

# Case Study

## Models for a Regenerative Economy: Social Environment Impacts in the Southeast

First Green Bank, Orlando, Florida (2009-2018)

Prepared by Bailey Shea, Program Coordinator for Policy

### Overview<sup>1,2,3</sup>

**Service area:** Branches located across Florida in Winter Park, Mount Dora, Clermont, Ormond Beach, Altamonte Springs and Fort Lauderdale

**Assets:** \$800 million – at time of acquisition, 2018<sup>1</sup>

**Mission:** To do the right thing for our planet, community, people and shareholders.

When Ken LaRoe opened First Green Bank in 2009, right after the 2008 financial crisis, he sought to align the bank's services and investments with his goals of environmental sustainability.



First Green Bank's LEED Platinum Certified branch in Mt. Dora, Florida. Founder Ken LaRoe pictured bottom left. (Courtesy of First Green Bank)

### Connection to Natural Environment

- After selling a successful bank, First Choice Bank, in 2006, LaRoe decided that he would no longer aim to finance development projects that damaged the central Florida landscape but would instead help local businesses, farms, recreational wetlands, conservation properties and others investing in protecting the natural environment or reducing their impact on the environment through clean energy investments or land conservation.
- First Green Bank invested in King Grove Organic Farm in central Florida, a family farm established in 1874 that was reimagined with a commitment to conservation and sustainable agriculture by a descendent of the farm, Hugh Kent in 2004.<sup>5,6</sup> Today the farm prioritizes land conservation and sustainable agricultural practices and consists of pine plantations, wildflower plantings, old growth woods and protected wetlands, along with 20 acres of blueberry plantings and 20 acres of orange groves. Because King Grove manages its farm and lands uniquely, compared to most central Florida farmland, it was an appealing investment to First Choice Bank. The farm required innovative approaches to landscape planning, and today the zoning codes that the farm advocated for are regarded as a model for conservation planning best practices for communities across Florida. The investment of First Green Bank in King Grove Organic Farm supported a regenerative approach to the natural environment, and it has had ripple effects across the state.
- The bank has also lent to Wekiva Island, a recreational organization that rents paddleboards, kayaks and canoes; provides event space; and includes a beer and wine bar, café and gift shop. However, Wekiva Island is much more than an average Florida tourist attraction: The investment provided by First Green Bank allowed Wekiva Island's owners to remove 95% of the non-native landscape and replace it with native species that withstand flooding and protect the rich ecology of the Wekiva River and surrounding environment. Today the Wekiva River is one of 12 rivers in the Southeast and one of two in Florida that are protected through the National Wild and Scenic Rivers System, and it will continue to be preserved and protected in part because of the investment made by First Green Bank.<sup>7</sup>

<sup>1</sup> <https://www.bizjournals.com/orlando/news/2018/06/11/seacoast-to-acquire-first-green-bank.html>

<sup>2</sup> <https://www.orlandosentinel.com/business/os-first-green-rehired-20180831-story.html>

<sup>3</sup> <https://www.firstgreenbank.com/>

<sup>4</sup> <https://www.bizjournals.com/orlando/news/2016/11/17/charitable-contributions-small-companies-first.html>

<sup>5</sup> <http://fieldguide.capitalinstitute.org/king-grove-organic-farm.html>

<sup>6</sup> <http://www.kinggrove.com/>

<sup>7</sup> <https://www.wekiva.island.com/environment/river/>

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### Social Environment Impact

- First Green Bank was acquired by Florida bank Seacoast Banking in 2018 but not before actively helping their employees find employment. Before the acquisition was completed, the bank emailed 7500 clients, shareholders, bankers and friends to share a list of 25 working job titles who might benefit other organizations if “re-hired.” After many initiatives under LaRoe, including a living wage program, this final effort was a testament to First Green Bank’s commitment to its people and to the power of regenerative investment in its social environment.
- The need to sell was primarily the result of pressure from investors, according to Ken LaRoe.<sup>8</sup> Today, LaRoe and partners are preparing to launch a new green bank, Climate First Bank (I/O), based in the Tampa / St. Petersburg region of Florida, which will operate as “a full-service community bank offering personal and commercial banking services with a triple bottom line of people, planet and prosperity.” The bank will use the concept of “drawdown”—the point when levels of greenhouse gases in the Earth’s atmosphere stop climbing and start a steady decline, as articulated by Project Drawdown—to guide its “every decision and action.” In addition to exclusion policies against investments in extraction industries, the bank plans to provide discounted interest rates for sustainable projects such as LEED-certified building construction and will have loan options dedicated specifically for residential solar installations and energy-saving building retrofits, according to an October 2020 Bloomberg article.<sup>9</sup> Ken LaRoe even plans for the bank to be a B Corporation; LaRoe is passionate about using the power of business and banking for good, and looks to the Global Alliance for Banking on Values, B-Lab, Florida for Good, and Patagonia as peers, partners and inspirations.<sup>10</sup>
- Without shifting the priorities of investors and shifting the opportunities for entrepreneurship and wealth-building to vulnerable communities and those who will support a clean energy future, there is no possibility of an economy which “gives back” more than it takes. Investing in efforts to create healthier and more sustainable built, natural and social environments is critical to creating a truly regenerative economy.

### Connection to Built Environment

- First Green Bank offered discounted interest rates for investments in commercial and residential projects that achieved green building standards like the U.S. Green Building Council’s LEED certification. The bank also had a solar loan program that offered long-term, fixed-rate loans for solar panel installations. Both offerings played a small part in driving clean energy investments in the built environment in Florida, advancing the local clean energy economy. Ken LaRoe hopes that favorable interest rate offerings for sustainable projects in the built environment will be more successful in the future of Climate First Bank. Solar loans are typically for relatively small amounts, which requires a lot of manual work for bankers; Ken LaRoe will aim to automate solar loan processes so the bank can scale up quickly and support a larger capacity of loans.<sup>11</sup>
- First Green Bank exemplified its commitment to sustainability by certifying its Mount Dora branch as a LEED Platinum building. The building offers a healthy and beautiful environment for bank employees, including amenities like a gym, and minimizes its environmental impact through sustainably-sourced materials, energy- and water-efficient technologies and solar panels.<sup>12</sup>

<sup>8</sup> Interview with Ken LaRoe. Conducted by Shane Totten, Megan O’Neil and Bailey Shea on December 11, 2020.

<sup>9</sup> <https://www.bloomberg.com/news/articles/2020-10-09/new-florida-bank-to-support-sustainable-businesses-solar-panels>

<sup>10</sup> Interview with Ken LaRoe. Conducted by Shane Totten, Megan O’Neil and Bailey Shea on December 11, 2020.

<sup>11</sup> Id.

<sup>12</sup> <https://www.firstgreenbank.com/virtual-tour/>