



Building Bridges to Net Zero



EQUIPMENT FINANCING

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Simple Equipment Secured Only Financing



M-Core

- Incorporated in 1992. Headquartered in Montebello, New York.
- Finance energy retrofit equipment, trash compactors, office furniture, telephone systems, computer equipment, security equipment, and more.
- Client space is generally multifamily Co-ops, Condo's, rental buildings, commercial buildings and Housing Authorities.

M-Core

- Experience in energy projects began in 1997 when M-CoreTM Credit was chosen to operate Valley Credit Services, for Valley Resources, gas utility, in Cumberland, Rhode Island.
- Have provided financing to housing authorities making energy improvements across the country.
- M-CoreTM Credit Corporation has become the largest NYSERDA lender in New York State and the most active and experienced multifamily energy savings project financier.

M-Core

- Have committed \$50,000,000.00 to Mayor Bloomberg's Clean Heat financing initiative representing the single largest commitment and the only commitment by an experienced lender in this arena.

Equipment



Equipment



Current state of energy efficiency financing?

- The good news is there are more financing options than ever.
- Unfortunately this brings along a lot of noise and confusion about financing.
- All kinds of Wall Street friendly scenarios and schemes are floating around, some have never been done and some make no financial sense for a credit worthy borrower.

What Can be financed?

- Single measure or comprehensive
- Energy Savings Improvements
- Boilers, HVAC, Chimney Liners, Controls
- Water Savings measures
- Solar, Cogeneration, Geothermal, Lighting
- Roof replacement, trash compactors & more
- Energy consultant/ partner and engineering fees

Why use equipment secured only financing?

- We didn't just invent this, been doing this for past 20+ years.
- Simplest & easiest financing method, not complicated and drawn out. Works for most projects with minimal fees.
- Financing term can be matched to savings return of energy savings measure implemented.
- Permits 100% financing of project cost.
- Conserves reserve funds for critical needs that can not be financed and protects the financial strength of the building for future tenants and buyers.
- Can permit continued investment of available cash.

Why use equipment secured only financing?

- Financing alleviates cash flow burden that would be created by a lump sum expenditure & matches debt payments to the project savings.
- Retain reserves for emergencies & financial strength in the eyes of purchasers & their mortgage lenders.
- Building can make more favorable agreements with commodity suppliers and equipment vendors when the financing is not wrapped into an ESCO or supplier deal. YOU keep the savings!
- Does not jeopardize ability to apply for MCI rent increase to DHCR under rent regulated buildings.
- Does not jeopardize ability to apply for J-51 tax rebate.
- Does not require mortgage lender to subordinate to tax lien or any lien.

Equipment secured only Transaction Structures

- Multi-family and commercial financing will range from 2- 7 years. \$50,000.00 plus.
- Larger projects can be structured with interest only payments to match the build-out period and materialization of the savings.
- Municipal leases range from 3 to 15 years.
- NYSERDA GJGNY reduced rate financing.
- Other structures such as PPA's and PACE have their limited applications.

Equipment secured only Transaction Structures

- Typical Housing Authority transactions:
 - 1 year of interest only
 - 12-14 years of fixed quarterly payments
- Interest rates are determined by a variety of factors, including the cost and type of the financed property, the term of the agreement, and the borrower's credit rating.

Small Business and Not-for-Profit Financing Program

- Before the Loan
 - Applicant must have an energy audit to participate
 - NYSERDA will review applicant's energy project and Request for Financing Package and provide approval letter
 - Applicant will bring approved package to Lender with copy of Participation Agreement.



Multifamily Buildings Financing Program

- First Step: Quantify Energy Benefits
 - Must participate in the Multifamily Performance Program and receive an **approved** Energy Reduction Plan.
 - Any project with an approved Energy Reduction Plan can participate, even if the project previously dropped out of MPP.
 - Borrower works with NYSERDA to develop “Pre-Approval of Energy Efficiency Measures Form.”



Multifamily Building Energy Efficiency Financing Program

NYSERDA Pre-Approval of Eligible Energy Efficiency Measures

Appendix A

The Green Jobs / Green New York Multifamily Building Energy Efficiency Financing Program will provide participating lenders with 50% of the principal used to finance eligible energy efficiency improvements at an interest rate of 0%.

1. Improvements must be evaluated and recommended in a NYSERDA-approved Energy Reduction Plan developed through the Multifamily Performance Program.
2. Improvements must have a savings to investment ratio (S.I.R.) of 1.0 or greater.
3. NYSERDA's share of the sum advanced to the borrower under the Green Jobs / Green New York Multifamily Building Energy Efficiency Financing Program shall not exceed \$5,000 per apartment, and shall not exceed \$500,000 per project.
4. The term of the loan shall not exceed the weighted useful life of the improvements contained herein.
5. The sum advanced to the borrower under the Green Jobs / Green New York Multifamily Building Energy Efficiency Financing Program shall not exceed the costs of improvements eligible for financing extended through the program. Eligible costs include all costs associated with the design, specification, and installation of eligible improvements less the value of any other incentives awarded to support said improvements by NYSERDA.

