

# Energy Improvement Corporation



## REQUEST FOR QUALIFICATIONS (“RFQ”) FOR:

1. PROJECT DEVELOPERS FOR PACE FINANCED CLEAN ENERGY PROJECTS
2. PACE CAPITAL PROVIDERS FOR PROJECTS LOCATED IN BELOW “A” RATED MUNICIPAL MEMBERS OF THE NYS ENERGY IMPROVEMENT CORPORATION (EIC)

Proposals were accepted for Project Developers starting **March 15, 2017**.  
Proposals will be accepted for Capital Providers starting **February 12, 2018**.

*Information about this RFQ, including any modifications and announcements, can be found on EIC’s [website](#).*

### NYS PACE financing and EIC Overview:

Property Assessed Clean Energy (PACE) financing is authorized in New York (NY) State pursuant to NY’s PACE Law<sup>1</sup>, which recognizes that the reduction of energy consumption and Greenhouse Gas Emissions is a “public benefit” and as such, capable of being financed and repaid through a tax charge collected on a property tax bill. While the PACE legislation is applicable to all classes of buildings and PACE financing enables clean energy projects for most classes of buildings, PACE financing is currently only available for properties that are commercially-owned<sup>2</sup>.

EIC is a nonprofit NY State Local Development Corporation that has established NY State’s PACE financing facility to finance clean energy projects. EIC acts as a constituted authority on behalf of its municipal members across New York State, each of which has passed a local law to enable PACE financing and has entered into an agreement with EIC committing to perform certain obligations with respect to PACE financings made in their jurisdictions. EIC also works with its municipal membership to provide services to assist local property owners to complete clean energy upgrades.

### RFQ Overview:

The Energy Improvement Corporation (EIC) is issuing this Request for Qualifications (RFQ) to expand the availability of Property Assessed Clean Energy (PACE) financing to spur clean energy projects across New York State. By issuing the RFQ, EIC expects 1) to establish a pool of Project Developers experienced in implementing clean energy projects, as well as 2) to expand the availability of PACE capital in NYS to all municipalities.

EIC is seeking responses from **Project Developers** and **Capital Providers**.

**Project Developers** will indicate their ability to provide project development and/or assembly and submission of required documents from property owners, lienholders, appraisers, and capital providers

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<sup>1</sup> See Exhibit B, Municipal Sustainable Energy Loan Program, New York State General Municipal Law Article 5L § 119E-119GG (2015). <sup>2</sup> Eligible property uses include commercial, industrial, agricultural, multi-family, and non-profit.

<sup>2</sup> Eligible property uses include commercial, industrial, agricultural, multi-family, and non-profit.

(if applicable) that EIC deems necessary to complete the financial elements of an underwriting and approve the PACE financing. Project Developers may directly provide capital, or funding may be achieved through the EIC's existing PACE Finance facility. Project Developers must demonstrate the ability to establish systems and processes to develop multiple energy efficiency and/or renewable energy projects on a large scale. Project Developers must also demonstrate the ability to work with EIC to develop a streamlined approach to incorporate PACE finance into their business plans and customer offerings.

**Capital Providers** will indicate their ability to provide capital for the Energize NY PACE Finance facility to areas of the State that do not currently participate in PACE due to lower credit ratings, specifically below A rated municipalities, and in some cases, unrated municipalities. Capital providers must also demonstrate the ability to work with EIC to develop a streamlined and efficient flow of capital to property owners within EIC's membership.

**For questions regarding this RFQ**, please contact Susan Morth at [susanm@energizeny.org](mailto:susanm@energizeny.org). or telephone directly at 914-514-3298. Additional information on EIC may be found at: <http://energizeny.org/eic>. Responders may request an interview by EIC staff.

