INNOVATIVE PUBLIC FINANCING
INVESTING IN CIVIC EFFICIENCY

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RECOMMENDATIONS

Three-phase strategy framework to guide approach to new projects

CHANNEL STRATEGY
Should Big Belly pursue direct sales, a bundled effort with a larger partner, or partner with existing waste contractors?

IDEAL SCALE
What is the hurdle scale for this to be an attractive project for BBS? How sure is the savings projection? What are the spatial, demographic, and organizational variables that affect this project?

FINANCE STRATEGY
Should BBS pursue a lump sum or pay-as-you go process? If pay-as-you go, what about leasing or a performance contract? What options within each larger framework?

CITY GOVERNMENT CHALLENGES

- Lack of political leadership to champion new sustainability initiatives
- Constrained human resource capacity to plan and manage projects
- Low public financial hurdles to approve upfront investment costs
- Competing priorities and immediate crises distract limited resources
- Coordinating political will and capacity across siloed departments
- Bringing stakeholders together for cross-sector collaboration

THE COMPANY

BigBelly Solar bins optimize waste collection through solar-powered compaction and real-time use of waste analytics. Clients realize up to 80% in cost savings by reducing collection frequency and increasing bin capacity fivefold. BigBelly’s client portfolio comprises 800+ customers including cities, universities, parks and business districts.

PAYMENT VIA SAVINGS

- Avoid costly upfront capital requirements and directly monetize efficiency gains from the system
- Pay-as-you go options such as performance contracting: ESCO
- Lump sum payments such as performance assessed lending: PACE
- Eases municipal capacity burden and risk from procurement process

INT’L INSTITUTIONS

- Access vast credit at low rates
- Diverse options: grants, loans, guarantees or direct investments
- Pursue in parallel with other financing options
- Ideal for piloting concepts through visible demonstrations
- Require in depth business plans

LEASING

- Pay for use (not ownership) of equipment with periodic payments
- Diverse options: sales/leaseback, financial or capital lease, operating lease or rental
- Offer flexibility and tailoring, lower upfront costs and risk-sharing
- LED street light fixtures now offered through flexible leasing by LED Roadway Lighting Ltd

NEW CHANNELS

- Leverage financing, sales and distribution channels of large technology vendors such as IBM or Siemens
- Innovations from smaller vendors broaden existing service portfolio
- IBM is now supporting start-ups and technologies aligned with its Smarter Planet initiative
- IBM partnership with Citi and Streetline provides $25m for cities adopting Streetline parking scheme

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