This document serves to certify to both the Lender and Borrower that NYSERDA has approved the following improvements for compliance with program requirements:

Project name: Doe Apartments

Measure	Name	Cost	SIR
Reduce infiltration by replacing all apartment and common area windows.	Envelope - Windows	\$277,375	0.8
Install EMS/Reinstall Vacuum System for Temperature Reduction	HVAC - EMS	\$60,000	3.2
Reduce Boiler Operating Temperature/Insulate Condensate Tank	Other	\$10,000	0.2
17th Floor Lighting Replacement	Lighting - Common Fixtures, Exit	\$300	4.9
Boiler Room Lighting Replacement	Lighting - Common Fixtures, Exit	\$550	0.6
Lobby, vestibule Candelabra Replacement	Lighting - Common Fixtures, Exit	\$6,500	1.8
Laundry Room Lighting Replacement	Lighting - Common Fixtures, Exit	\$1,643	0.5

NYSERDA Pre-Approval of Eligible Energy Efficiency Measures

Gas Meter Room	Lighting - Common Fixtures, Exit	\$293	0.2
Basement Corridor Lighting Replacement	Lighting - Common Fixtures, Exit	\$2,555	1.4
Exterior Front Photocell	Lighting - Exterior	\$314	3.7
Storage Room Fixture	Lighting - Common Fixtures, Exit	\$520	0.2
Elevator Motor Room Fixture	Lighting - Common Fixtures, Exit	\$130	0.2
Partner Fees - Construction Period	Fees	\$6,500	N/A
Construction Management Fees	Fees	\$36,018	N/A
Totals	TOTALS:	\$402,698	1.1

Total MPP incentives provided for construction: \$46,800

Total eligible work scope cost less NYSEDA incentives: \$355,898

NYSERDA will provide the participating lender up to \$177,949 of the principal used to finance this energy efficiency work scope at an interest rate of 0%.

The weighted useful life of this list of improvements is 19 years, which is the maximum loan term that will be subsidized by NYSEDA.

This document must be included in the loan package submitted by the Lender to NYSEDA for reimbursement of the NYSEDA share of the loan. This document shall be Appendix A.

Signature
Michael Colgrove
Director of Energy Programs
New York City Office
NYSEDA

DATE

Multifamily Buildings Financing Program

Green Jobs / Green New York Multifamily Building Energy Efficiency Financing Program NYSERDA Pre-Approval of Eligible Energy Efficiency Measures

The Green Jobs / Green New York Multifamily Building Energy Efficiency Financing Program will provide participating lenders with 50% of the principal used to finance eligible energy efficiency improvements at an interest rate of 0%.

1. Improvements must be evaluated and recommended in a NYSERDA-approved Energy Reduction Plan developed through the Multifamily Performance Program.
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4. The term of the loan shall not exceed the weighted useful life of the improvements contained herein.
5. The sum advanced to the borrower under the Green Jobs / Green New York Multifamily Building Energy Efficiency Financing Program shall not exceed the costs of improvements eligible for financing extended through the program. Eligible costs include all costs associated with the design, specification, and installation of eligible improvements less the value of any other incentives awarded to support said improvements by NYSERDA.

This document serves to certify to both the Lender and Borrower that NYSERDA has approved the following improvements for compliance with program requirements:

Measure #1 - Name, Cost, and SIR
Measure #2 - Name, Cost, and SIR
Measure #3 - Name, Cost, and SIR
Etc.

The weighted useful life of this list of improvements is **XX** years, which is the maximum loan term that will be subsidized by NYSERDA.

This document must be included in the loan package submitted by the Lender to NYSERDA for reimbursement of the NYSERDA share of the loan.

Signature DATE
Michael Colgrove
Director of Energy Programs
New York City Office
NYSERDA

- No 15% energy reduction target
- Only requirement is that the package needs to have an SIR of 1.0 or greater
- Loan term can be up to cost-weighted life of improvements



Multifamily Buildings Financing Program

- After receiving a NYSERDA-approved “Pre-Approved List of Eligible Measures Form” from an Applicant Lenders:
 1. Conduct a credit analysis of the Applicant according to their standard underwriting criteria.
 2. Establish a loan term.
 3. Fill out and sign the GJGNY Participation Agreement and attach it to the approved Request Package.
 4. Send package to NYSERDA for final approval.



How to Get Started

- When to start looking into financing
- When to call M-CoreTM Credit Corporation
- Proposal

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