



*INNOVATIVE GREEN INFRASTRUCTURE
FINANCING & DELIVERY FOR THE
MANITOWOC COMMUNITY*

September 5, 2023



delta institute



INTRODUCTIONS

OVERVIEW

Delta Institute (Delta), along with our key partners who include 389nm, Regiment Securities and Stantec, will develop and implement the RainCheck pilot—an innovative project financing and service delivery approach to support small-to-mid-sized Great Lakes Region municipalities to implement Green Infrastructure (GI) at scale.

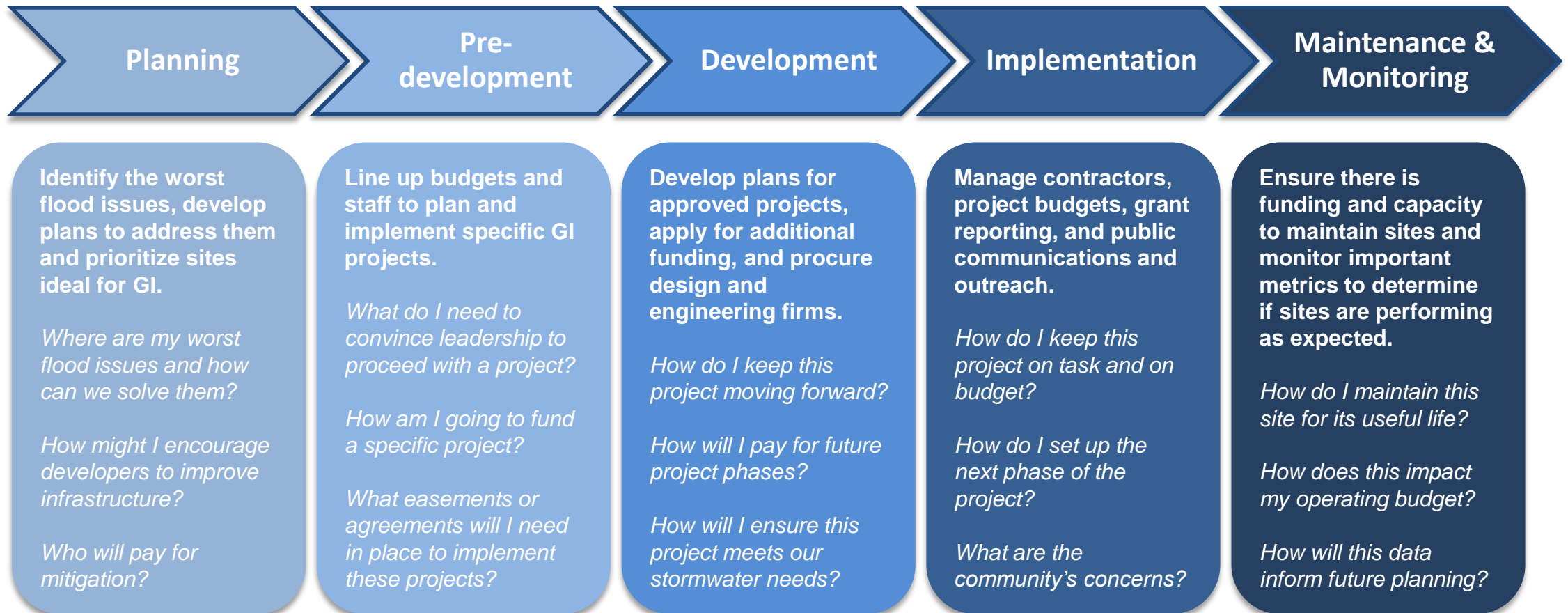


WHY AREN'T MORE MUNICIPALITIES IMPLEMENTING GREEN INFRASTRUCTURE?

- Small- to mid-size Great Lakes communities lack the resources and capacity to plan, fund, install and maintain necessary upgrades to mitigate chronic and climate-impacted flooding issues.
- Municipal staff report that they don't have the bandwidth to apply for competitive grant funding (or address extensive grant requirements) or access to debt financing.
- Flood mitigation efforts are scattered across distinct municipal departments and/or stakeholder groups. There is no integrated approach to solving flood issues in these communities and no single entity integrating flooding/climate resilience solutions into one unified service.

