

CDFA Financing Roundtable Webcast: Unlocking the Development Finance Toolbox in Oregon

The Broadcast will begin at 11:00am (PDT).

While you're waiting, check out some upcoming CDFA events...



Intro Public-Private
Partnership (P3)
Finance Course



August 6-7, 2013
Washington, DC



CDFA National
Development Finance Summit



August 6-9, 2013
Washington, DC



in partnership with  ASSOCIATION
TO INVEST IN USA

Intro EB-5
Finance WebCourse



September 18-19, 2013
Daily: 12-5pm (EDT)



 *in partnership with*




A specialized state initiative of the Council of Development Finance Agencies

Unlocking the Development Finance Toolbox

Toby Rittner

President & CEO

Council of Development Finance Agencies

Columbus, OH



■ Are you a CDFA Member?

Members receive exclusive access to thousands of resources in the CDFA Online Resource Database. Join today at www.cdfa.net to set-up your unique login.

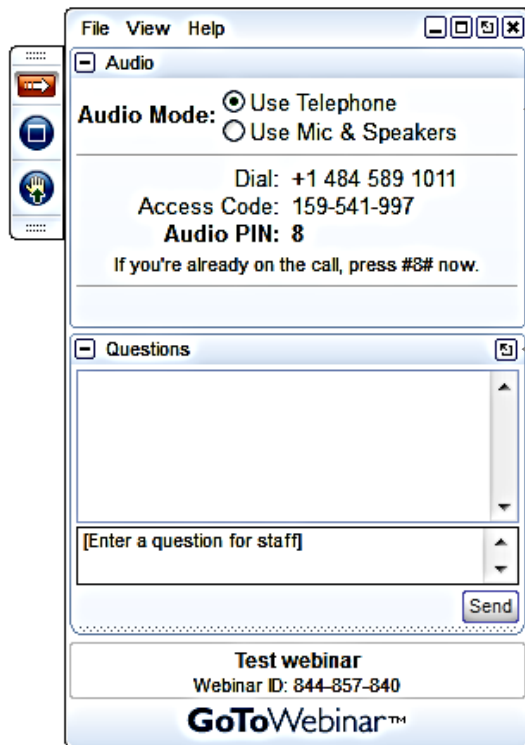


in partnership with
business
oregon



A specialized state initiative of the Council of Development Finance Agencies

Unlocking the Development Finance Toolbox



Using your telephone will give you better audio quality.

Submit your questions to the panelists here.

Want to watch again?

You will find a recording of this webcast, as well as all previous CDFA webcasts, in the Online Resource Database at www.cdfa.net.



in partnership with
business oregon



A specialized state initiative of the Council of Development Finance Agencies

Unlocking the Development Finance Toolbox

Speakers

Carol McCoog

Hawkins Delafield & Wood LLP

Karen M. Williams

Carroll Community Investments, LLC

Ken Rust

Public Financial Management, Inc.

Cam Turner

United Fund Advisors

Gary O'Connell

Columbia State Bank

John Saris

Business Oregon



A specialized state initiative of the Council of Development Finance Agencies

Unlocking the Development Finance Toolbox

May 23, 2013

Toby Rittner, DFCP, EDFP
President & CEO
trittner@cdfa.net



www.cdfa.net

About CDFA

- National non-profit association representing the development finance industry.
- Provide education, advocacy, research, resources, networking and leadership.
- Education – Bond Finance (2), Tax Increment Finance (2), Tax Credit, Revolving Loan Fund, Innovation Finance, Energy Finance, P3 Finance and Fundamentals of ED Finance Course.
- Advocacy – Active partner with Congress and Administration advocating for development finance concerns.
- Research – Produce annual State-By-State studies for Bond Volume Cap and Tax Increment Finance Statute changes, bond finance resource center, TIF resource center, RLF resource center, Federal Financing Clearinghouse, etc.
- Resources – Nearly 4,000 online resources through our various libraries and database.
- Networking – 320 member organizations throughout the country, 21,000 person network,- join today!



www.cdfa.net

Understanding Development Finance



www.cdfa.net

What is Development Finance?

