuesday, November 13, 2018  
2:00 - 3:00 p.m.

Meeting held on November 13, 2018 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope Board Room.

Deployment Committee members participating: Bettina Bronisz, Rob Klee, Matt Ranelli (by phone)

Members Absent: None

Staff Attending: Catherine Duncan, Mackey Dykes, Brian Farnen, Bryan Garcia, Mike Yu, Nick Zuba, Bert Hunter

Others: None

**1. Call to order**

Rob Klee called the meeting to order at 2:05 p.m.

**2. Public Comments**

Rob Klee asked for public comment. There were none.

**3. Consent Agenda**

- a. Approval of Meeting Minutes for September 18, 2018.

**Resolution #1**

Motion to approve the meeting minutes of the Deployment Committee for September 18, 2018.

**Upon a motion made by Bettina Bronisz and seconded by \_Matt Ranelli, the Committee unanimously voted to approve the Minutes from the September 18, 2018 meeting.**

#### 4. Investment Business

Mackey Dykes provided an overview of the proposed C-PACE transaction. There were several questions by the members of the Deployment Committee on items like carports versus rooftop installations, energy efficiency in the buildings, metering situation on the building, and additional loads for the building (e.g., renewable heating and cooling, EV's, etc.). The Green Bank staff answered the questions raised by the Deployment Committee.

##### a. C-PACE Transaction – East Windsor

#### **Resolution #2**

**WHEREAS**, pursuant to Connecticut General Statute Section 16a-40g (the "Statute"), the Connecticut Green Bank (Green Bank) is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

**WHEREAS**, the Green Bank seeks to provide two construction and term loans in the amounts of **(1) \$291,102 and (2) \$649,882 for a total of \$940,984** under the C-PACE program to Sofia's Plaza, LLC, the building owner of 122 Prospect Hill Road and 2 North Road, East Windsor, Connecticut (the "Financings"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and 2

**WHEREAS**, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Financing amounts, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Financings and be repaid to the Green Bank upon the execution of the Financing documents.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Financings and, if applicable, a Feasibility Study Loan in an amount not to be greater than one hundred ten percent of the total Financing amounts with terms and conditions consistent with the memorandum submitted to the Deployment Committee dated November 9, 2018, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board of Directors;

**RESOLVED**, that before executing the Financings, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Statute, including but not limited to the savings to investment ratio and lender consent requirements; and

**RESOLVED**, that the proper the Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to affect the above-mentioned legal instruments.

**Upon a motion made by Bettina Bronisz and seconded by Robert Klee, the Committee**

**unanimously voted to approve Resolution #2, a. to provide two construction and term loans for C-PACE project at Sofia's Plaza, LLC, East Windsor, CT.**

b. C-PACE Transaction Restructuring – Bridgeport

### **Resolution #3**

Committee Review:

- Mr. Dykes presented a review of the project since it began in 2015 stating the increased costs, the inability of the contractor to complete the job scope and the realized construction interest as the project timeline expanded. Team acknowledged a substandard contractor whose incomplete work on the commercial art exhibition/artist studio space may not have been quoted appropriately for the job scope.
- With apparent sale of building pending, discussion continued to determine what, if any, interest to forgive and how to proceed. Ms. Duncan acknowledged that the building owner who borrowed the CPACE funds for the project sunk lots of additional out-of-pocket funds in to the project and that the contractor had contributed to resolving the issue by paying a portion of the accrued construction interest.

The Committee has a discussions around the nature of the interest to be forgiven and was briefed by staff on the background of the negotiations with the borrower, scope of the project, etc.

- It was confirmed that this contractor is no longer on the approved contractor list which is on the CGB website.
- Mr. Dykes stated under the circumstances he felt the interest forgiveness is reasonable. Mr. Klee asked if it is appropriate to provide a waiver for owners to sign for the interest forgiveness? Mr. Ranelli responded yes, and Mr. Farnen and Mr. Dykes agreed. Further agreed that the owner is solely responsible for the performance of the installation. It was agreed that a release would be drawn up and that CGB should obtain reasonable waivers from the borrowers and the successor owner when the building is sold; document should read "immediate successor & interest" so any new buyer of the property would not come back to CGB.

