PUTTING SIGNIFICANT, LONG-TERM SAVINGS
WITHIN THE REACH OF COMMERCIAL, INDUSTRIAL
AND NON-PROFIT BUSINESSES
Overview:

Pathway Lending is a **Private, Non-Profit Economic Development Lender** certified by the U.S. Department of Treasury.

**Founded:** 1999

**Mission:** Providing underserved small businesses with lending solutions and educational services that result in job creation and economic development.
Overview:

2011 Portfolio by Loan Product
(percentage based on number of loans)

**Microloans - 20%**
Financing to a business with five or fewer employees with a loan amount of $50,000 or less

**Energy Efficiency Loans - 30%**
Loans to commercial, industrial, and private non-profit businesses that fund projects to reduce utility consumption

**Real Estate Loans - 12%**
Financing to help businesses purchase or refinance commercial real estate

**Small Business Loans - 38%**
Loans designed to help small businesses grow
Why Not Energy Efficiency?

#1 Reason:

“Lack of project funding. Companies have limited funds for energy efficiency as projects compete for capital with other corporate priorities.”

2011 Energy Efficiency Loan Portfolio:

Project Examples:

**Efficient Lighting** – High efficiency bulbs, like LED luminaries, deliver longer life, enhanced energy efficiency, lowered maintenance demands, and equal or better quality of light.

**High Efficiency HVAC** – To improve comfort and reduce energy use, variable speed HVAC systems efficiently match a building’s heating and cooling needs with its electricity budget.

**Cool Roof** – Lighter colored roofing reflects more of the sun’s heat away from the building, reducing your air conditioning needs during hot summer months.

**Improved Windows** – Keep the sun’s heat out during the hot summer months and keep warm air in during the winter, improving comfort and reducing energy use.

**Building Controls** – Vacancy controls for lighting and HVAC uses sensors in fixtures to minimize energy use when offices, conference rooms, and other spaces are not in use.

Bundling multiple projects lets you do more with less as projects with quick returns on investment, like lighting, offset projects with longer payback periods.
Energy Efficiency Loan Fund Basics:

Our Partners:

- TENNESSEE
- Pinnacle Financial Partners
- U.S. Department of Commerce
- TVA
- U.S. Department of Energy, Industrial Technologies Program
Energy Efficiency Loan Fund Basics:

• **What:**
  A low-interest, revolving loan fund to finance energy efficiency and renewable energy projects in Tennessee.

• **Target Markets:**
  Industrial, Commercial, and Private Non-Profit facilities located in the state of Tennessee.

• **Projects:**
  Any investment in a fixed asset that provides significant reductions in energy, emissions, and/or utility consumption.
Energy Efficiency Loan Fund Basics:

• **Loan Amount:**
  Range from $20,000 - $2,500,000

• **Program Features:**
  – Below Market Rates (3% Fixed for 5 Years)
  – Terms Up to 10 Years (5% Fixed for 5 to 10 Years)
  – Up to 100% Project Financing:
    • Assessment, engineering, purchase and installation costs
Application Considerations:

• **Financial Test:**
  Can the company repay the loan, even if no savings occur? What do the last 2 years financials look like?

• **Energy Savings Test:**
  Does the company have a complete assessment, audit, or vendor proposal detailing project cost and energy savings? Can the savings repay the loan within 10 years?

• **Job Creation/Retention Test:**
  How many jobs will be retained and/or created due to the savings generated by this project?
Expedited Process

1. Publicly Traded Firms
   – Rating of BB or higher for Pre-Approvals
   – 3% - 5 year terms

2. Privately Held Firms
   – 24 Hour Approvals for Requests of $200,000 or less
   – Minimum 5 Years in Business
   – Minimum $2.0 million in Revenue
   – Positive Equity
   – Emphasis on funding: Lighting, mechanical, cool/reflective roofs, equipment upgrades
November, 16 2012 - Pathway Lending announces a commitment of $10 million through the Sustainable Communities Initiative to provide financing for energy efficiency improvements for businesses located in Memphis and Shelby County.

This commitment ensures more businesses will be able to implement energy efficiency projects and achieve long-term energy cost savings. This initiative is a public-private partnership between Mayors Wharton and Luttrell, the Joint Offices of Sustainability, and Pathway Lending.

http://www.sustainables Shelby.com/energy
Success Story: Nonconnah Holdings, LLC

Lighting Retrofit & HVAC Replacement

Nonconnah Holdings, LLC upgraded two buildings with new lighting and HVAC systems to provide more efficient space for the Second Avenue Charter School in Memphis, TN.

- Total Project Cost: $192,000
- 1st Year Energy Reduction: 360,506 kWh
- 1st Year Cost Savings: $24,344
Success Story: Manufacturer Industrial Group

“It is like the difference between night and day, I highly recommend it. Along with the energy improvements, the new lighting also provides a better environment for employees.” – Andre Gist, CEO

Energy Efficient Lighting Installation

Manufacturers Industrial Group, LLC received a complete facilities audit, which reviewed lighting, wiring, air hoses, power outlets and other areas. The lighting retrofit is forecasted to pay for itself in approximately two years.

- Total Project Cost: $215,000
- 1st Year Energy Reduction: 671,768 kWh
- 1st Year Cost Savings: $69,228
Success Story: Eco Travel Plaza

“We use a lot of electricity and we wanted to do more. But we didn't have room on our site for more solar panels or wind, so we couldn't produce more energy. We decided to cut what we use.” – Don Demko, Owner

Solar Panels, Lighting & HVAC Upgrades

Eco Travel Plaza in Crossville, Tennessee aims to be the most eco-friendly truck plaza in the country. With a Pathway Lending Energy Efficiency loan, the business was able to implement LED lighting, efficient HVAC, Electric Charging Stations and Solar projects to achieve this goal.

- 2 projects – Total Cost: $300,000
- Annual Energy Reduction: 131,202 kWh
- Annual Energy Generation: 48,174 kWh
- Annual Cost Savings: $29,634
Success Story: Holiday Inn

Water Heaters, Equipment, and Lighting Upgrades

Holiday Inn World’s Fair Park in Knoxville, Tennessee used a Pathway Lending Energy Efficiency loan to purchase high efficiency water heaters and clothes dryers. Financing was also used to retrofit parking garage lights.

• Total Project Cost: $343,000
• Annual Energy Reduction: 450,532 kWh
• Annual Cost Savings: $45,053
Success Story: Bartlett Chamber Building

The Bartlett Area of Commerce launched Team Green Zone in 2011 to improve operational efficiencies of businesses in the region. One of Team Green Zone’s first initiatives was a retrofit of the Bartlett Chamber building. The retrofit included lighting, lighting controls, and a reflective roof.

- Total Project Cost: $105,000
- Annual Energy Reduction: 36,034 kWh
- Annual Energy Cost Savings: $4,324
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