



MASSACHUSETTS DEVELOPMENT FINANCE AGENCY
REQUEST FOR INFORMATION
FOR CAPITAL PROVIDERS FOR THE
COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY MASSACHUSETTS PROGRAM
MAY 2021

1. Background

The Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) is a body politic and corporate, and a public instrumentality of the Commonwealth of Massachusetts (the “Commonwealth”), created pursuant to M.G.L. c. 23G to help foster economic development across the Commonwealth. The Agency is governed by an 11-member Board of Directors. MassDevelopment prides itself on a team-oriented, solutions-based approach to economic development. The Agency provides its clients with entrepreneurial solutions to complex real estate projects and financing options that create economic opportunities within Massachusetts. Our staff is located in offices throughout the Commonwealth.

2. Description

The purpose of this open, ongoing Request for Information (RFI) is to identify multiple third party Capital Providers interested in financing PACE Massachusetts projects.

MassDevelopment is soliciting information from multiple firms to serve as capital providers (“Capital Provider”) for the Commercial Property Assessed Clean Energy Program (“PACE Massachusetts”, “PACE” or the “Program”). Firms will comprise a list of potential funding sources for property owners who wish to participate in PACE Massachusetts.

MassDevelopment has been designated as the Administrator for the Program and, in consultation with the Massachusetts Department for Energy Resources (“DOER”), has established a Program for property owners to finance energy improvements to commercial and industrial properties within the Commonwealth.

The Agency seeks to identify a pool of firms who wish to participate as Capital Providers for the Program, so the Agency can employ an open market third party financing structure. MassDevelopment intends to create a list of PACE Massachusetts Capital Providers (the “Registry”) interested in financing projects so property owners can review options for potential sources of financing for their energy improvement projects. The list of registered capital providers is maintained by MassDevelopment and will only be available upon request to a property owner pursuing PACE financing who has not selected a Capital Provider.

3. Submission of Information

Any Capital Provider interested in offering PACE financing in Massachusetts should provide information sufficient, as determined by MassDevelopment, to include them in the Registry.

This is an open, ongoing solicitation and there is no due-date for responses. Questions concerning this solicitation must be submitted via email to PACECP@massdevelopment.com.

Respondents may not contact any Agency staff (except as outlined above), Agency Board members, individuals at the Commonwealth's Executive Office for Administration & Finance ("EOAF"), DOER or any other Commonwealth department or agency staff or officials regarding this solicitation. Any inquiries or other communications related to this solicitation are required to be addressed only to PACECP@massdevelopment.com. This restriction extends from the date of this solicitation and continues until solicitation is closed. Failure to observe this prohibition shall be grounds for disqualification.

Information should be in PDF format. Responses should be clearly marked "Request for Information for Capital Providers for the Commercial Property Assessed Clean Energy Program." Responses must be submitted via mail or hand delivery on one CD or flash drive plus two (2) hard copies to:

Wendy O'Malley
Vice President, PACE Massachusetts Program Manager
MassDevelopment
99 High Street, 11th Floor
Boston, MA 02110

In addition, please email a copy of the response to: PACECP@massdevelopment.com.

This solicitation and any addenda hereto will be posted on the appropriate page of MassDevelopment's website (<http://www.massdevelopment.com/rfp-rfq/>).

4. Process

Please note that information that you submit to MassDevelopment may be subject to a request for public disclosure under Massachusetts or federal public records laws. If you wish to request that certain information in your submission not be disclosed under the public records laws, the cover letter to MassDevelopment with your submission must specifically request confidential treatment for certain information and citing the relevant exemption you believe applies to your information.

Any information for which you are requesting confidential treatment should be separated from the other material, and bound, stapled, clipped or electronically segregated, with a cover sheet marked "Confidential Supplement."

The Agency reserves the right to waive any of the informalities of this solicitation, to request additional information or clarification from any firm, to negotiate with any firm, or reject any or all responses or parts of responses.

5. PACE Massachusetts Program Background and Summary of Relevant Process

Pursuant to Chapter 23M of the Massachusetts General Laws, the Agency is establishing the Program in consultation with the DOER. PACE financing will be secured (principal and interest) by an assignment of a PACE betterment assessment lien on the qualifying commercial or industrial property to be improved. The lien is imposed by the municipality in where the project is located with the consent of the property owner. For each PACE financing, each participating municipality will enter into the Municipal Assessment and Assignment agreement with MassDevelopment, outlining the municipality's and MassDevelopment's roles and responsibilities.

The Agency has developed the various Agreements that will be used for a PACE financing (see [PACE Guidelines](#)). A capital provider participating in this solicitation is agreeing to the use of the agreements (those that are relevant to a capital provider in a transaction, e.g., "Form of PACE Massachusetts Financing Agreement").