**Proposal Submission:** Electronic submission is preferable. EIC will also accept proposals via mail or hand-delivery. EIC will notify responders about EIC's willingness to pursue proposals further on a first come, first served basis. Proposals must be submitted in Microsoft Word or Adobe PDF format. Proposals must be searchable and should be created by direct conversion from MS Word, or other conversion utility, rather than scanning. All electronic files must be named using the responder's entity name in the title of the document as well as the title "EIC RFQ for Project Development Services." Electronic proposals may be submitted to Susan Morth at [susanm@energizeny.org](mailto:susanm@energizeny.org). If mailing or hand-delivering, responders may submit two (2) paper copies to:

Susan Morth  
Managing Director – Business Development  
Energy Improvement Corporation  
2051 Baldwin Road - Suite 107  
Yorktown Heights, NY, 10598

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## I. Program Framework and Terminology

**Property Assessed Clean Energy (PACE)** financing in New York is provided through EIC to eligible property owners in municipal member jurisdictions. Bonds are issued by EIC to provide capital that is obligated for repayment through the placement of a tax charge on the municipal tax bill. Municipal members agree to remit all tax charge payments to EIC for bondholder debt service, even during the delay caused by a delinquent tax payment. This municipal payment obligation may be waived on a case-by-case project basis. For purposes of this RFQ, respondents to the Capital Provider section are being requested where EIC's Municipal Member makes timely payments to EIC's Bond Trustee Account regardless of Property Owner timeliness and within municipal members with no credit ratings or have ratings below A. However, individual project funding on a non-make whole basis is also available, at a lower fee structure, should respondents prefer to pursue that structure.

- **Capital Providers:** Entities that are able to purchase EIC's bonds and supply capital in a ubiquitous manner to eligible projects in Member Municipalities that have no credit ratings or are rated below A.
- **Clean Energy Project:** Refers to energy efficiency and/or renewable energy measures that reduce energy consumption or provide renewable energy for existing as well as new buildings.
- **EIC Member Municipalities:** Refers to [municipalities](#) that have passed a local law to enable PACE financing and have entered into an agreement with EIC committing to perform certain obligations with respect to PACE financings made in their jurisdictions.
- **EIC PACE Financing Facility:** the platform that EIC has implemented for the issuance of conduit bonds secured by property owner tax charge payments.
- **Financial Document Services:** Collecting and assembling all documentation from property owners, lienholders, appraisers, and NYSERDA and/or utilities that EIC deems necessary to approve the financial elements of a PACE project and for providing EIC with the necessary documentation to that effect. See Appendix A for full Energize NY PACE underwriting documentation required.
- **Local Development Corporation:** A private, non-profit constituted authority often created by, and for the benefit of, local governments for economic development or other public purposes and which provides services on behalf of a County, City or Town.
- **NY PACE LAW:** NY State Municipal Law Article 5L that recognizes that the reduction of energy consumption and Greenhouse Gas Emissions is a "public benefit" that is capable of being financed by a municipality and repaid through a charge collected on a property tax bill.
- **Property Assessed Clean Energy (PACE) Finance:** A type of financing where a property owner opts to finance energy improvements by authorizing the Member Municipality where the property is located to provide the needed capital and add a special charge to the property's tax bill (a "Tax Charge") for that purpose.
- **Project Developers:** Refers to any firm engaged in systematically and programmatically designing, advising on, and/or installing clean energy systems such as architecture and engineering firms, energy services contractors, solar developers, etc.

- **Project Development Services:** Completing, assembling and providing to EIC all necessary documentation to enable EIC to approve the technical elements of a PACE financing project. This includes responsibility for interfacing with the property owner, troubleshooting all issues relating to the completion of the project and submission of all the necessary documentation to EIC to qualify for PACE financing. Responders are expected to describe their approach to Project Development Services within the EIC Underwriting Criteria described in Appendix A.
- **Project Pathways:** The different methods that Project Developers may use to qualify the technical aspects of a clean energy project for PACE financing in NY State.

