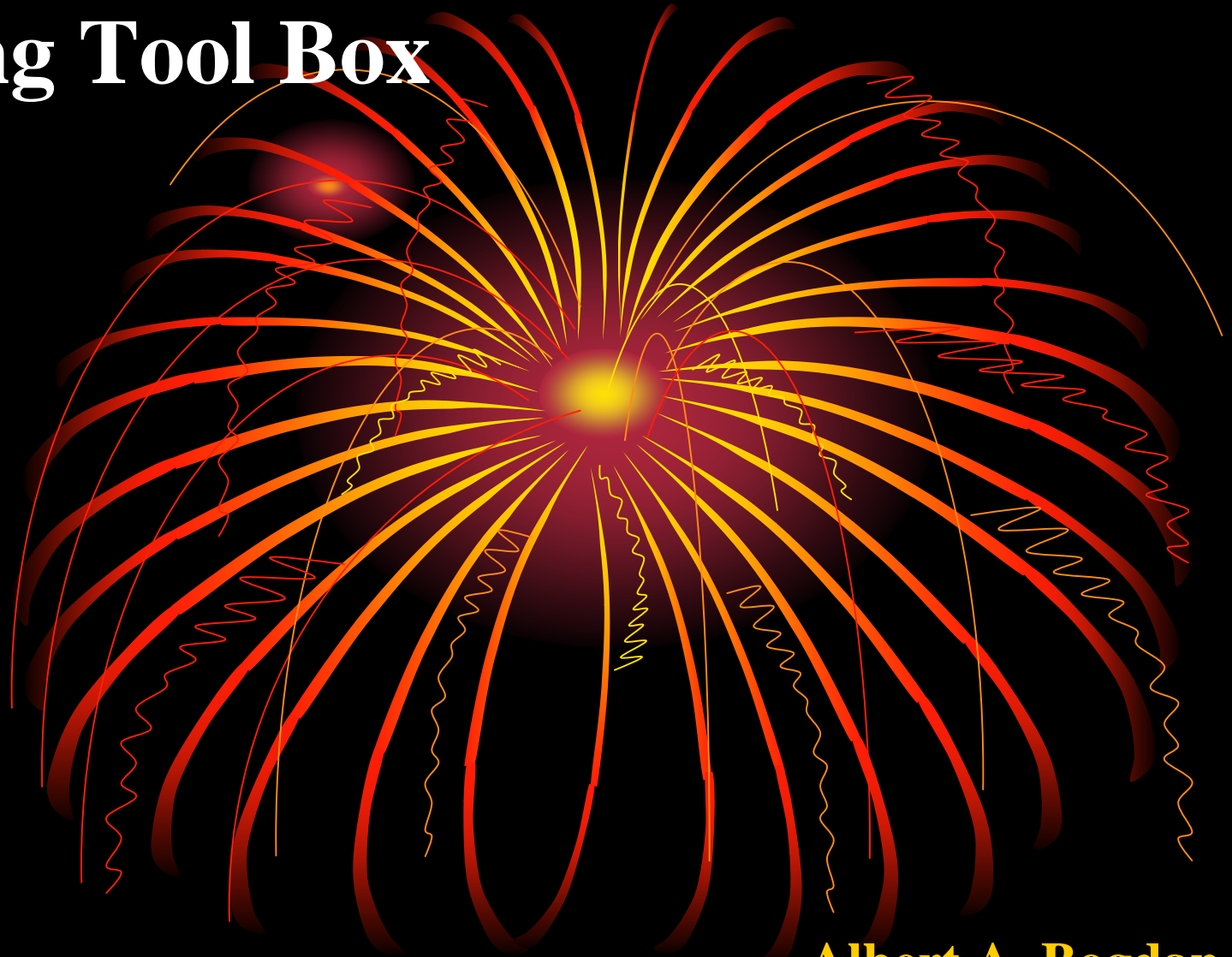


Financing Tool Box



Albert A. Bogdan

AAB Development Strategies

Michigan Magnet Fund



Biomass Energy Zone

Microloan

Renaissance Energy Grant

TURBO

AWAY TED

Low Income Housing Tax Credits

NSP

SP HUD 108

Facility Bonds

Revenue Bonds

Funds

501(c)(3)

Historic

Law

Factor

Bootstrapping

H.O.M.E

Replacement Housing Credits

New Market Tax Credits

Capping

Film Tax Credits

R.E.D. I Grant

SBA 7a

C.D.B.G.

Brownfield Tax Credit

1603

Increment Financing

Michigan

Business Tax Credits

Angels

202

Equity Financing

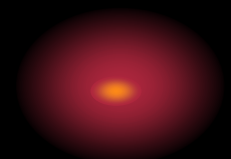
Market

✓ Banks Are Not Lending

- Relational Deals - Maybe
- Transactional Deals - Tougher
- Need to be Look at Alternatives

✓ Tax Credit Market Mixed

- Short Term Tax Credits Marketable
 - Example State MBT Tax Credits
 - Source: Private Profitable Companies
 - Current Pricing \$0.85 to \$0.87
- New Markets Tax Credits
 - Congress Eliminating AMT
 - Source Primarily Banks
 - USB very aggressive – Others more Constrained
 - Current Pricing \$0.65 to \$0.72
 - Bank not participating in Leveraged Debt
- Low Income Housing Tax Credit
 - Extremely Narrow Market