A summary of the portion of the Program that is relevant to the services contemplated by this solicitation follows:

- i. A proposed project is reviewed and approved by the Agency and DOER for participation in the Program;
- ii. The Property owner of the qualifying commercial or industrial property is notified of the approval and arranges for project financing with the PACE capital provider of its choice;
- iii. MassDevelopment gives preliminary notice to the municipality in which the project is located of an approved PACE application on the applicable commercial/industrial property;
- iv. At closing, the PACE assessment is levied on the property and lien is recorded in the applicable Registry of Deeds, on behalf of the municipality by MassDevelopment, and is assigned by the municipality to MassDevelopment; MassDevelopment, in turn, assigns the PACE lien to the PACE Capital provider;
- v. The municipality will collect PACE betterment assessment installment payments from the property owner (usually billed as a separate line item on the property owner's real estate tax bill from the municipality; frequency will vary depending on the municipality but is generally expected to be quarterly); term will vary but will generally be 10 to 20 years;
- vi. The municipality will pay over to the Paying Agent via wire or electronic transfer the PACE betterment assessment payments collected from the property owner within 30 days of receipt;
- vii. The Paying Agent will disburse each PACE betterment assessment payment received, after deduction of applicable administrative amounts, to the applicable PACE capital provider. The Paying Agent will pay the applicable administrative amounts to MassDevelopment;
- viii. In event of a non-payment, MassDevelopment's Betterment Assessment Consultant will send required notices and correspondence;
- ix. In the event of non-payment, the Capital provider has the right to exercise its rights and remedies and begin the foreclosure process.

6. Elements of the Response

All responses shall provide the information requested below.

A. Responses to include the following:

- a) Transmittal letter from an appropriate officer of your institution which: (i) Confirms interest to provide financing for PACE Massachusetts projects, (ii) Indicates the key point of contact for your institution for follow-up discussions, and (iii) identifies its organizational status (bank, savings bank, insurance company, investment company, private entity, etc.)
- b) The name of the principal regulator(s) of your institution (such as, Federal Reserve Board, the OCC, etc.). If not a regulated firm or financial institution, provide the names, titles, emails, and direct telephone numbers of three professional references for the firm or, if recently formed, for the firm's principal partners.
- c) Further background on your institution (including years in business and total assets) that demonstrate the capabilities and interest to provide financing for PACE projects. Also, please indicate if your institution currently provides financing for other PACE Program(s), which one(s) and amount financed to date. MassDevelopment will confirm that you are registered and/or qualified to do business in these states and Massachusetts.
- d) The number and names of the respondent's staff, including addresses and emails, that can be devoted to these transactions.
- e) Amount of Commercial PACE capital your institution would be willing to provide to the Massachusetts market. This number will be non-binding.
- f) Expected terms for PACE financing include: Basic structure, terms, minimum/maximum sizes, payment schedules, prepayment options, etc., and b. Typical interest rates (range) and any additional fees.
- g) Please confirm that none of the funds that will be used to fund the loan to the borrower are derived, directly or indirectly, from parties that are subject to economic sanctions under the U.S. Treasury Office of Financial Assets Control (OFAC) regulations.
<https://www.treasury.gov/about/organizational-structure/offices/pages/office-of-foreign-assets-control.aspx>
- h) Please confirm that your firm will comply with federal anti-money laundering laws.
- i) In addition to the above, privately held firms shall provide:
 - i. Independent certification as to availability of funds from the firm's bank or broker
 - ii. Organizational documentation, including your registration and/or qualification with the Massachusetts Secretary of State to do business in Massachusetts
 - iii. Names and addresses of the executive management, including the Managing member of an LLC, and members of the board of directors of the firm
 - iv. Provide the identity of the top 3 equity owners of the firm and their ownership percentage
 - v. Names and addresses of all those with beneficial ownership of 25% or more of the equity in, and/or shares of, the firm

- vi. If one of the parties in v. above is an entity, provide the names and addresses of the beneficial owners of 25% or more of the equity in, and/or shares of the entity

7. General Provisions

- A. MassDevelopment reserves the right to reject any or all responses or parts of responses, to solicit new responses as it determines, in its sole discretion, to be in the best interest of the Agency.
- B. Potential respondents are hereby notified that issuance of this solicitation and receipt of responses does not ensure inclusion in the Registry.
- C. MassDevelopment is not liable for any costs incurred by a respondent in the preparation and production of a response.
- D. A response may be modified or withdrawn by a respondent by delivering a written notice to the location designated as the place where responses are to be received.
- E. Any response submitted in response to this solicitation that is not modified or withdrawn shall remain effective unless/until withdrawn.
- F. No respondent shall hold any press conference, issue news releases, or make announcements concerning its selection or non-selection as a Capital Provider to MassDevelopment's public release of this information; thereafter any such press conference, release, or announcement shall be made only after obtaining the written approval of MassDevelopment.
- G. During the review process, the content of each response will be held in confidence and details of any response will not be revealed (except as required by law).
- H. MassDevelopment is subject to the requirements concerning the disclosure of public records under the Massachusetts Public Records law, M.G.L. c. 66, and thus documents and other materials made or received by MassDevelopment are subject to public disclosure.
- I. All respondents must be registered to do business in the Commonwealth of Massachusetts and be in good standing with the Secretary of the Commonwealth. MassDevelopment may request evidence of good standing prior to entering into any contract.
- J. A respondent will not be selected if it appears on any list of debarred or suspended contractors maintained by the Commonwealth or the federal government.

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