



Zero-Cost Funding for Cities, via Green Monetizations or Reverse Privatizations

Class Green Capital Partners provides low-cost, general-purpose funding alternatives to cities and other entities (collectively, “cities”) while improving the energy and operating performance of their owned and leased buildings and infrastructure. The resulting combined cost of capital can be zero or even negative - unlike for conventional bonds, privatizations, or stand-alone energy performance contracts or power purchase agreements.

Program Fundamentals

Class Green, an SEC- and MSRB-registered municipal advisor:

- Offers cities \$10-100MM+, ***potentially with zero net cost of capital or budget impact***
- Uses as the underlying collateral existing or to-be-constructed city-owned or leased buildings (including office buildings, garages, police and fire stations, schools, etc.), subject to new long-term city leases, ***with ownership reverting to the cities at the end of the lease***
- Invests a portion of the proceeds in the environmental and operating performance of the assets, or other city buildings or infrastructure, ***decreasing the cities’ energy and operating costs, reducing carbon emissions, and improving employee health and productivity***

Sample Transactions with Zero or Negative Net Cost of Capital or Budget Impact

- **Green Monetization:** A city sells certain owned properties to a governmental authority (or special-purpose entity) and “net leases” them back for 15-20 years, with a \$1 repurchase option at the end of the lease. Class Green works with the authority or SPE to issue COPs or bonds, and with the city to retrofit the properties (or other city buildings or infrastructure). Half the proceeds are used for retrofits with an average payback period of 7 years or less, the other half for other capital or budget priorities the city may have.
- **Green Reverse Privatization:** Class Green works with a city to “lease-purchase” and improve certain buildings it currently leases, using tax-exempt COPs or bonds to fund the transaction. This structure replaces lease payments with lower COP or bond payments, and reduces the buildings’ operating costs through energy efficiency and other measures.

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