



*INNOVATIVE GREEN INFRASTRUCTURE
FINANCING & DELIVERY FOR GREAT
LAKES COMMUNITIES*

IMPLEMENTATION SCOPE

May 9, 2023

delta institute



INTRODUCTIONS

OVERVIEW

Delta Institute (Delta), along with our key partners who include 389nm, SovInfra 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.

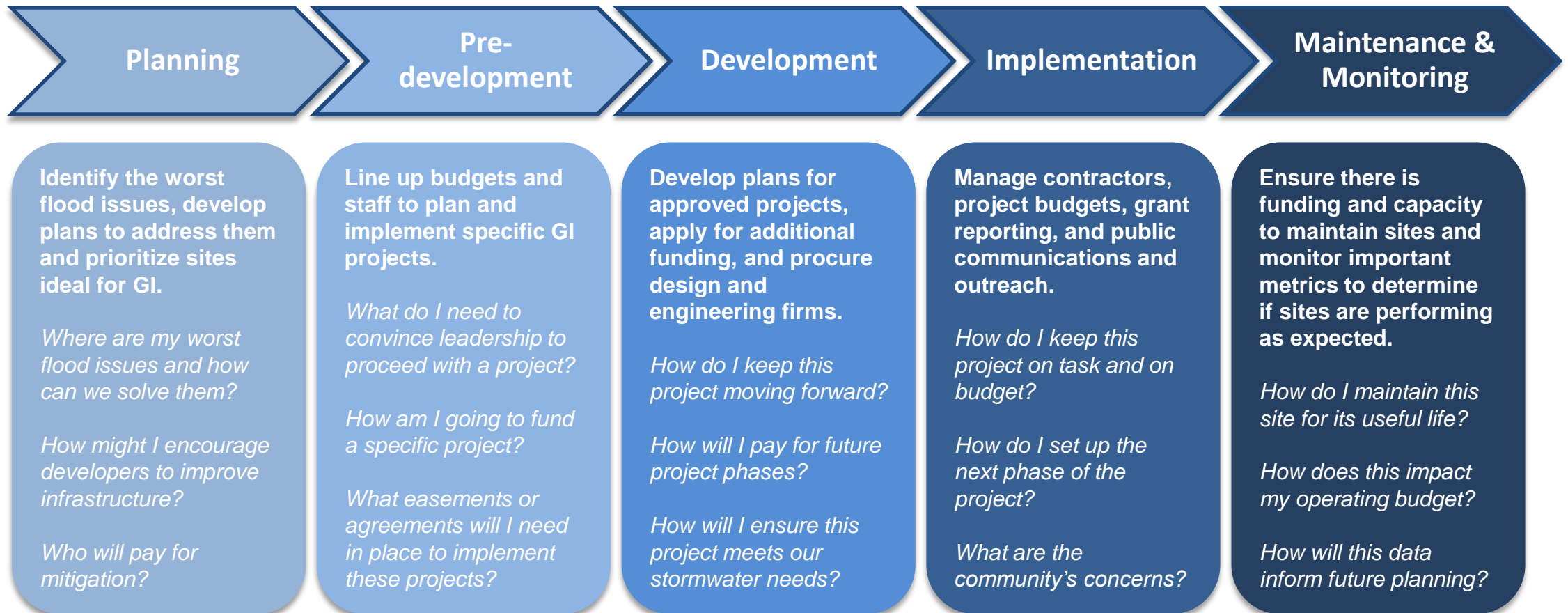


WHY AREN'T MORE MUNICIPALITIES IMPLEMENTING GREEN INFRASTRUCTURE?

- 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.
- These problems are most acute in low-income communities; 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.