Tool Box of Financial Sources



Federal Options

HUD 108

BEDI

New Market Tax Credits

Various Stimulus Programs

Alternative Energy Tax Credits

Historic Tax Credits

SBA

Other Sources

Foundation

Private Angel & Venture Capital

Revolving Loan Funds

State Options

Tax Credits

Brownfield MBT

Film

MEGA

Alternative Energy

Historic

Direct Financing

Bonds

CDBG

TEDF

Neighborhood Stabilization Funds

What Am I Working On



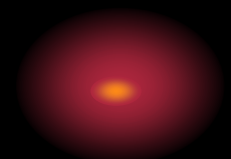
- ✓ **A \$2.1M HUD 108 Loan-Match a \$2.0M BEDI Grant**
- ✓ **A \$5.1M Low Income Housing Using LIHTC Replacement w HOME Funds From MSHDA, Detroit, & Wayne County**
- ✓ **\$15K Angel Financing for Weatherization Firm**
- ✓ **Recently Closed \$150k Revolving Loan to Minority Business**
- ✓ **Serve as Volunteer CEED Microloan Committee**
- ✓ **Financing \$60.0M in NMTC Projects for MMF**
 - **Ranging from \$4.8M to \$60M**
 - **Projects Using Varied Sources**

Sources of Funds Biomass Facility

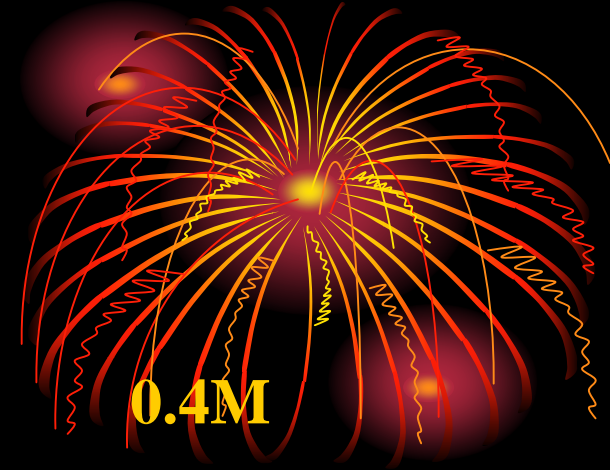
Business Equity	\$1.5M
ARRA Loan – USDA 60% Guarantee	\$11.2M
30% 1603 Grant For Biomass Facility	\$6.5M
NMTC Equity Investment	\$3.8M
Total	\$23.0M

Renaissance Zone

- 100% Property Tax Relief 15 Years**
- 100% MBT Investment Tax Credit 2 Years**
- 100% MBT Compensation Credit 15 Years**
- 100% Sales Tax Exemption 2 Years**
- 100% MBT Property Tax Credit 15 years**



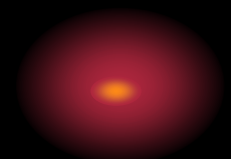
Sources of Funds Healthcare Facility



Developer Equity		0.4M
Leveraged Loan	\$1.3M	
Capital Campaign Bridge Loan	\$1.0M	
Capital Campaign Cash	\$.6M	
Medicaid Match Bridge Loan	\$2.8M	
Medicaid Match Cash Collected	\$1.3M	
Brownfield Bridge Loan	\$1.2M	
Land Bridge Loan	\$2.0M	
NMTC	\$4.1M	
Total Qualified Investment		\$14.3M
Total		\$14.7M

Mixed Use Historic Rehabilitation

Developer Equity		\$ 225k
Leveraged Bank Debt	\$ 550k	
City UDAG Loan	\$ 525k	
National Historic Tax Credit	\$ 745k	
State Brownfield Tax Credit	\$ 570k	
State Historic Tax Credit	\$ 470k	
NMTC	\$ 960k	
	<hr/>	
NMTC Eligible Financing		\$ 3,820k
CDBG Grant	\$ 500k	
Façade Grant	\$ 20k	
Deferred Development Fee	\$ 120k	
	<hr/>	
Other Financing		\$ 640k
		<hr/>
Total Sources of Funds		\$ 4,685k



Office Building Historic Rehabilitation



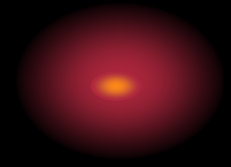
Developer Equity		\$ 0.5M
HUD 108 Loan	\$ 7.1M	
Foundation Loan	\$1.7M	
National Historic Tax Credit	\$1.3M	
Bridge Loan	\$0.5M	
NMTC	\$5.0M	
	<hr/>	
NMTC Eligible Financing		\$ 15.6M
		<hr/>
Total Sources of Funds		\$16.1M

MEDC Providing New Financing



✓ MEDC to Finance 12 – 14 New Firms

- RFP
- Very Early Stage Firms
- Business Plan
- \$1 Million in Matching Funds
- Proposals Due 5/19/10
- Decision 6/10/10



In Closing



✓ **To Understand Source of Financing Go to Full PowerPoint Presentation on Showing You the Money <http://www.aabds.com>**

- **Key is Networking**
- **MEDC Folks, Well Organized, Helpful**
- **State is Aggressive**