

LACI CLEANTECH DEBT FUND

The
Future
Begins
Here.

WHY THE LACI CLEANTECH DEBT FUND

Conventional wisdom is that early stage startups should finance themselves exclusively via equity. The Los Angeles Cleantech Incubator (LACI) challenges that notion.

Offering debt solutions to early stage cleantech startups allows founders to reduce their dilution, prevents them from taking on risky alternatives such as personal debt, and gives founders from underrepresented communities better access to capital alternatives. Hands-on incubation services involve an intimate understanding of a startup's likelihood of fulfilling a customer contract, which allows incubators the ability to validate the likelihood of repayment of small loans in a way that a typical commercial bank cannot.

WHAT IS THE LACI CLEANTECH DEBT FUND

The LACI Cleantech Debt Fund is offered to startups directly through LACI and a network of incubation partner organizations including BRITE (OH), Evergreen Climate Innovations (IL), Greentown Labs (MA & TX), Tennessee Advanced Energy Business Council (TN), Spark Incubator Program (TN), New Energy Nexus (CA, CO, & NY), and VertueLab (OR & WA). Cleantech startups in these portfolios will have access to LACI's Debt Fund to help accelerate innovation across the country and grow a more inclusive and equitable green economy. Mission Driven Finance of San Diego, California, is the lending partner responsible for loan origination and debt servicing.

Loan applications are evaluated based on use of funds, technology, social impact, and repayment ability. Applications are considered on a rolling basis and subject to available lending capital.

WHO IS ELIGIBLE

Startups in good standing within the programs offered by LACI (Incubation and Market Access program participants, including alumni), Evergreen, Greentown and New Energy Nexus. Companies participating in programs with BRITE, Evergreen Climate Innovations, Greentown Labs, Tennessee Advanced Energy Business Council, Spark Incubator Program, New Energy Nexus, and VertueLab.

TYPES OF LOANS AVAILABLE

First Customer Financing:

\$25-\$100K in loan proceeds to help support first customer projects or grant reimbursements advances on awarded government grants or customer contracts, 3-12 months duration, principal repayment at the end, no collateral, 1.5% closing cost, 9% interest

Working Capital:

\$50-\$500K (loans above \$350K will be deployed in limited instances) to support working capital needs, 12-36 months, principal repayment over time, business collateral generally required, 1.5% closing cost, 9% interest

** Loans are not eligible for items that should be funded by equity investments.*

NEXT STEPS

Speak to your program lead at:

- BRITE: Ben Lachman
- Evergreen Climate Innovations: Ian Adams
- Greentown Labs: Jackie Firsty
- LACI: Hyder Shuja
- Tennessee Advanced Energy Business Council or Spark Incubator Program: Mallory Jenkins
- VertueLab: Ken Vaughn
- New Energy Nexus: Christina Borsum

