



Tax Increment Finance Course

July 17 – 18, 2008

Doubletree Hotel,

Washington, D.C.

TIF Financing Variations

TIF mechanics are wide in scope. TIF financing is available using revenue or general obligation bonds, pay-as-you go financing, developer financing and combinations of various tools. This session will address how TIF deals can be financed in various ways outside of traditional tax increment-backed bonds. Presenters will discuss additional sources for the repayment of TIF debt including: property tax, sales tax and special assessments.

Speakers:

Ken Powell, Managing Director
Stone & Youngberg LLC

Alan C. Cason, Managing Partner
McGuireWoods LLP

Marc Hughes, Director (Moderator)
DEPFA First Albany Securities LLC

Alan C. Cason

“MORE MONEY SOONER”

Additional governmental revenue sources to supplement or “back-up” traditional property tax increment revenues

ADDITIONAL REVENUE SOURCES

- 1) Special Taxes and Assessments
- 2) Special Hotel Occupancy Taxes (SHOT)
- 3) Sales Tax Revenues
- 4) Enterprise Zone Tax Credits
- 5) BRAC Revenues
- 6) Personal Property Taxes
- 7) PILOT Revenues
- 8) State and local grants or contributions

SPECIAL TAXES AND ASSESSMENTS

SPECIAL HOTEL OCCUPANCY TAXES



Hilton-Baltimore
Baltimore's Publicly Owned Convention Center Hotel



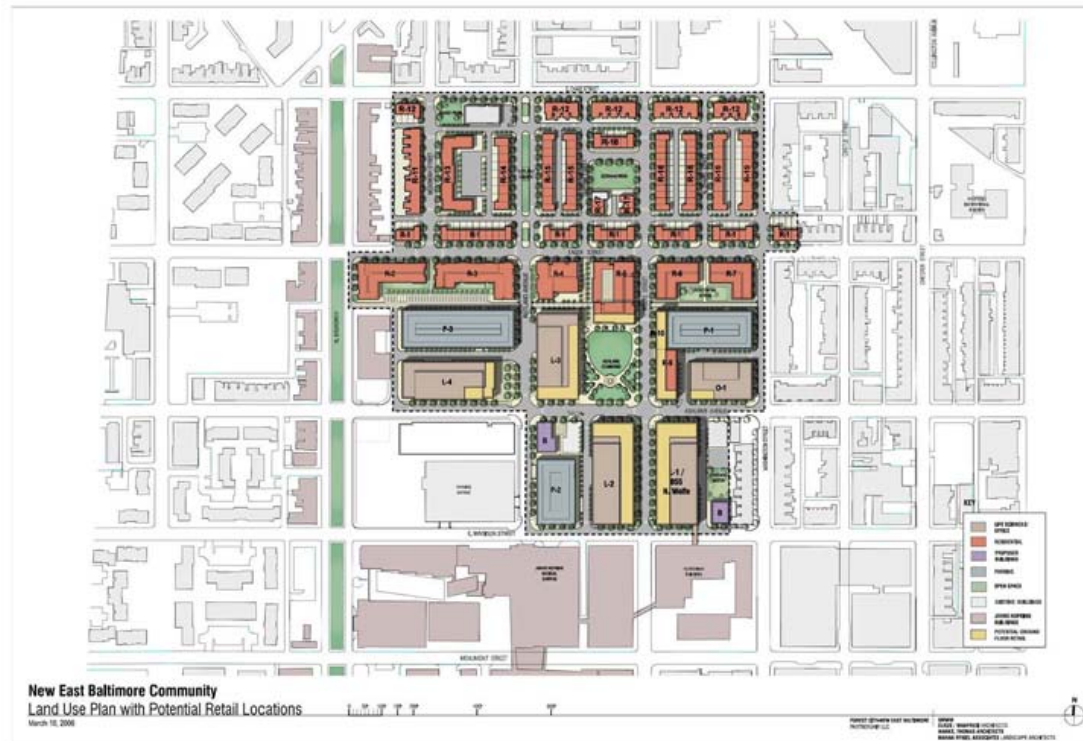
Gaylord National Harbor Hotel
Prince George's County, Maryland
(legislation pending)

SALES TAX REVENUES



ALABAMA

ENTERPRISE ZONE TAX CREDITS



East Baltimore Research Park Bonds (issued in February, 2007)