USER RESEARCH; FINDINGS AND IMPLICATIONS

More than 20 interviews with staff from 10 municipalities and their partners revealed the typical process for successful GI installation and the pain points staff experience along this process.

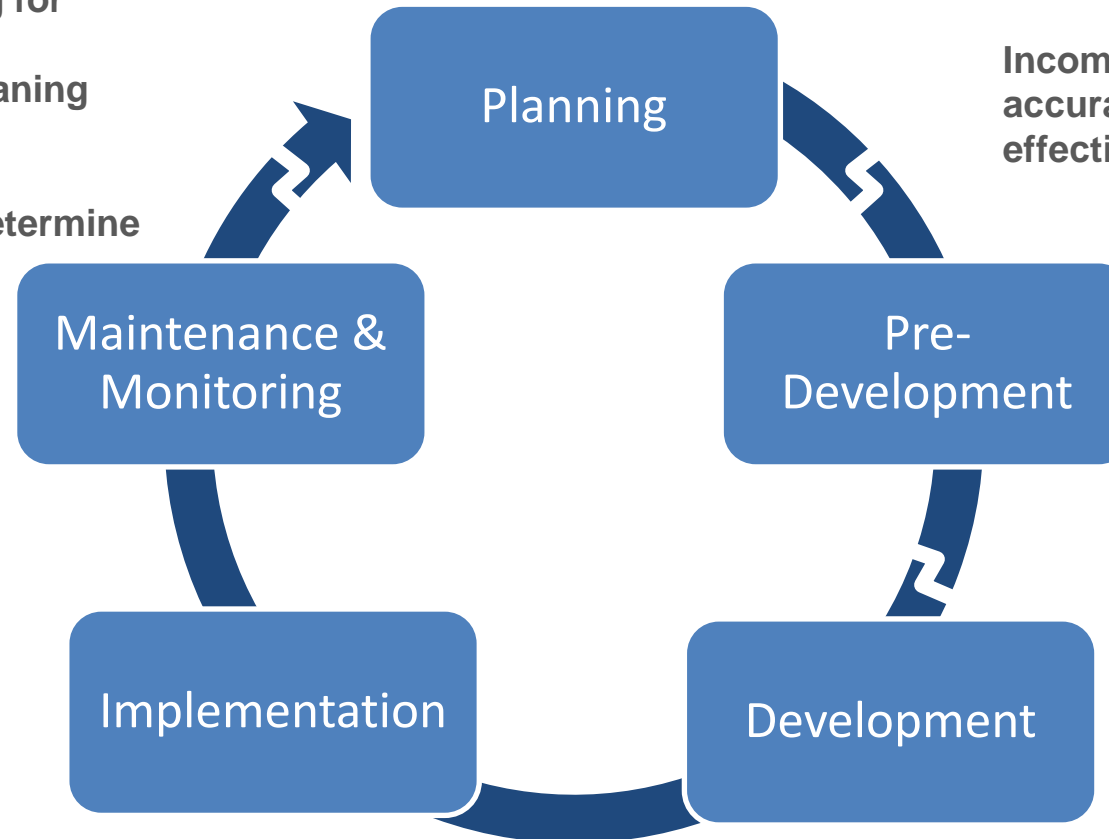


USER RESEARCH; FINDINGS AND IMPLICATIONS

Over 20 interviews with staff from 10 municipalities and their partners revealed the typical process for successful GI installation and the pain points staff experience along this process.

Lack of sustained funding for maintenance leads to underperformance and waning public support.

Limited metrics to help determine site performance.



Incomplete data and limited capacity prevent accurate drainage study updates and effective project prioritization.

Competition with other infrastructure priorities for dedicated funding.

Don't have the capacity or matching funds to apply for grant-funding.