## **II. RFQ for Project Developers**

This Request for Qualifications (RFQ) seeks responses from Project Developers experienced in implementing clean energy projects to provide Project Development and/or Financial Document Services by leveraging PACE financing through the Energize NY PACE Finance facility. Project Developer responders to this RFQ will need to demonstrate the ability to significantly grow demand for clean energy upgrades by leveraging PACE and NY State’s robust clean energy and economic development programs. The level of scale sought from responders by this RFQ is a minimum of \$3 million of completed clean energy project financings annually. Project Developers may submit to provide only Project Development Services or both Project Development and Financial Document services as described below:

- **Project Development Services:** Completing, assembling and providing to EIC all necessary documentation to enable EIC to approve the technical elements of a PACE financing project under the criteria outlined in Appendix A. This includes responsibility for interfacing with the property owner, troubleshooting all technical issues relating to the completion of the project and submission of all the necessary technical documentation to EIC to qualify the project(s) as eligible for PACE financing. Responders are expected to describe their approach to Project Development Services.
- **Financial Document Services:** Collecting and assembling all documentation from property owners, lienholders, appraisers, and capital providers (if applicable) that EIC deems necessary to complete the financial elements of an underwriting and approve the PACE financing of a project while providing EIC with the necessary documentation to that effect. See Appendix A for full Energize NY PACE underwriting documentation required.

Project Developers that do not wish to provide Financial Documentation Services will be provided with these services by EIC staff.

Successful responders to the Project Developer portion of the RFQ can expect to receive the following benefits:

- Support from NYS’s clean energy programs, marketplace and EIC’s PACE facility;
- Revenue from Project Development and/or Financial Document Services;
- The option to customize and/or private label the Energize NY PACE or EIC’s PACE facility to the needs of the responder’s client base;
- The ability to leverage the high credit quality of the EIC PACE facility to offer attractive financing to commercial, industrial, multifamily, agricultural, and non-profit property owners.

## Project Developer Services Requested and Qualifications

Interested responders must submit qualifications to provide support for projects through one of three Project Pathways. These three Project Pathways are the different methods that Project Developers may use to qualify a clean energy project for PACE financing in NY State. The Project Pathways are further described below. **Responders to this RFQ are not limited to any one Project Pathway.**

### Project Developer Project Pathways

For a project to qualify under the technical requirements for PACE financing under NY's PACE Law, the project must meet the requirements of at least one of three technical "Project Pathways" listed below. A responder may select more than one Project Pathway in its response to this RFQ.

1. **NYSERDA Programs**: Includes clean energy projects that are run through an established program managed by NYSERDA, such as the Multifamily Performance Program (MPP) or the Combined Heat and Power Program. A complete listing of NYSERDA's programs is available on its [website](#).
2. **Investor Owned Utility and Long Island Power Authority (LIPA) Programs**: Includes clean energy projects that are run through a program of LIPA or one of the following investor owned utilities that are regulated by the PSC.
  - a. [Central Hudson \(Central Hudson Gas & Electric Corporation\)](#)
  - b. [Con Edison \(Consolidated Edison Company of New York, Inc.\)](#)
  - c. [National Grid](#)
  - d. [NYSEG \(New York State Electric and Gas Corporation\)](#)
  - e. [Orange and Rockland Utilities, Inc.](#)
  - f. [PSEG-LI](#)
  - g. [RG&E \(Rochester Gas and Electric Corporation\)](#)
3. **NY State Commercial PACE (C-PACE) Guidelines**: For responders that do not wish to or cannot run projects through NYSERDA or utility programs as described above, the third Project Pathway is to comply with the NY State C-PACE Guidelines. EIC will review and approve of responders' planned compliance processes and procedures in accordance with the NYS C-PACE Guidelines. Under this Project Pathway, responders can establish and utilize their own process for complying with the NY State C-PACE Guidelines and will not be limited to only those clean energy projects that comply with an established NYSERDA or PSC-approved utility program. Such criteria shall be reviewed and approved by EIC prior to implementation of the responder's program and will be subject to EIC and/or NYSERDA periodic review to confirm conformity to the NY State C-PACE Guidelines. More information on NYSERDA's C-PACE Guidelines can be found on its [website](#).