BRAC REVENUES

(U.S. Base Realignment and Closure)

PERSONAL PROPERTY TAXES

PILOT REVENUES

(Payments in-lieu of taxes)



The New Yankee Stadium

Tenant: New York Yankees

Groundbreaking: August 2006

Currently under construction

Opening: Spring 2009

Capacity: 51,800

Style: Open air

Surface: Grass

Owner: New York Yankees

Cost: \$1.02 billion (pre-construction estimate)

Public financing: \$220 million from New York City for parking facilities (\$75 million), parkland along the waterfront (\$135 million) and other work related to the Stadium

Private financing: \$800 million from the Yankees

STATE AND LOCAL GRANTS OR CONTRIBUTIONS (to off-set costs of infrastructure improvements)



**National Harbor
Prince George's County, Maryland**

LEGAL CONSIDERATIONS

- 1) Legal authority to pledge additional revenue source.
- 2) Contractual availability of additional revenue source.



Ken Powell



STONE &
YOUNGBERG

3. Special Assessments

- A. Variation of TIF
- B. Rate and Method – Reasonableness
- C. Priority / Recordation / Foreclosure
- D. Examples
 - 1. Reynolds Crossing CDA
 - 2. Broad Street CDA
 - 3. The Farms of New Kent CDA

Reynolds Crossing (Henrico County, Virginia) May 2007

Bond Issue:	\$14,594,000 Reynolds Crossing Community Development Authority Special Assessment Revenue Bonds, Series 2007
Term:	14 Years
Location:	Henrico County, VA
Development:	71 acre mixed-use development 250-room Westin hotel 480,000 sq. ft. of new office space 170,000 sq. ft. of restaurants and retail tenants 230,000 sq. ft. seven-story office building 64,000 sq. ft. medical office building
Developers:	Reynolds Holdings, LLC
Use of Proceeds:	Public infrastructure improvements including road improvements (curb, gutters, paving, striping, sidewalks and traffic signals), a storm water drainage system, public water and sanitary sewer lines and facilities, development signage and landscaping.
Primary Security:	Special Assessment Revenues
Special Features:	<ul style="list-style-type: none">▪ Public improvements enhanced existing development to attract national tenants such as Westin hotel.▪ Former site of Reynolds Metals Company headquarters.

