



Banks compete to be most green — not rich, but eco-friendly

By Erik Ortiz, Staff Writer

Banks are showing off a lot more green these days — and that doesn't refer to money.

With the surge in eco-friendly construction and renewable energy projects across the country, financial institutions are taking notice. They are building branches that aim to be carbon neutral and conserve energy, while also lending to companies that install solar-panel systems or wind turbines.

Mike Dinneen, a spokesman for Vineland-based Sun National Bank, said the bank is getting approvals to build a new branch that will have solar panels on the roof and be certified under the "green building" rating system known as Leadership in Energy and Environmental Design, or LEED. While he said Sun is not ready to announce where that branch is being built, it will serve as a benchmark for other green projects.

"We understand why it's important. After all, it's in our name," Dinneen said.

Sun could take its cue from larger banks that are employing green-building tactics. TD Bank, which is based in Cherry Hill, Commerce Bank's former base, and Portland, Maine, opened its first prototype branch in Queens, N.Y., in April.

The 3,800-square-foot branch features a drive-through with a solar-panel canopy that generates electricity and indoor lights that automatically turn off when there is sufficient sunlight. TD Bank has said it wants to open several more of those types of branches and make similar changes to its existing locations.

TD's rival, PNC Bank, became the first financial institution in the United States to open a "green branch," a term it trademarked in 2007.

PNC has about 20 LEED-certified branches throughout New Jersey, including one in the Forked River section of Lacey Township. Each branch has heating and air-conditioning systems that use about 35 percent less energy, is built primarily from recycled materials and is decorated with drought-resistant plants that require little water, PNC said.

But it is not just the bigger banks interested in environmental stewardship.

Vineland-based Capital Bank of New Jersey, which has two locations in the city, installed heating and lighting that is energy efficient and had walls built that provide for extra insulation, CEO David Hanrahan said.

“We’re doing it because we think it’s the right thing to do and it makes economic sense,” Hanrahan said. The bank also uses a Honda Civic hybrid as its courier vehicle, he added, and its branches have roofs that allow for solar panels to be installed in the future.

Capital Bank also has been funding other companies interested in putting up their own solar panels. Since the bank opened in 2007, the amount of energy projects it has financed has jumped to nearly \$10 million, Hanrahan said.

“We started slow, but educated ourselves on the opportunities and the pitfalls (of solar financing) and we believe we’ve chosen (projects) carefully,” said Tony Altadonna, Capital Bank’s chief lending officer, adding that approval for such lending is still the same as getting a conventional loan.

At Sun National Bank, loans are made to either commercial businesses that want to install solar panels on their roofs for their own use or to investor groups who install solar panels for clients through so-called power purchase agreements, said Russ Gillespie, senior vice president of commercial lending.

Projects through the bank are generally financed for five to seven years, with loans worth as much as \$10 million.

Among Sun’s customers is World Class Flowers, a flower wholesaler in Egg Harbor City, which installed about \$900,000 worth of solar panels this past year. Company officials expect to be able to pay off the loan in three years, in part, because of a 30 percent tax credit from the federal government.

But with the tightening of the credit market, obtaining a loan can still be difficult. Nick Droboniku, a certified public accountant in Northfield, tried to get financing earlier this year from banks to build a solar-panel system at his self-storage business in Egg Harbor Township.

While the cost of the 101,660-kilowatt project would have been offset by a rebate from the state Board of Public Utilities, an energy credit program and a tax credit, the community banks he spoke with didn’t want to take the risk of lending to him for the \$500,000 system. Eventually, he said, another investor stepped in.

Now, Droboniku is having solar panels installed on another project he is a partner in — the Cambria Commerce Center, an office and industrial park in Pleasantville. He said he worked with Fox Chase Bank to get the funding approved, and the 100-kilowatt project should be finished this week.

“The change in attitude (of lending) in the past year-and-a-half made it hard on a lot of small businesses,” Droboniku said. “But talking to the local banks, a lot of them are doing their review process and it seems like things are finally easing up.”