### Project Developer PACE Finance Capital

Interested responders must select one of the following PACE finance capital options for financing a PACE qualified clean energy project:

- Option One: Pairing with EIC's Existing Capital Sources (Energize NY PACE)

- Option Two: Responder supplied capital to purchase bonds from EIC’s PACE facility
- **Project Developer pairs with EIC’s existing capital sources (Energize NY PACE):** responders that wish to develop projects that use EIC’s existing low-cost PACE capital sources. EIC has secured a line of credit from Key Bank that is available to finance completed clean energy projects in amounts not to exceed total draws of \$4.675 million. EIC has a commitment from Bank of America Capital Corp to purchase up to \$75 million of EIC’s bonds to permanently fund completed projects in most areas of the state. **EIC is also in the process to secure capital for the remaining parts of the state not covered by the above facility.** EIC’s base cost of capital is subject to market interest rate movements.
- **Project Developer supplies capital to purchase bonds issued through EIC’s PACE Finance facility:** EIC’s PACE facility, which includes EIC’s Master Indenture, EIC’s bonding authority, and municipal agreements and local laws with EIC municipal members is available to be leveraged by those responders that wish to develop projects that use their own capital sources. In addition to the requirements set forth in Appendix A, responders seeking to use their own capital must:
  - Accept the terms and conditions of EIC’s Master Indenture;
  - Develop a Supplemental Indenture to be accepted by EIC and EIC’s Trustee (US BANK);
 EIC will engage with a responder that can demonstrate the ability to generate annual financing volumes of at least \$5 million. **EIC’s PACE facility and related components are available for review upon request.**

**RFQ Requirements for all Project Developer Responders**

The following is an overview of certain principal duties of the Responder that EIC anticipates are essential to drive additional energy efficiency and renewable energy improvements to buildings in NY State. Responders must indicate how they intend to perform Project Development Services as described in Section I and II, above. Responders that wish to offer Financial Document Services in addition to Project Development Services must describe their process and procedures to qualify projects in accordance with the outline below and the elements described in Energize NY’s PACE underwriting documentation outlined in Appendix A.

Each Responder shall carefully examine the RFQ and all amendments, exhibits, links, revisions, and other data and materials provided with respect to this RFQ process. Responders should familiarize themselves with all requirements prior to submitting their statement of qualifications. Information about this RFQ, including any modifications and announcements, can be found on [EIC’s website](#).

The Responder(s) will at a minimum provide the following information:

**General Qualifications:**

- In a cover letter to EIC, briefly describe your firm, provide name, title, physical and e-mail address, and telephone number for individuals with authority to negotiate and contractually bind responder, and for those who may be contacted for clarifying or supporting the information provided in the response. Also in the cover letter, discuss your firm’s experience as a project developer.

- Discuss fully any conflicts of interest, actual or perceived, which might arise in connection with your firm's involvement with EIC.
- Provide any other information you believe would support your firm's representation of generating large volumes of successful projects.
- Describe any litigation, pending judgments, etc., which could affect your ability to enter into an agreement with EIC.
- Commit to a minimum dollar and transaction volume of eligible financing projects for EIC over a 1-year and 3-year period and characterize how integrating PACE will support these anticipated volumes.
- The Summary of your application(s) should show how you will establish systems and processes to develop multiple energy efficiency and/or renewable energy projects within EIC's Member Municipalities, as well as demonstrate the ability to work with EIC to develop a streamlined approach to incorporate PACE into their business plans and customer offerings.

**Technical Qualifications:**

- Describe the type and/or form of energy upgrade promoted, how it will be programmatically deployed in NY State and how these services will translate to increased energy upgrade activity in NY State.
- Indicate which Project Pathway or Pathways (NYSERDA, Utility or NYSERDA C-PACE Guidance) described above will be utilized.
- If using NY State C-PACE Guideline Pathway, outline detailed processes and procedures to ensure compliance with:
  - Minimum requirements for Energy Audits (if applicable);
  - Certifications of contractors performing Energy Audits (if applicable);
  - Guidance on eligible cost-effective Energy Efficiency Improvements (if applicable);
  - Guidance on eligible Renewable Energy Systems (if applicable);
  - Requirements for eligible Renewable Energy Feasibility Studies (if applicable);
  - Certifications of contractors to perform Renewable Energy Feasibility Studies (if applicable);
  - Verification and reporting on the installation and performance of Renewable Energy Systems and Energy Efficiency Improvements; and
  - Describe recommended procedures that EIC would utilize to confirm your compliance with the NY State C-PACE Guidelines.
- Describe any technical knowledge or any related subjects in which you feel your firm has special expertise.
- Responders should include three examples of past projects developing such projects and the processes to scale demand for such projects as part of their responses.
- Responses will be evaluated on the following criteria:
  - Firm's experience as a project developer
  - How type and/or technology of energy upgrade promoted will be programmatically deployed in NY State
  - How anticipated energy savings (MMBTU. KWH), renewable energy generation (KWH), the project's financial impacts (e.g.: cost savings, tax benefits, etc.) and avoided GHG

emissions (Tonnes) were calculated and generated per project and in aggregate over a 1 and 3yr time frame.