OUR PROPOSED SOLUTION TO EXPAND GI AND REDUCE FLOODING IN THE GREAT LAKES

We have conceptualized **RainCheck**, a fully-integrated project delivery and financing service that assists small- to mid-sized municipalities (25,000 – 150,000 population) in the Great Lakes Basin to plan, develop, implement, fund, and maintain GI projects to solve neighborhood-level flooding issues and provide other co-benefits.

SERVICE ACTIVITY



Platform-scale,
turn-key support

FINANCE ACTIVITY



Accessible debt financing

PROJECT SIZE



\$250K - \$750K budget

COMMUNITY SIZE



25,000 – 150,000 pop.
municipalities

WE ARE DESIGNING RAINCHECK TO EXPAND GI AND REDUCE FLOODING IN THE GREAT LAKES

Low-cost bonds and grants will cover the cost of support services from Delta and other delivery partners.



**Platform-scale,
turn-key support**

Contracted staff will provide:

- 1. Project Planning and Development:** Prioritize projects, align budget with related staffing, identify funding opportunities, and bidding and procurement.
- 2. Funding Assistance:** Leverage local match via debt-financing to unlock grant-funding opportunities.
- 3. Implementation:** Public outreach and communications, project management, internal monitoring and reporting.
- 4. Maintenance Services:** Post-completion on-site maintenance for project performance period (5-10 years on average).



**Accessible debt
financing**

- 1. Low-cost bond:** \$250k to \$750k, up to 20-yr terms that cover first-cost of implementation and may be used to as leverage to secure grant investment.
- 2. Revolving reserve fund:** Covers late coupon payments.
- 3. Maintenance savings:** Provides cash flow savings in years 3+.
- 4. Avoided flood costs:** Reduces out of pocket expenses for businesses and residents without flood insurance.

GOALS & OBJECTIVES

- Goals**
1. Deliver a holistic solution to many barriers of integrating GI
 2. Mitigate hundred of millions of gallons of stormwater impacts
 3. Reduce the economic impacts of flooding
 4. Expand small- and mid-sized communities' resilience
 5. Close the capacity and resource accessibility gap

Objectives

1. Issue > 2 micro-bonds totaling at least \$1.5M
2. Install GI projects in at least 2 communities that will reduce stormwater impacts by 1.5M gallons
3. Identify > 10 municipal partners, which will allow the program to scale significantly over the next 3-10 years

RAINCHECK PILOT

The Great Lakes Protection Fund is supporting a three-year pilot of RainCheck. This will include:

- **Community outreach and engagement** to help better understand community priorities regarding GI implementation
- **Development of a financial model** that helps affordably finance up-front project management costs for GI
- **Development of a service model**, in collaboration with Stantec and municipal partners, that provides efficient, effective, and measurable project delivery.
- **Piloting the full RainCheck finance and service delivery model in at least two communities** within 12 months of the 36-month implementation phase.

*A MODEL FOR FINANCING MANITOWOC'S
GREEN INFRASTRUCTURE PROJECTS*

A MODEL FOR FINANCING MANITOWOC'S GI PROJECTS

- For more than 35 years, a simple structure has successfully financed critical water infrastructure in small communities throughout Wisconsin, which would not have been able to complete them without this program.
- The Clean Water State Revolving Fund (“CWSRF”) program is a federal-state partnership started in 1987 that provides communities a permanent, independent source of low-cost financing for a wide range of water quality infrastructure projects.
- As money is paid back, the state uses those repayments to make new loans. If a state uses its capitalization grants to fund reserves as a first loss credit enhancement for loans, then the repayments of loan principal and interest frees up a proportional amount of the reserves. This enables the state program to continue using those freed up reserve fund monies, which allows more projects to be financed.

A MODEL FOR FINANCING MANITOWOC'S GI PROJECTS

- A **\$42 billion** federal investment has leveraged more than **\$126 billion** in low-interest financing for more than **38,000 projects** to protect public health, valuable aquatic resources and to meet environmental standards benefiting **hundreds of millions of people**.
- Using a similar structure, RainCheck is proposing utilizing grants from foundations to seed a reserve fund to help Manitowoc and other communities finance critical green infrastructure projects in a way that is sustainable and scalable.

THANK YOU