

**Energy Efficiency / Renewable
Energy Financing Event
MN Department of Commerce
January 13, 2016**

ENERGY SAVINGS PARTNERSHIP

Annual Appropriation Leasing



**Peter M. Klein
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Saint Paul Port Authority**

SAINT PAUL PORT AUTHORITY STATEWIDE ENERGY FINANCING PROGRAMS

- **Property Assessed Clean Energy (PACE)**
- **Trillion BTU (TBTU)**
- **Energy Savings Partnership (ESP)**
- **Anaerobic Digestion Facilities (AD)**

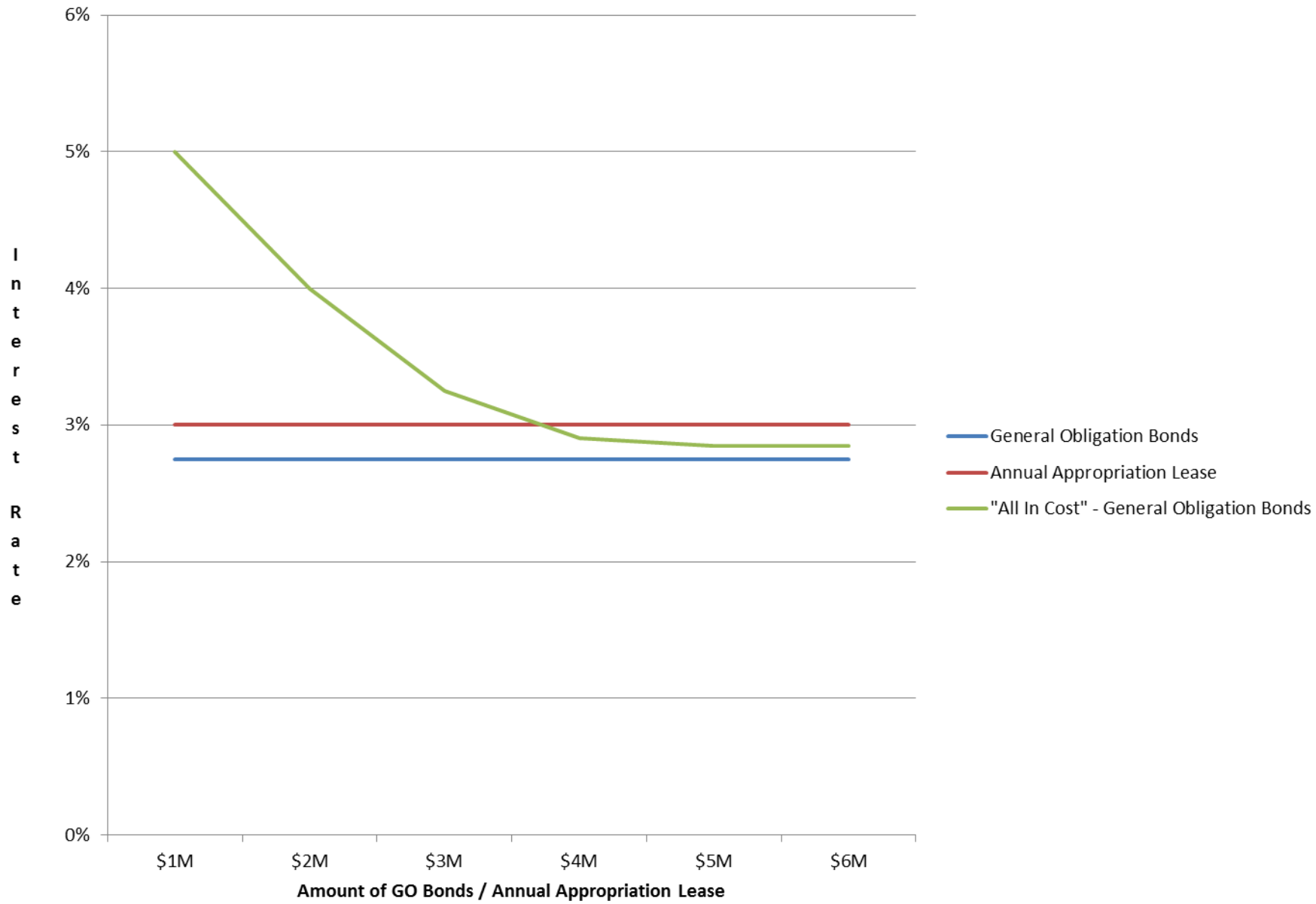
Benefits of Municipal Leasing

- **100% Financing** – No down payment is required. Financing may be provided for 100% of the cost of the asset including freight and installation. Lessees are effectively cash buyers, and all vendors promptly paid.
- **Off-Balance Sheet Financing** – As an annual appropriation lease, there is no bond obligation, and the lease is not recorded as a liability in the financial statements of the lessee.

- **Lease to Own** – Each payment is invested in the future unencumbered ownership of the asset. There is no additional cost, residual value or balloon payment due at the end of the lease term.
- **Tax-exempt Interest Rates** – Lower interest rates are passed along to the Lessee when the interest portion of the payment is exempt from federal taxes. The low-cost financing plan protects against future rate increases by providing fixed installments for the term of the lease.

- **Terms** – The financing term is matched to the useful life of the equipment up to 15 years. No large capital outlay is required and taxpayers pay for the assets and improvements only as they are used.
- **Simple Approval Process** – When compared to the process involved in a bond referendum, lease financing is far simpler and flexible, and many of the costs typically associated with bond financing are reduced or eliminated.

- **Specifications and ESCO Guarantees** – The municipality selects the desired equipment and manufacturer, specifies features and tailors the design to meet current needs. All warranties and guarantees from the manufacturer or vendor are directly available to the Lessee.
- **Delivery for Immediate Use** – The financing can be accomplished in a short period of time, providing the opportunity for ownership at the current acquisition price, and for the immediate use of the required asset.



ENERGY SAVINGS PARTNERSHIP – FINANCING

Lessor: US Bancorp Government Leasing and Finance, Inc.

Lessee: Wabasha Kellogg ISD 811

Equipment: Energy Retrofit

Closed: January 10, 2016

Proposed Structure and Payment Options:

<u>Cost</u>	<u>Interest Rate</u>	<u>Payment</u>	<u>Term</u>	<u>Pmts/Yr</u>	<u>Adv/Arr</u>
\$623,825.00	3.06%	\$52,482.73	15 yrs.	1	arrears

ENERGY SAVINGS PARTNERSHIP – FINANCING

Lessor: US Bancorp Government Leasing and Finance, Inc.

Lessee: Gibbons Fairview Winthrop ISD 2365

Equipment: Energy Retrofit

Closed: January 10, 2016

Proposed Structure and Payment Options:

<u>Cost</u>	<u>Interest Rate</u>	<u>Payment</u>	<u>Term</u>	<u>Pmts/Yr</u>	<u>Adv/Arr</u>
\$896,828.00	3.06%	\$75,450.62	15 yrs.	1	arrears

ENERGY SAVINGS PARTNERSHIP – FINANCING

Lessor: US Bancorp Government Leasing and Finance, Inc.

Lessee: City of Mounds View

Equipment: 80KW Solar Installation and Energy Retrofit

Closed: February 23, 2015

Proposed Structure and Payment Options:

<u>Cost</u>	<u>Interest Rate</u>	<u>Payment</u>	<u>Term</u>	<u>Pmts/Yr</u>	<u>Adv/Arr</u>
\$874,964.00	2.99%	\$7,238.73	12 yrs.	12	arrears

For More Information

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