- Ability to complete, assemble and provide to EIC all necessary documentation to enable EIC to approve a PACE financing under the criteria outlined in Appendix A.
- Interface with the property owner and troubleshooting all issues relating to the completion of the project and submission of all the necessary documentation to EIC.
- Approach to Project Development Services within the current EIC Underwriting Process including providing a detailed explanation of how estimated energy savings, project economics and avoided GHG emissions will be reported in a format suitable for direct submission to EIC.

Including items above, Responders that wish to purchase bonds from EIC's PACE Facility should include:

- Brief discussion of your firm's experience as a project developer and capital provider (if not already discussed in response to a question above), including number of projects developed and underwritten; number of customers serviced, loan servicing experience; a description of the type(s), duration and amount of loans serviced/underwritten; total loan portfolio size; geographic service area; and number of loan originators involved in loan portfolio.
- Indicate whether your capital will require additional support through EIC Municipal Member backed principal and interest payments or Property-Owner backed principal and interest payments. A description for each option including EIC's fees are outlined in **Appendix B**.
- An Indication of expected volumes based on the discussion above. **EIC is targeting anticipated volumes of more than \$5 million annually for Responders that wish to purchase bonds from EIC's facility.**
- **Documents that form EIC's PACE facility and its related components are available for review upon request. EIC's staff is also available to review the facility in detail.**

#### **Document Collection Considerations:**

If the responder is contemplating providing Financial Document Services in addition to Project Development Services to EIC, the responder shall discuss how they will collect and assemble all documentation from property owners, lienholders, appraisers, and Capital providers (if applicable) that EIC deems necessary to approve the PACE financing of a project and for providing EIC with the necessary documentation to that effect. See Appendix A for full Energize NY PACE documentation required.

#### **III. RFQ for Capital Provider for Energize NY PACE**

EIC is seeking a financing services provider either as an Underwriter, Placement Agent, Direct Investor, or Lender to provide capital for Energize NY PACE financings made to commercial property owners in municipalities of the State with no credit ratings or with rated A- through BBB. Capital Providers must demonstrate that they would provide paired construction phase and low cost long-term capital and must demonstrate the ability to work with EIC to develop a streamlined and efficient flow of capital to projects across the state with terms between 5 years through at least 20 years. Capital will be targeted to commercial, industrial, multi-family, agricultural, and non-profit property owners and [projects](#) of different sizes within EIC's membership.

Local Laws enabling Energize NY PACE have been passed in multiple [municipalities](#) representing over 50% of the population of NYS (ex-NYC) and many others are considering participation. As a local development corporation, EIC is authorized to operate within a municipality upon the approval of the Local Law and the execution of the [EIC Municipal Agreement](#) by participating jurisdictions. Property owners enter into a [Finance Agreement](#) with EIC to authorize placement of tax charges on their property tax bill for the term of the obligation. These tax charge revenues will provide the primary repayment source available to responders, is equal dignity to other property taxes and other governmental tax charges and is collected on the same tax bill, in the same form and manner. Failure to pay any tax or charge on the bill creates a default on the entire bill. Under NYS tax law, the EIC Municipal Member has the right to place a lien on the property in the event of non-payment by the property-owner. Furthermore, tax charge revenues will be forward by the EIC Member Municipality regardless of payment of taxes by the property owner.

The EIC PACE facility included the capacity to add additional repayment support in the form of liquidity and reserve funds at the discretion of the responder. Another source of PACE charge repayments will include capitalized interest where the period between the assessment date and the initial payment on the tax bill is sufficiently long. EIC's Master Indenture, where creditor directed enhancements such as liquidity and debt reserves are described, is available upon request.