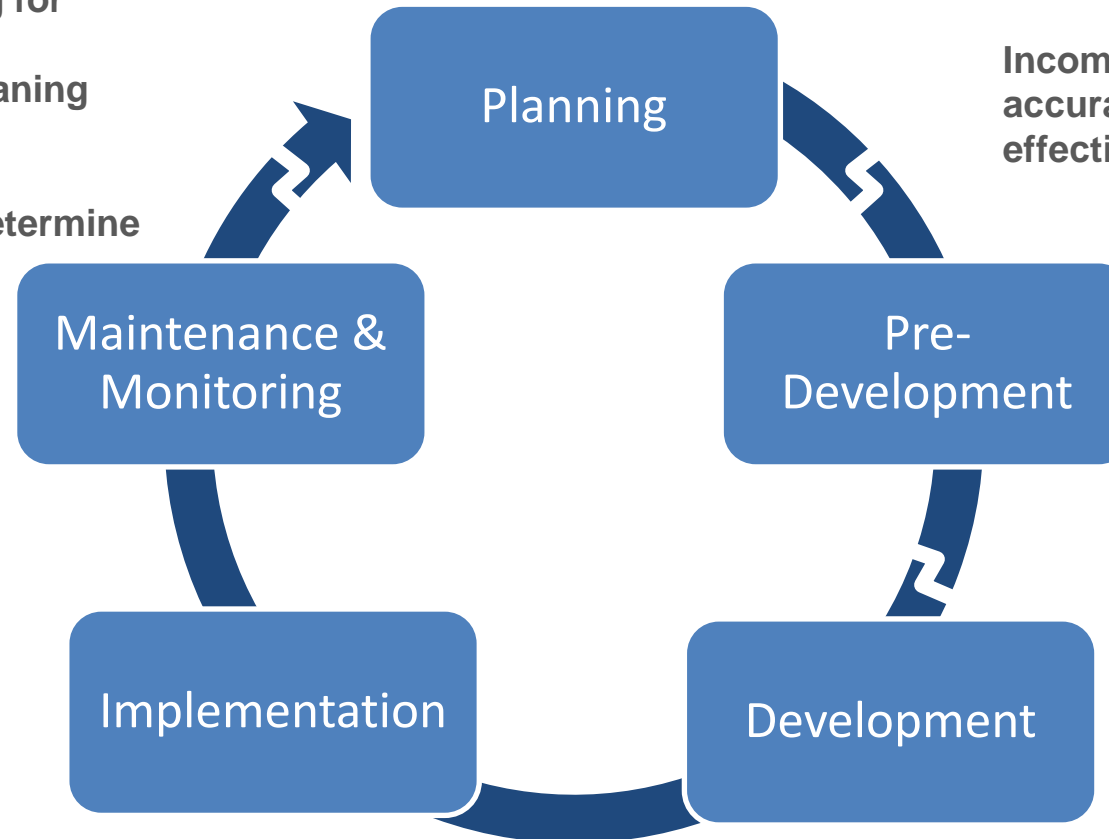


USER RESEARCH; FINDINGS AND IMPLICATIONS

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.

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 for disadvantaged communities.
- 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 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

WORK PLAN

I. Project Setup & Management

II. Community Outreach & Engagement

- Community members will be engaged throughout the pilot to help the project team understand community roles and priorities regarding GI implementation.

III. Financial Model Development

- **Bond Structuring** - SovInfra will introduce a simple structure that for more than 35 years has successfully and affordably financed critical U.S. water infrastructure, which will be customized to pay for the pilot's up-front project management costs
- **Investor Engagement & Acquisition** - Delta and our partners will engage ESG investors, portfolio managers, grant funders, and loan issuers to help underwrite the micro-bond product, establish the revolving reserve fund, and identify opportunities for leveraged funding.
- **Funding Leverage & Support** - Delta and 389nm will identify opportunities to leverage the bond funds to unlock additional grants and loans.

WORK PLAN

IV. Project Delivery Model Development

- Delta and partners will plan and develop the systems and tools required for efficient, effective, and measurable service delivery.
- **Project Delivery Model** - Delta will work with Stantec and other technical partners to verify and refine tools and processes required to plan, implement, maintain, and monitor successful GI projects in multiple communities on-schedule and occurring simultaneously.
- **Marketing & Communications Strategy** - Delta will collaborate with municipal and technical partners to help develop messaging and identify communications channels that align with user attitudes and behaviors.
- **Assessment & Evaluation Methodology** - An Assessment and Evaluation Methodology will serve as a guide for monitoring performance during and after the three-year pilot.

V. Communications & Web Platform

- With the Marketing and Communications Strategy as a guide, Delta will develop a web platform for municipal users to learn and inquire about RainCheck's project finance and delivery service.

WORK PLAN

VI. Pilot Implementation & Testing

- Delta will begin piloting the full RainCheck service and delivery model in at least two communities within 12 months of the 36-month implementation phase. Delta will identify and work with at least 10 additional communities to support and confirm product development by providing opportunities to test and refine project planning, pre-development, development, implementation and maintenance services.
- Delta, with support from SovInfra, will coordinate bond issuance with municipal partners. This will be noted via an Official Statement published by the municipality. Delta will facilitate and track the flow of funds throughout the pilot.

WORK PLAN

TASK LIST BY QUARTER	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1
Project Setup & Management												
Partner Meetings												
Community Engagement												
Financial Model Development												
Bond structuring												
- Legal review												
Investor engagement												
Funding leverage												

WORK PLAN

TASK LIST BY QUARTER	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1
Project Delivery Model												
Business model & pro forma												
Service blueprint												
Delivery process planning												
- Technical review												
- Municipal review												
Development & comms strategy												
Evaluation process plan												

WORK PLAN

TASK LIST BY QUARTER	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1
Comms & Web Platform												
Platform development												
Materials development												
Pilot Implementation												
Admin & refinement												
Delivery model testing												
Bond issuance & reporting												
Planning												
Pre-development												
Development												
Implementation												
Maintenance & monitoring												



NEXT STEPS

1. Project Setup & Management

- Share draft scope of work with community partners
 - Develop rough budget of expected labor hour costs
 - Finalize MOU and sub-grant agreements
- Sub-contracts with delivery partners
- Schedule regular partner meetings

QUESTIONS