FIRST PUBLICLY-ISSUED EIB AWARDED TO CITY OF ATLANTA DEPARTMENT OF WATERSHED MANAGEMENT

ATLANTA, FEB 26, 2019 -- Quantified Ventures, the impact investment firm, and Neighborly, the mission-oriented broker dealer, have announced the issuance of the first impact bond to be offered on the public markets. The $14M Environmental Impact Bond (EIB) gives the City of Atlanta Department of Watershed Management (DWM), access to funding for innovative green infrastructure projects that will address critical flooding and water quality issues, reduce [stormwater](https://www.waterworld.com/content/ww/en/stormwater-urban-water.html) runoff, and enhance the quality of life of Westside neighborhoods that are in the Proctor Creek watershed. These neighborhoods include: English Avenue, Mozley Park, Grove Park, Hunter Hills, and the Bankhead/Hollowell corridor. The Atlanta EIB issuance was supported by a grant from The Rockefeller Foundation with additional underwriting support provided by KeyBanc Capital Markets and Siebert Cisneros Shank.

"We are thrilled to partner with Quantified Ventures and Neighborly to help pioneer this innovative financing mechanism for Atlanta that will not only finance the construction of green infrastructure benefitting the community environmentally, but also stimulate economic development in a manner that benefits the existing community," said Kishia L. Powell, Commissioner for the City of Atlanta Department of Watershed Management. "This unique bond offering is the result of the City's continued commitment to innovate and pursue every available avenue to provide the best service at the best price to our customers and to the greater community we serve."

Impact bonds are a form of performance-based financing, where repayment is based on how successfully the projects achieve environmental, social and economic outcomes for local communities. The Atlanta EIB optimizes the efficiency of the City's expenditures for the six designated projects by tying the amount the City pays out on the bond directly to benefits related to the volume of stormwater the projects successfully manage. By sharing both the performance risk of the green infrastructure and the value of its benefits among the City and investors, the Atlanta EIB ensures alignment with Atlanta's broader objectives to revitalize communities and improve resilience.

The Atlanta EIB builds on the success of previous impact bond offerings in several important ways. As a publicly issued bond, it has all the hallmarks of a traditional public municipal bond offering, such as a designated CUSIP number providing wide distribution and access to the secondary market, and has been highly rated by Moody's (Aa3) and S&P (A+). It is also designed to be priced competitively with other municipal bond offerings.

The Atlanta EIB is the second impact bond to be structured by Quantified Ventures as an actual municipal bond, the first of which, with the DC Water and Sewer Authority, was sold in a private placement. In its role in the Atlanta offering, Quantified Ventures brought expertise in evaluating all aspects of EIBs, which require an ability to translate desired outcomes into financial value that can be priced into a security and develop a rigorous evaluation process.

"What's exciting is that for the first time, the Atlanta Environmental Impact Bond provides other municipalities with a blueprint for an efficient and accessible financing option for important green infrastructure projects that, thanks to the innovative publicly-traded structure, is more easily replicable," said Eric Letsinger, CEO, Quantified Ventures. "The transaction builds on the success of previous environmental impact bonds that helped prove the market and demonstrate how to price green infrastructure outcomes into a security. We are particularly grateful to the Rockefeller Foundation for their support, and we congratulate the City of Atlanta for its leadership and commitment to improving the lives of its citizens through green infrastructure investment."

Environmental impact bonds are an innovative way for the City to finance infrastructure, providing a source of financing for projects that, while having a high potential for environmental and social impact, lacked access to funding. The City expects the Atlanta EIB to increase its understanding of the long-term performance of green infrastructure projects and their benefits to communities, making it easier for the City to secure funding and plan for future projects.

"Let's commend Atlanta for pioneering the first publicly-traded impact bond and for laying the groundwork for the next wave of municipal finance focused on social impact," said Saadia Madsbjerg, Managing Director of Innovative Finance for the Rockefeller Foundation. "Innovative collaborations like this one, between public and private sectors, are critical to increasing investment for social and environmental good, and the partnership between Quantified Ventures, Neighborly and the City of Atlanta is one of the best examples of this evolution."

Each green infrastructure project was developed to help improve stormwater and flood management and reduce the strain on water treatment systems. Projects consist of bioretention basins in parks and rights-of-way, constructed wetlands, and stream and floodplain restoration. Ultimately, green infrastructure, which incorporates the natural environment into engineered systems to capture and infiltrate runoff into soil and vegetation, can be a more effective and less costly approach to manage stormwater than traditional gray infrastructure alone. It also provides additional environmental, economic and health benefits to local communities by creating more green space in urban settings, recreation and educational opportunities, air quality and urban heat island improvements, biodiversity and habitat restoration, and job opportunities.

"We're proud to have brought to market the first publicly-offered environment impact bond on behalf of the City of Atlanta," said Neighborly Head of Finance, Lindsey Brannon. "Neighborly is committed to connecting communities with the capital they need and providing investors efficient access to the impactful projects they care most about most."



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