EIC currently issues tax charge secured bonds to finance loans in municipalities rated A and above and is seeking responses from underwriters/lenders/investors interested in providing a reliable outlet for EIC's Bonds to support projects in Municipalities as discussed above. Capital Providers must demonstrate that they would provide paired construction phase and low cost long-term capital and must demonstrate the ability to work with EIC to develop a streamlined and efficient flow of capital to projects across the state with minimum 20 year terms targeted to commercial, industrial, multi-family, industrial, and non-profit property owners and projects of different sizes within EIC's membership.

#### **RFQ Requirements for Capital Providers for Energize NY PACE**

Property owners enter into a Finance Agreement with EIC, which acts as the constituted authority of an EIC Member municipality, to authorize placement of tax charges on their property tax bill for the term of the obligation. These tax charge revenues will provide the sole repayment source available to responders, with the support of optional liquidity and reserve funds. The PACE tax charge imposed on the property is of equal dignity to other property taxes and other governmental tax charges and is collected on the same tax bill, in the same form and manner. Under NYS tax law, the EIC Municipal Member has the right to place a lien on the property in the event of non-payment by the property-owner. Furthermore, tax charge revenues will be forward by the EIC Member Municipality regardless of payment of taxes by the property owner. The tax charges will include capitalized interest where the period between the assessment date and the initial payment on the tax bill is sufficiently long.

EIC has contemplated numerous structures including short-term revolving funds, sale of long term debt obligations issued by EIC, and securitization of outstanding obligations

away from the EIC. Currently, EIC funds projects through bonds sold via private placement to Bank of America to fund projects in municipalities with credit ratings of A and above. EIC prefers to engage a Financing Service Provider or team of providers that readily demonstrate the capability and performance experience to deliver a program funding solution that assures:

- 1) \$50mm in capital over 2yrs
- 2) Terms of between 5 years through at least 20 years
- 3) Both construction phase as well as long-term capital
- 4) Prepayment options
- 5) Low interest costs
- 6) Capacity to supply capital to a wide variety of qualified projects.
- 7) Capital available to EIC Municipal Members either unrated or rated BBB- to A-

EIC will be seeking identification of the responder as a registered broker-dealer, or if not so registered, a qualified institutional buyer of bonds to be issued by EIC.

To the extent that a revolving source of funds is utilized, it must be adequate to allow for continuous funding of the costs of eligible improvements secured by tax charges on the improved property, assuming a statewide implementation of the Program.

Any Respondent seeking to provide Program financing services must demonstrate its experience, capability and commitment to finance the Program as described in the preceding paragraphs. To the extent that funding is being offered by a third party, a commitment letter will be required and may be defined as confidential by the Respondent.

### **Capital Providers Proposal Questions**

Please provide responses to the questions below.

#### **A. Credit and Market Strategy**

- Please discuss your understanding of the credit of EIC's PACE facility and any potential changes or enhancements to the security for the facility, including use additional enhancement or adjustments to the liquidity and debt service reserve funded amounts. EIC's Master Indenture, where creditor directed enhancements such as liquidity and debt reserves are described, is available upon request.
- Discuss your marketing strategy and the expected investor base, if applicable. Elaborate on any challenges that EIC will face in the current market environment.
- Identify whether a credit rating for EIC's PACE facility will be required for your firm's participation, and if so, intended rating agency(ies), credit strategy, and any steps already taken to secure a rating for your solution.

**B. Indicative Pricing**

- Please provide indicative coupons and yields for each maturity from 1 to 20 or longer years. Include identification of the current spread to an easily recognized index (as of Feb 5, 2018) for each maturity. Clearly state all assumptions (e.g. debt service reserve fund, call feature, etc.). Identify any comparable bond pricing that was used to determine the proposed spread for EIC bonds. Make sure to include frequency of rate reset and method of determination at each period.
- Include a link to the most recent financial statement from your firm (or if private, include as an attachment), acknowledging capacity to underwrite up to \$50 million in obligations. If you are serving as aggregator for (an) outside investor(s), you must include a signed acknowledgement of their commitment to purchase obligations secured by your firm. Outside investors can be identified as CONFIDENTIAL and will remain unnamed in all public disclosure of proposals received.