**Upon a motion made by Robert Klee and seconded by Bettina Bronisz, the Committee unanimously voted to approve Resolution #3 with modifications to execute and deliver the Restructured Loan to the building owner(s) of the 305 Knowlton Street, Bridgeport, CT.**

**WHEREAS**, pursuant to Section 16a-40g of the Connecticut General Statutes (as amended, the "Act"), the Connecticut Green Bank ("Green Bank") established a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

**WHEREAS**, pursuant to the Act and its Bylaws, Green Bank entered into that certain Financing Agreement dated December 22, 2014 (as amended, the "Loan") with the MP

Development Associates LLC, the building owner of the 305 Knowlton St., Bridgeport, CT, to finance the construction of certain clean energy measures through C-PACE;

**WHEREAS**, on June 13, 2018, the Green Bank Board of Directors (“Board”) approved the Loan Loss Decision Framework and Process, set forth in that certain memo to the Board dated June 13, 2018 (the “Loss Process”), which established the process of dealing with provisional loss reserves, restructurings, and write-offs for assets on Green Bank’s balance sheet; and

**WHEREAS**, in accordance with Loss Process, since the principle value of the outstanding financing is above \$100,000 and less than \$1,000,000, Green Bank staff seeks the Green Bank Deployment Committee’s (“Deployment Committee”) approval to restructure the Loan by forgiving \$19,066.26 of construction interest accrued pursuant to the Loan (the “Restructured Loan”), as more particularly described in the memorandum submitted to the Deployment Committee dated November 8, 2018 (the “Memo”).

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Restructured Loan, with terms and conditions consistent with the Memo, as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of this Deployment Committee meeting provided that the borrower provided documentation that all other punchwork items were completed and a waiver and release is executed by the borrower and its immediate successor in interest to protect the Green Bank from future claims; and

**RESOLVED**, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to affect the above-mentioned legal instruments.

## **5. Incentive Business Recommendation – 10 minutes**

### **a. RSIP and SHREC Securitization**

- Team noted that FICO scores are not part of the residential project information requirements and found that Kroll (after Kroll gave additional consideration of rating the SHREC bond issuance) is not able to rate CGB without them
- Team working to obtain FICO scores for 14,000+/- clients to provide Kroll the information they need to complete the rating
- It is likely that this will cause a delay in rating the SHREC bond issuance, potentially into early 2019

### **b. EEP Program and battery Storage Incentive**

- With limited time left for discussion, Mr. Garcia presented a graph showing the average consumption of households over a year by hour of the day, including the average solar production.
- Team is assembling a proposal to PURA through the Electric Efficiency Partner Program to reduce demand, specifically peak demand, through the combination of solar PV and battery storage.



- Mr. Garcia will go into greater detail at the December Board of Directors meeting on this emerging opportunity to support the Incentive Business of the Green Bank.

**6. Adjourn**

**Upon a motion made by Bettina Bronisz, and seconded by Robert Klee the meeting was adjourned at 3:05pm.**

Respectfully submitted,

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Robert Klee, Chairperson

DRAFT



# Memo

**To:** The Connecticut Green Bank Deployment Committee

**From:** Mackey Dykes, Vice President, Commercial, Industrial and Institutional Programs; Alex Kovtunenکو, Senior Counsel, Commercial, Industrial and Institutional Programs; Nicholas Zuba, Senior Manager, Commercial, Industrial and Institutional Programs

**CC:** Bryan Garcia, President and CEO; Bert Hunter, EVP and CIO; Brian Farnen, General Counsel and CLO

**Date:** January 22, 2019

**Re:** Extending timeline for closing certain C-PACE transactions

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## Summary

The Connecticut Green Bank Board of Directors (the “Board” or “BOD”) has previously approved and authorized C-PACE financing for the following properties:

Project Address	Approved	Expired	Project Amount
6 Shaws Cove, New London, CT 06320	1/26/18 by Board	1/18/19	\$1,042,884
99 Powder Hill Road, Middlefield, CT 06455	1/26/18 by Board	1/18/19	\$2,006,822

The financing agreement was authorized to be consistent with the terms, conditions, and memorandums submitted to the Board and made no later than 120 days from the date of Board approval.

Due to delays in fulfilling pre-closing requirements, including lender consent, for these transactions, the C-PACE program staff requests more time from the Connecticut Green Bank Deployment Committee (the “Deployment Committee”) to close this transaction and execute the financing agreement. The staff requests an additional 120 days from the date of this Deployment Committee meeting to execute the financing agreement for the transaction listed above.

