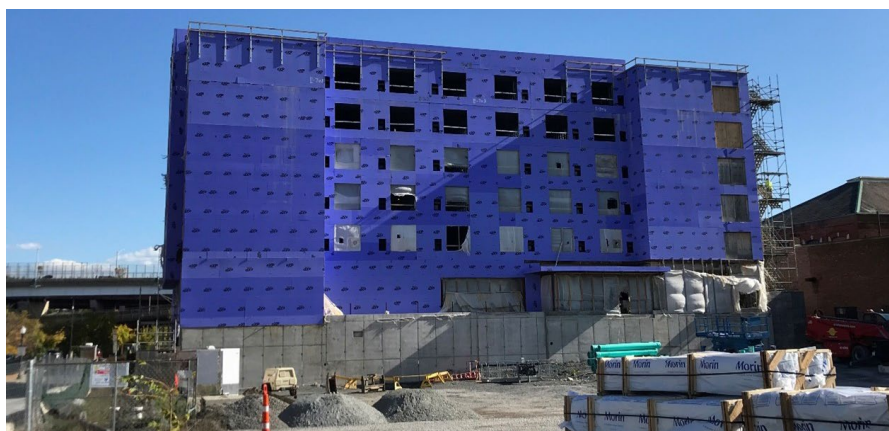


Transaction Profile

Financing in action

HYATT PLACE ALBANY DOWNTOWN

Construction-to-term loan, alongside C-PACE, that supports the construction of an all-electric hotel at a recovered brownfield site in downtown Albany



Pioneer Management Group will use NY Green Bank's facility to finance the construction and operation of 705 Broadway Hotel, a fully electrified Hyatt-branded hotel located in an Albany Opportunity Zone.

Market Barriers and Solutions

Owners and developers of new construction projects are not always able to secure appropriately priced capital based on projected energy savings and cost-benefit analysis. NY Green Bank's facility demonstrates senior lender comfort in investing in all-electric, new building projects with C-PACE financing.

Transaction amount: **\$12.0 million**

Counterparty:

(Project Borrower) Pioneer Management Group

(C-PACE Lender) Greenworks

Product: **Construction-to-term loan**

Date closed: **August 2022**

Estimated lifetime metric tons

CO₂e reduced: **2,273**

Technologies: **Energy efficiency, building decarbonization**

Location: **Upstate**

End-use segment: **Commercial & Industrial**



“NY Green Bank is a key component of New York’s nation-leading climate and clean energy agenda, and we are thrilled to have closed our first C-PACE project with them. We are confident there will be many more projects to come with NY Green Bank as we work to achieve our shared mission of mitigating climate change”.

*Jessica Bailey,
President and CEO
Nuveen Green Capital
(parent organization of Greenworks)*

Construction-to-term loan alongside C-PACE to support the construction of an all-electric hotel

Hyatt Place Albany Downtown

In August 2022, NY Green Bank (“NYGB”) provided a \$12.0 million construction-to-term loan to Pioneer Management Group, alongside C-PACE lender Greenworks. Pioneer Management Group will use NYGB’s facility to finance the construction and operation of 705 Broadway Hotel, a fully electrified Hyatt-branded hotel located in an Albany Opportunity Zone.

Transaction Description

NYGB’s facility will finance the construction and operation of a fully electrified, 110-key Hyatt Place in Albany, NY, signaling to the current construction lending environment that Carbon Neutral-ready¹ design hotels are financeable. The full electrification represents a higher standard of decarbonization than previously considered before NYGB’s entrance into the Project. This transaction represents NYGB’s first transaction alongside Greenworks, a noted C-PACE Lender, and demonstrates senior lender comfort with C-PACE financing with a hotel franchise.

This Transaction Profile is provided pursuant to the updated NY Green Bank – Metrics, Reporting & Evaluation Plan, Version 3.1 (the “**Metrics Plan**”) developed in collaboration with the NYS Department of Public Service and filed with the NYS Public Service Commission (the “**Commission**”) on May 2, 2022.² This Transaction Profile contains specific information in connection with the Albany Hyatt transaction entered into in August 2022, as required by the Metrics Plan.³

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset Loan & Investment	Construction-to-Term Loan	\$12.0 million

Location(s) of Underlying Project(s)

Upstate. The Project is located in Albany, NY.

¹ In accordance with NYSERDA, a project that excludes all fossil fuels from the building systems and equipment qualifies as Carbon Neutral-ready. Building systems and equipment at a minimum refers to building heating, ventilating and air conditioning (HVAC), domestic hot water (DHW), kitchen, laundry, and other appliances. Projects that rely on a fossil fuel-fired generator for emergency use only, or projects which are served by an off-site fossil fuel-fired central heating plant, may at NYSERDA’s sole discretion qualify as Carbon Neutral-ready if fossil fuel use is excluded from all other building systems and equipment. NYSERDA, at its sole discretion, will consider exemptions to the carbon neutral rule for process and other unregulated loads on the site on a case-by-case basis.