**C. Experience**

Outline your firm's experience (par value and number of transactions per year) with any assessment or special tax secured bonds issued in the past five years. Additionally, if your firm has purchased PACE secured obligations, please identify program(s), par amounts, tenor, pricing and other specific terms – e.g. reserve funds, foreclosure rights, etc.

**D. Project Team**

- EIC expects that responding firms have the interest and capacity to serve as senior manager for this transaction. Please indicate if your firm is interested in participating as co-manager or intends to partner with other firms and/or investors to secure financing to purchase these obligations. If your funding sources are CONFIDENTIAL, please indicate in every occurrence to assure that names will be redacted from public disclosure.
- Detail the level of staffing and experience of the individuals you intend to commit to this assignment. Provide principal contact(s) with phone numbers and email addresses. Provide resumes for the principal contacts, emphasizing recent experience with land-secured financing. Include at least two references for the firm's primary contact that has worked with the primary contact on a comparable bond issue.
- Identify your proposed underwriter's counsel, if any. EIC has already retained Bond Counsel. Identify any disclosure document preparation, offering statement or otherwise, that will be required and provide details of required information expected from EIC.

**E. Fees**

- Provide the proposed takedown for each maturity of the bonds (years 1 to 20 or longer), or other fee basis payable to the responder. Include a detailed breakdown of included expenses (e.g., underwriter's counsel) on an actual cost basis.

**F. Evaluation Criteria**

EIC will review and rank the proposals using the following criteria.

- Experience of the assigned individuals: The experience and understanding of the assigned individuals with comparable financing plans.

- Experience and capabilities of the firm in similar transactions: The firm-wide experience marketing and serving as senior managing underwriter, placement agent, or direct purchaser for obligations similar to the proposed EIC offering. Historical coverage, experience, and understanding of EIC.
- Price/cost: Expected ability to place the refunding bonds at the lowest interest rates. Proposed takedown.

EIC retains the right to request clarification of any information submitted in any proposal, to waive any irregularities in any proposal, to schedule interviews with one or more firms, and/or to accept or reject any proposal in whole or in part.

EIC will accept proposals on a first come, first serve basis starting on the dates listed in the heading. However, EIC reserves the right to stop accepting proposals at any time and for any reason. EIC will respond to each submission within thirty (30) business days of receipt, and will select on an ongoing basis the proposals it will move forward with. Project Developers of all types are encouraged to respond to this RFQ, including Project Developers that already have worked with EIC or have used Energize NY PACE for some of their projects. There are no set limits on the number of proposals that EIC will accept or on the number of Project Developers that EIC will select to engage with regarding the use of Energize NY PACE or EIC's PACE facility.

#### **G. General Terms and Conditions:**

- EIC reserves the right to accept or reject any or all of the statements received in response to the RFQ, to waive irregularities, or to cancel or modify the RFQ in any way and at any time EIC chooses, in its sole discretion, if EIC determines that it is in the interest of EIC.
- EIC reserves the right to seek clarification from any responder regarding its submission and may do so without notification to any other responder.
- EIC reserves the right, at its own cost and expense, to perform a complete financial review as well as an on-site investigation of any responder's facilities to ensure it can meet the demands of EIC and the responsibilities identified in this RFQ.
- Responses must be signed by an authorized officer of the responder.
- EIC will not be responsible for any expenses incurred by any responder in conjunction with the preparation or presentation of any response with respect to this RFQ and no response materials will be returned.
- EIC's selection of a responder through this RFQ is not an offer and EIC reserves the right to continue negotiations with the selected responder until the parties reach a mutual agreement.

#### **IV. About EIC**

EIC acts as a constituted authority on behalf of its municipal members across New York State, each of which has passed a local law to enable PACE financing and has entered into an agreement with EIC committing to perform certain obligations with respect to PACE financings made in their jurisdictions. As of the date of this RFQ, 41 municipalities across NY State representing about 58% of the State's non-New York City population, have become EIC members. Please see Exhibit A to see EIC membership activity across NY State.

## **Exhibit A: List and map of current EIC Municipal Members**

[http://commercial.energizeny.org/participating\\_municipalities](http://commercial.energizeny.org/participating_municipalities).