Reynolds Crossing (Henrico County, Virginia) May 2007

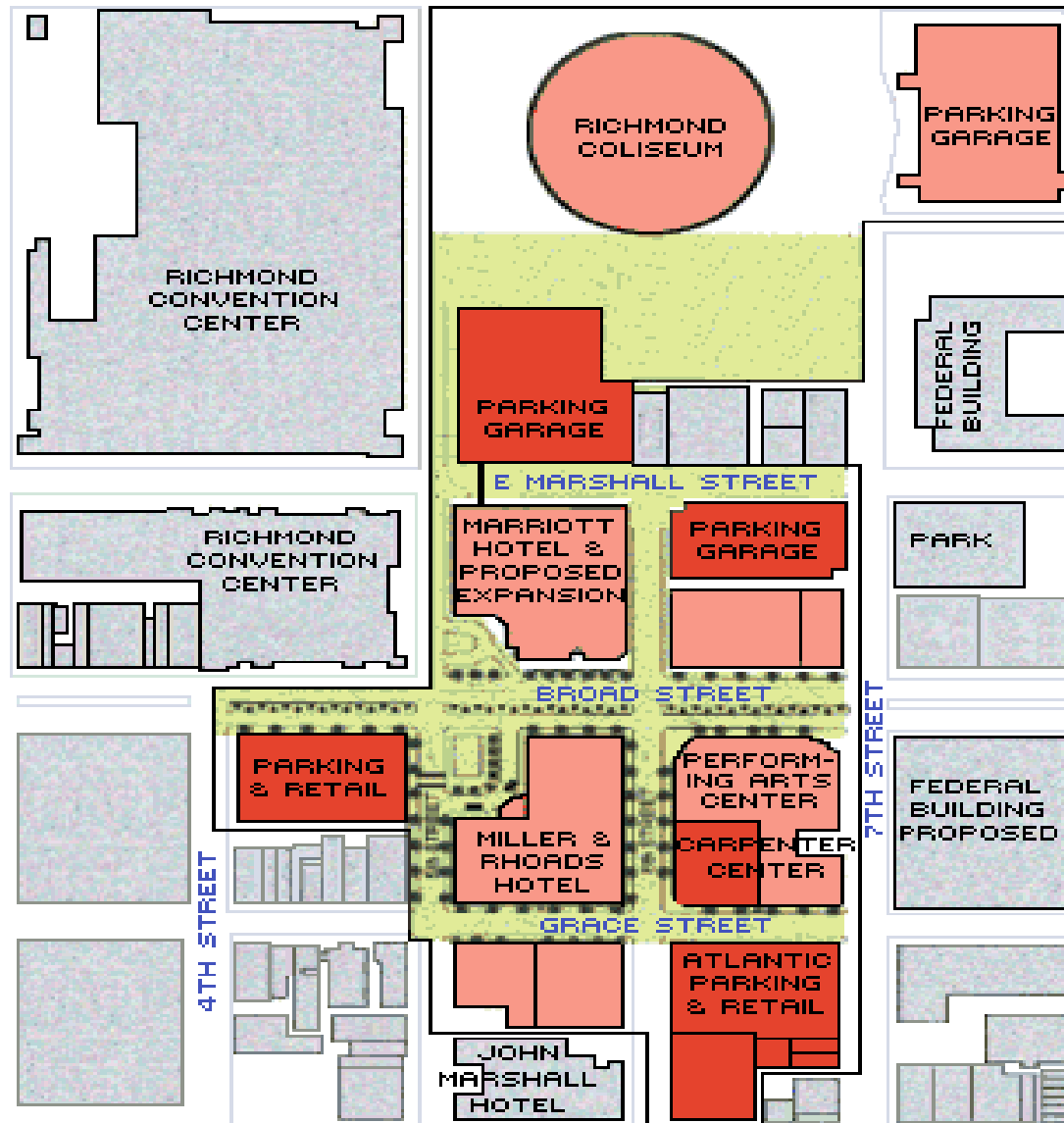


Y&R *Yonkers & Ruppel, Inc.*
Transportation • Land Development • Environmental Services
110 South 21st Street, Suite 200 • Richmond, Virginia 23220 • 804.625.1000 • FAX 804.625.1110

Broad Street CDA (Richmond, VA) May 2003

Bond Issue:	\$66,740,000 Broad Street Community Development Authority Revenue Bonds, Series 2003
Term:	30 Years
Location:	Richmond, VA - Central Virginia's "Central Business District"
Development:	5 city blocks of mixed-use commercial and retail properties in the center of a planned revitalization of the former retail center of downtown Richmond 630,000 sq. ft. Richmond Convention Center Miller & Rhoades Hotel 290,000 sq. ft. new Federal Courthouse Performing Arts Center Complex
Developers:	ECI Investment Advisors, Inc.
Use of Proceeds:	Public infrastructure improvements including the acquisition, construction and improvement of certain parking, streetscape, public utility and other improvements.
Primary Security:	Special Assessment Revenues
Special Features:	<ul style="list-style-type: none">▪ Bonds secured by parking revenues special assessments, per ticket surcharges from Performing Arts Center Complex, and annual contribution from City.▪ Multiple land owners subject to numerous agreements.

Broad Street CDA (Richmond, VA) May 2003



The Farms of New Kent (New Kent County, Virginia) September 2006

Bond Issue:	\$85,666,000 The Farms of New Kent Community Development Authority Special Assessment Bonds, Series 2006A, B, & C
Term:	30 Years
Location:	New Kent County, VA
Development:	1,450 age-restricted units 300 estate lots 450 single family homes 100 resort cottages 830,000 sq. ft. of commercial space 18-hole Rees Jones Golf Course Winery, vineyards, polo complex, farmer's market
Developers:	Boddie-Noell Enterprises, Republic Land and K. Hovnanian
Use of Proceeds:	Public infrastructure improvements including road, water and wastewater improvements.
Primary Security:	Special Assessment Revenues
Special Features:	<ul style="list-style-type: none">▪ Second largest non-rated special district financing in Virginia.▪ Unique bond structure in which prepayments used first to call Series A Bonds, then the Series B Bonds and finally the Series C Bonds.▪ Alleviated County's problem of limited existing wastewater treatment capacity restraining development in County