

..TITLE

ORDER AUTHORIZING THE MAYOR OF THE CITY OF NEW HAVEN TO ENTER INTO A BRIDGE LOAN AGREEMENT WITH THE CONNECTICUT GREEN BANK IN ORDER TO FINANCE THE CONSTRUCTION OF A NETWORKED GEOTHERMAL SYSTEM.

..BODY

WHEREAS, as part of the Environmental Protection Agency's (EPA) Climate Pollution Reduction Grants Program: Implementation Grants General Competition (CPRG), the City of New Haven proposed to construct a networked geothermal system and to retrofit Union Station, with a ground-source heat pump to serve as the station's primary source of heating and cooling;

WHEREAS, following a highly competitive nationwide request for proposals, the City's proposal to EPA was selected for funding through CPRG;

WHEREAS, a key criterion of the CPRG competition is that applicants make use of existing funding sources and incentives to complete projects;

WHEREAS, the City's proposal will receive \$9,471,615 in funding from EPA to pay for the portion of the project costs that would not be eligible for reimbursement through incentives available for geothermal projects from Energize CT and the Inflation Reduction Act (IRA);

WHEREAS, the City plans to utilize these incentives, in particular the IRA's domestic content and prevailing wage and apprenticeship provisions, to obtain reimbursement for the remaining costs, which are projected to total \$7,114,410;

WHEREAS, the City is seeking authorization to obtain low-interest bridge financing from the Connecticut Green Bank for its portion of the project costs until it can obtain reimbursement;

WHEREAS, through the Greenhouse Gas Reduction Fund, the Connecticut Green Bank is able to offer bridge loan financing at a 3% interest rate;

WHEREAS, interest only bridge financing from the Green Bank will allow the City to seek full reimbursement through the Inflation Reduction Act for its share project costs;

WHEREAS, bridge financing for this project has the potential to not only unlock substantial grant funding from EPA but also to catalyze the development of a networked geothermal system that offers a new model for affordable, clean heating and cooling;

WHEREAS, this system has the potential not only to serve Union Station and the transit-oriented development planned around this key transportation hub, but also to extend affordable, clean heating and cooling to the Hill neighborhood adjacent to Union Station and to create many strong job opportunities for New Haven residents;

NOW, THEREFORE, be it ORDERED by Board of Alders of the City of New Haven that the Mayor, is authorized to borrow up to \$7,114,410 in bridge loan financing from the Connecticut Green Bank with a three percent (3%) interest rate and a four (4) year term and an option to extend the agreement on the same terms for up to two (2) one (1) year periods. The Mayor is also

authorized to execute such documentation as is necessary to complete the transaction, including, without limitation the provision of indemnification.