## **Exhibit B: New York General Municipal Law**

ARTICLE 5-L: MUNICIPAL SUSTAINABLE ENERGY LOAN PROGRAM

<http://commercial.energizeny.org/eic/archives/category/enabling-legislation>

## **Exhibit C: Additional Municipal Criteria**

*The Municipalities listed below have additional criteria required to enable approval of a PACE finance project. Samples of the type of criteria are below. Details of the additional criteria within each municipality listed below are available upon request.*

### **SAMPLE ADDITIONAL CRITERIA:**

1. *Financing shall not be issued for properties whose owners have failed in the current and/or three previous years to make timely payment of property taxes on any property within the County in which they have an ownership interest.*
2. *Financing shall not be issued for facilities housing a business engaged in the wholesale or retail distribution of petroleum products which are stored on the property in underground storage tanks, nor to other properties deemed by the County to present a high risk of environmental contamination.*
3. *The cumulative amount of outstanding loans being issued under the Municipal Agreement shall not at any time exceed \$XX million.*

TOMPKINS COUNTY

ITHACA CITY

DUTCHESS COUNTY

SULLIVAN COUNTY

ALBANY COUNTY

TOWN OF POUND RIDGE

TOWN/VILLAGE OF MOUNT KISCO

RYE CITY

## **Appendix A: EIC Underwriting Criteria:**

[http://energizeny.org/images/uploads/ENY\\_PACE\\_2dot0\\_Standards.pdf](http://energizeny.org/images/uploads/ENY_PACE_2dot0_Standards.pdf)

## **Appendix B: EIC's PACE Fee Structure**

For the provision of (a) EIC's financing facilities; (b) underwriting review and approval, (c) Master Indenture credit risk enhancement (for projects with EIC Municipal Member backed principal and interest payments) and (d) ongoing administrative services for payment, collection and disbursement of funds during the life of the PACE financings, EIC assesses one-time closing fees and ongoing

administration fees as follows, paid by the property owner. Any or all of the one-time fees, as well as capitalized interest, can be financed as part of the Energize NY PACE financing.

Fees for projects with **EIC Municipal Member backed principal and interest payments** where EIC's Municipal Member makes timely payments to EIC's Bond Trustee Account regardless of Property Owner timeliness of tax bill payment: (based on total funding amount):

- EIC's current Administrative Fee is 1.5%, capped at \$75,000, and collected at closing of the financing
- 0.50% collected upon disbursement to fund Municipal Reserve Fee (for the benefit of Member Municipalities)
- 0.25% collected upon disbursement to fund the Municipal Tax Delinquency Fund Fee (for the benefit of Member Municipalities participating in the Municipal Tax Delinquency Fund)
- Appraisal fee (varies) (subject to project size and LTV (loan to value) of property being underwritten)
- Title Search Fee (varies)
- 1.10% Imbedded Surcharge on EIC Sourced capital, collected annually with the tax charge

EIC's rates as of the date of this RFQ are as follows:

**5 year = 5.20%**

**10 year = 5.65%**

**15 year = 6.00%**

**20 year = 6.17%**

Fees for projects with **Property Owner backed principal and interest payments** where EIC's Municipal Member collects and enforces the Property Owner's tax bill but does **not** make payment in the case of a Property Owner delinquency: (based on total funding amount):

- EIC's Administrative Fee is 1.5%, capped at \$75,000, and collected at closing
- Appraisal fee (varies) (subject to project size and LTV (loan to value) of property being underwritten)
- Title Search Fee (varies)
- .25% Imbedded Surcharge on EIC Sourced capital, collected annually with the tax charge

#### **Appendix C: Local Law to Establish Sustainable Energy Loan Program**

[http://energizeny.org/images/uploads/ENY\\_Benefit\\_Finance\\_Local\\_Law\\_FINAL.pdf](http://energizeny.org/images/uploads/ENY_Benefit_Finance_Local_Law_FINAL.pdf)

#### **Appendix D: Municipal Member Agreement**

[http://energizeny.org/images/uploads/2\\_Municipal\\_Agreement\\_restricted.pdf](http://energizeny.org/images/uploads/2_Municipal_Agreement_restricted.pdf)