² Case 13-M-0412.

³ See Section 4.0 at page 8 - 9 and Schedule 3.

Types of Organizations that are Transaction Participants

	Name	Participant Type
Counterparty	Pioneer Management Group	Project Borrower
Counterparty	Greenworks	C-PACE Lender

Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
Owners and developers	Owners and developers of New Construction projects are not always able to secure appropriately priced capital based on projected energy savings and cost-benefit analysis.	NYGB's facility demonstrates senior lender comfort in investing in all-electric, new building projects with C-PACE financing.

Technologies Involved

Technology	Measures
Energy Efficiency / Building Decarbonization	E.g., High performance building envelope; lighting; HVAC system; hot water system, etc.

Metrics & Evaluation Plan

Planned Energy & Environmental Metrics

NYGB's minimum investment criteria require that "transactions will have the potential for energy savings and/or clean energy generation that will contribute to greenhouse gas ("GHG") emission reductions in support of New York's energy policies".⁴ In addition, the Metrics Plan requires that the following energy and environmental measures applicable to this transaction be reported:⁵

- Estimated lifetime and annual total energy savings (MMBtu equivalent)
- Estimated lifetime and annual natural gas fuel savings (MMBtu)

The estimated gross lifetime and annual energy and environmental impacts of the investment are as follows:

Energy/Environmental Impact	Lifetime Low Estimate	Lifetime High Estimate	Annual Low Estimate	Annual High Estimate
Estimated total energy savings (MMBtu equivalent)	1,784	1,784	42,827	42,827
Estimated natural gas fuel savings (MMBtu)	Same as above			
Estimated GHG emission reductions (metric tons)	95	95	2,273	2,273

⁴ Case 13-M-0412, "Order Establishing New York Green Bank and Providing Initial Capitalization" issued and effective December 19, 2013 of the Commission, Ordering Clause 6 at pages 24 – 25.

⁵ See Metrics Plan, Section 2.0 at pages 2 - 6.

Planned Market Characterization Baseline & Market Transformation Potential

The Metrics Plan requires that market evaluation occur when a critical mass of NYGB financing and investment arrangements are in place. Market evaluation activities commenced in 2018 on sectors that NYGB has supported since inception, consistent with the requirement for such assessments approximately three to five years following initial NYGB capital deployments.⁶ NYSERDA collected baseline data for the NYGB portfolio in 2019 and will update the data to include indicators specific to this transaction. NYSERDA will use baseline data collected for indicators as a comparison point against which to assess market progress in later studies. Progress indicators are defined below for the short, medium and long terms.

NYGB expects that program and/or future market evaluation will demonstrate progress across short-term indicators, including:

- Size and location of projects financed by the investment;
- Aggregate expected energy savings for projects financed by the investment.

NYGB expects that program tracking and/or future market evaluation will demonstrate progress across medium- and long-term indicators, including:

- Increase in market volume of energy efficient new construction;
- Increase in general understanding of energy efficient new construction project benefits by the financial community;
- Increase in general understanding of lending alongside PACE financing by financial community;
- Increased awareness and use of energy efficiency investment performance data by financing entities;
- Demonstration of competitive risk-return profiles for energy efficient properties;
- Decreased operating costs of energy efficient properties; and
- Increased number of new lending participants.

Proposed Method of Outcome/Impact Evaluation (by NYSERDA) & Timeframe

NYSERDA will evaluate the impact this transaction has had on the clean energy finance markets and the energy/environmental benefits it delivers.

Market evaluation will assess the short, medium and long-term indicators identified above. Methods will include analysis of program data along with interviews and surveys of market participants (e.g., financial community) to track information including but not limited to: project scale information and influence of NYGB's participation on financial markets. As noted, NYSERDA collected baseline data on key indicators in its first phase evaluation during 2018 – 19. Later follow-up studies will assess progress against baseline levels for other market segments as those evolve. The specific timing of these efforts may be revised based on experience or other factors as NYGB's investment portfolio further develops and evolves.

Impact evaluation will assess which of the projects funded under the investment raised construction financing and were completed, commissioned, and placed in service.

In accordance with the Metrics Plan, NYGB will track Hyatt projects that receive incentives or funding from other entities (e.g., utility, other NYSERDA programs) to minimize any double-counting activity on a consolidated basis. As set out in the Metrics Plan, evaluation sampling approaches will also be used as a mechanism to estimate overlap and minimize double counting. NYSERDA and NYGB will attempt to coordinate market and impact evaluation activities for projects that receive support from multiple sources in order to maximize the efficiency of data collection and avoid participant survey fatigue.

⁶ See Metrics Plan, Section 3.3 at page 7 - 8.