
Using Opportunity Fund Capital with other Development Finance Tools



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Presenter



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Michael Ross, president and principal of Baker Tilly Capital, LLC, the wholly-owned private investment banking subsidiary of Baker Tilly Virchow Krause, LLP, and partner with Baker Tilly, has been with the firm since 1987.

He specializes in real estate transactions and comprehensive project finance for development projects leveraging New Markets Tax Credit (NMTC), Opportunity Zones, EB-5 and other alternative financing programs to provide flexible and affordable capital to qualifying projects and businesses. Additionally, Mike is a licensed investment banker and CPA.



INTRODUCTION

About Baker Tilly

Accounting and advisory

3,000 talented and passionate individuals strong, Baker Tilly is a full-service accounting and advisory firm whose specialized professionals guide clients through an ever-changing business world, helping them win now and anticipate tomorrow.

We have grown to become one of the 15 largest accounting and advisory firms in the U.S. by broadening our service offerings and expanding our geographic presence to meet the evolving needs of clients.

- Headquartered in Chicago, IL with more than 30 office locations coast to coast
- Top 15 largest accounting and advisory firm in the U.S. by *Accounting Today's* 2018 list of "Top 100 Firms"
- 2018 Great Place to Work by *Best Workplaces*
- Largest member firm of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 147 territories, with 33,600 professionals
- Owns a broker-dealer, Baker Tilly Capital, LLC, (BTC). BTC primarily helps project sponsors identify ways to fill permanent and temporary gaps in financing with credits, incentives, debt and equity. .



INTRODUCTION

Who we serve

In response to our clients' needs and expectations, our firm is structured around teams of industry-focused tax, accounting, auditing and consulting specialists.

Top industries served

- Construction/real estate
- Energy and utilities
- Financial services
- Higher education
- Healthcare/senior living
- Manufacturing and distribution
- Public sector/NFP
- Professional services
- Retail/automotive
- Technology

Middle-market focus

From fast-growing small companies to large multinational corporations, our collaborative service model has been built on the needs of middle-market businesses over the past 86 years.

BUILDING A CAPITAL STACK

Examples of pairing OZs with credits and incentives

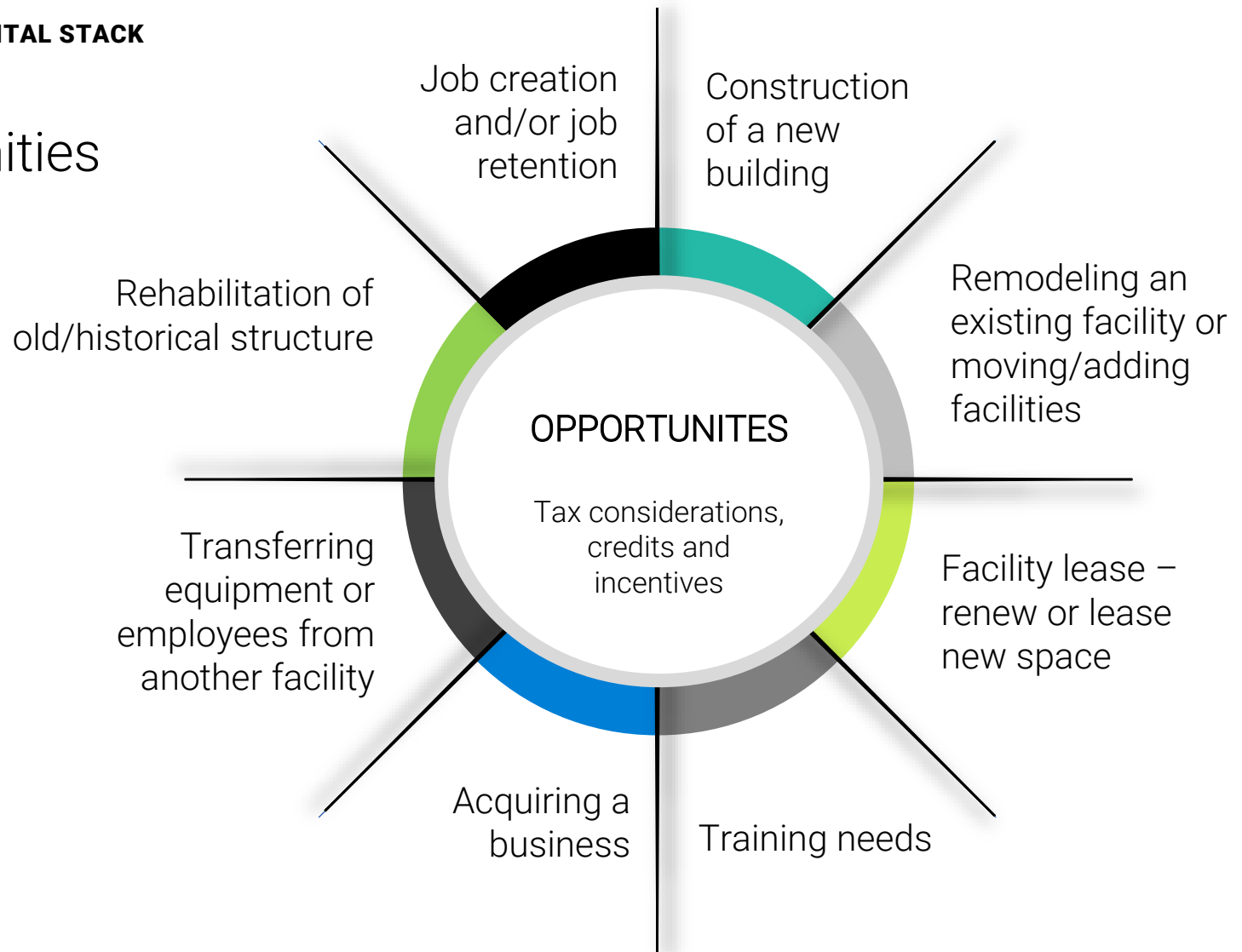
Credits and incentives:

- New Markets Tax Credits (NMTC)
- State and local credits and incentives
- Job creation and retention credits
- Tax Increment Financing (TIF)
- Property Assessed Clean Energy (PACE)
- Historic Tax Credits (HTC)
- Opportunity Zones
- EB-5 Immigrant Investor Program



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Incentive opportunities



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NMTC

Program overview

- Created in 2000 to encourage investment in eligible low-income opportunities
- Investors (receiving benefit of federal tax credit) provide low-interest loans to businesses

Eligibility

- Location
- Community benefit through job creation or retention, community services, environmental sustainability, etc.

Funding

- Based on a competitive application model



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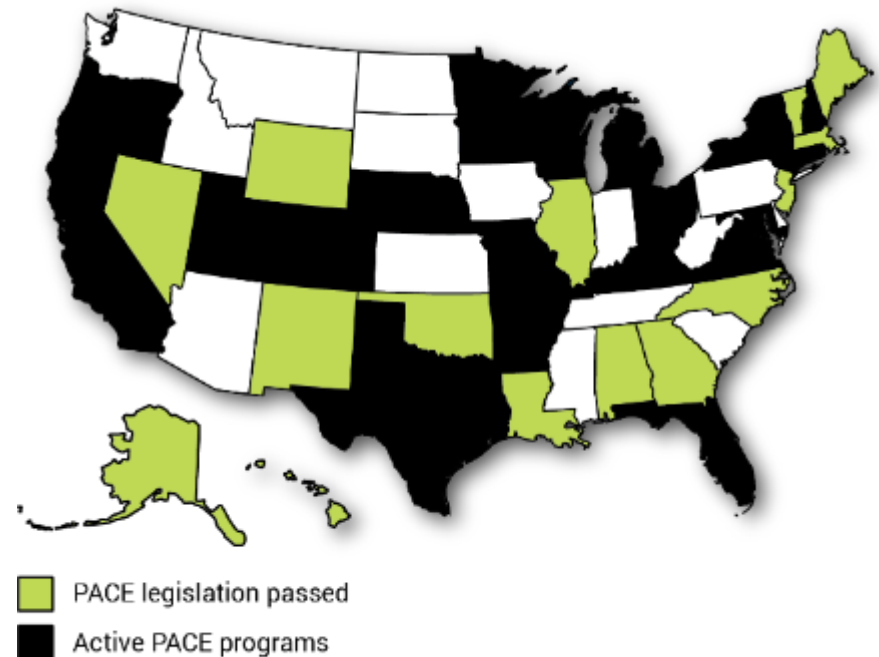
PACE financing

Program overview

- Provides loans for energy improvements that are repaid through a special property tax assessment

Advantages

- 20 year fixed rate financing
- High LTV – functions like mezzanine debt
- Funds up to 20 percent of project costs
- Non-recourse
- Senior lender retains foreclosure rights



Source: PACENation



QUESTIONS?
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