## Resolutions

**WHEREAS**, pursuant to Conn. Gen. Stat. 16a-40g (the “Act”) the Connecticut Green Bank (“Green Bank”) is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy (“C-PACE”);

**WHEREAS**, pursuant to the C-PACE program, the Green Bank Board of Directors (the “Board”) had previously approved and authorized the President of the Green Bank to execute financing agreements for the C-PACE projects described in the Memo submitted to the Green Bank Deployment Committee (the “Deployment Committee”) on January 29, 2019 (the “Finance Agreements”);

**WHEREAS**, the Finance Agreements were authorized to be consistent with the terms, conditions, and memorandums submitted to the Board and executed no later than 120 days from the date of Board approval; and

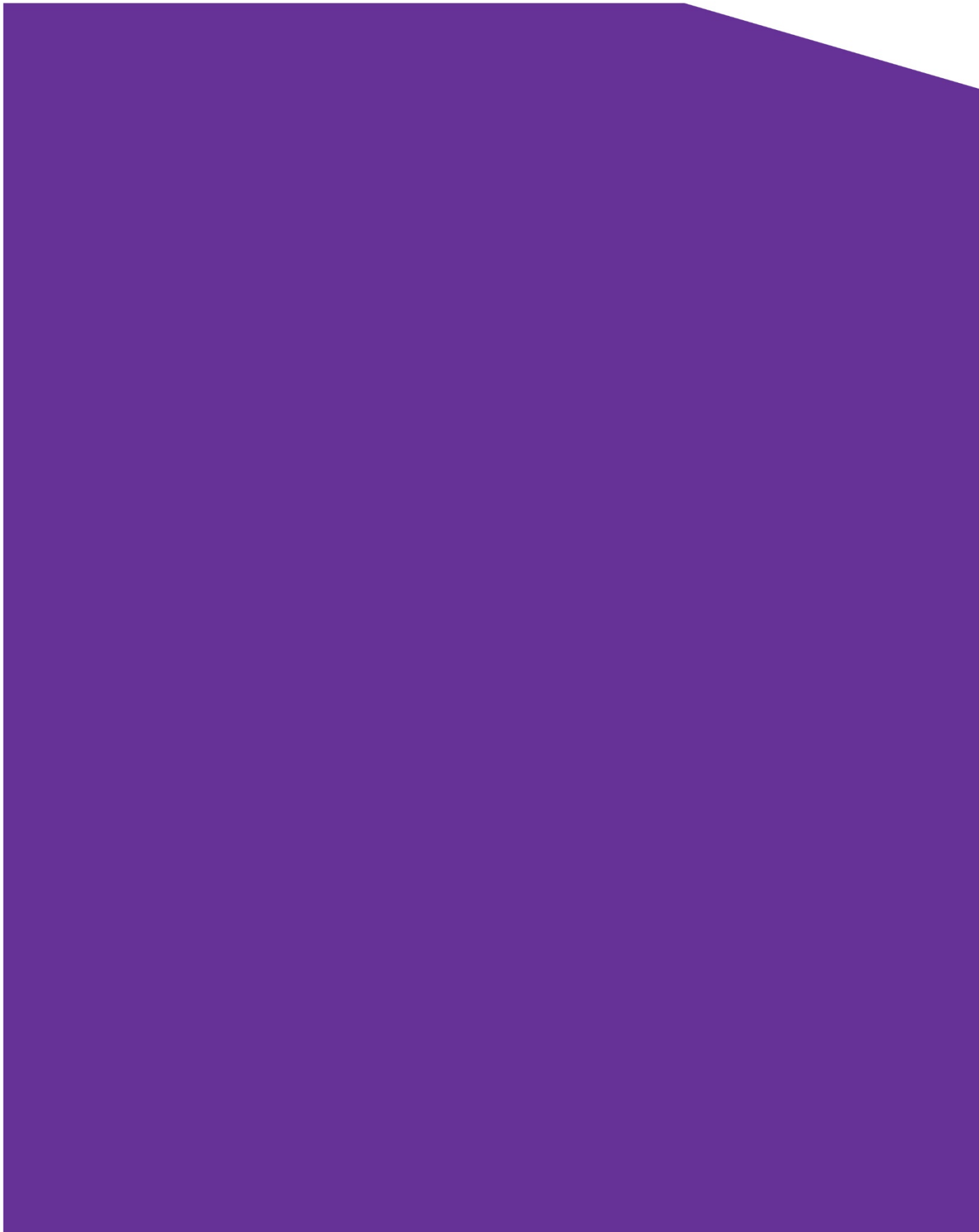
**WHEREAS**, due to delays in fulfilling pre-closing requirements the Green Bank will need more time to execute the Finance Agreements.

**NOW**, therefore be it:

**RESOLVED**, that the Deployment Committee extends authorization of the Finance Agreements to no later than 120 days from January 29, 2019 and consistent in every other manner with the original Board authorization for the Finance Agreement.

Submitted by: Bryan Garcia, President and CEO, Bert Hunter, EVP and CIO, Mackey Dykes, Vice President, Commercial, Industrial and Institutional Programs, Brian Farnen, General Counsel and CLO





845 Brook Street  
Rocky Hill, CT 06067

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