- Development finance is the efforts of local communities to support, encourage and catalyze expansion through public/private investment in physical development/redevelopment and/or business/industry.
- It is the act of contributing to a project/deal that causes that project/deal to materialize in a manner that benefits the long term health of the community.
- Development finance requires programs and solutions to challenges that the local environment creates.



www.cdfa.net

What Does DF Include?

- Debt, equity, credits, liabilities, remediation, guarantees, collateral, credit enhancement, venture/seed capital, early stage, workforce, technical assistance, planning, short-term, long-term, incentives, gap, etc.
- Proactive approaches that leverage public resources to solve the needs of business, industry, developers and investors.



www.cdfa.net

What DF *Does Not* Include

- Free handouts and unabashed subsidies
- Duplicative assistance
- Poor due diligence and transparency
- Poor oversight and performance measures
- Irrational responses to immediate challenges



www.cdfa.net

Why is DF Important?

- Businesses need working capital and the ability to invest in themselves
- Developers need assistance to achieve an acceptable ROI
- Communities need infrastructure and amenities
- Citizens need opportunities for advancement – jobs, small business, education, etc.
- Regions need economic prosperity



www.cdfa.net

Trends in DF Tool Use

- 50% of finance agencies issue bonds
- 41% act as conduit bond issuers
- 50% provide direct loans
- 27% provide loan guarantees (collateral support)
- 39% provide grants
- 62% provide technical assistance

Despite these trends:

50% of all finance agencies allocate less than 20% of their actual budget to directly financing development?



www.cdfa.net

Tool Use Trends

- Nearly 40% of finance agencies do not use TIF (49 states have TIF capabilities)
- 65% of agencies do not use SIDs & BIDs (special districts)
- Less than 5% of finance agencies frequently employ the use of state & federal tax credit programs
- Only 9% of agencies are active in the venture capital finance industry (5% of agencies use alternative equity)
- Over 43% of agencies use RLFs frequently (federalized)



www.cdfa.net

Tool Use Trends – Federal

- CDBG – 40% frequently use
- EDA – 18% frequently use
- Reliance on federal funding remains strong yet this source is the most volatile and less reliable from year to year
- A note on grants – over 25% of agencies are actively providing grants to finance development



www.cdfa.net

So What is Happening Here?

- Why are agencies ignoring tried and true tax-exempt bond financing tools for addressing manufacturing & non-profit development?
- Why are economic developers ignoring targeting financing tools such as TIF for addressing redevelopment, business district and revitalization?
- Why are tax credits programs underutilized? Tax credits abound – NMTC, brownfields, historic, LIHTC, hundreds of replicable state program.
- Nearly 30 states have state sponsored venture funds?
- Why the reliance on federal funding?



www.cdfa.net

A Few Answers

- Complexity of financing programs
- Nature of locally controlled, political economic development efforts
- Lack of focus on financing strengths within community
- Little dedication to education and capacity building



www.cdfa.net

Building the Development Finance Toolbox



www.cdfa.net

Introducing the Toolbox Approach

- The Toolbox Approach is a full scale effort to building local and regional financing capacity to serve and impact a variety of business and industry needs.
- This is an investment in programs and resources that harness the full spectrum of a community's financial resources and is a dedication to public/private partnerships.



www.cdfa.net

Why the Toolbox Approach?

- Wide variety of programs already exist to help with both general and targeted financing needs (yet we continue to seek new programs and struggle to gain access to scarce sources of funding)
- One size does not fit all and there are different instruments for different users



www.cdfa.net

Why the Toolbox Approach?

- More parties can be involved with a comprehensive approach – banks, thrifts, educational providers, investors, angels, developers, planning authorities, etc.
- Diversity is very important in development finance efforts.



www.cdfa.net

The Toolbox and Financing Spectrum

5 Practice Areas

Practice Area 1: Bedrock Tools

- Bonds and the Basics of Public Finance

Practice Area 2: Targeted Tools

- Tax Increment Finance, Special Assessment Districts, Government Districts and Project Specific District Financing



www.cdfa.net

The Toolbox and Financing Spectrum

Practice Area 3: Investment Tools

- Tax Credits, Seed & Venture Capital and Angel Funds

Practice Area 4: Access to Capital Lending Tools

- Revolving Loan Funds, Mezzanine Funds, Loan Guarantees and Microenterprise Finance

Practice Area 5: Support Tools

- Federal Funding and Abatements



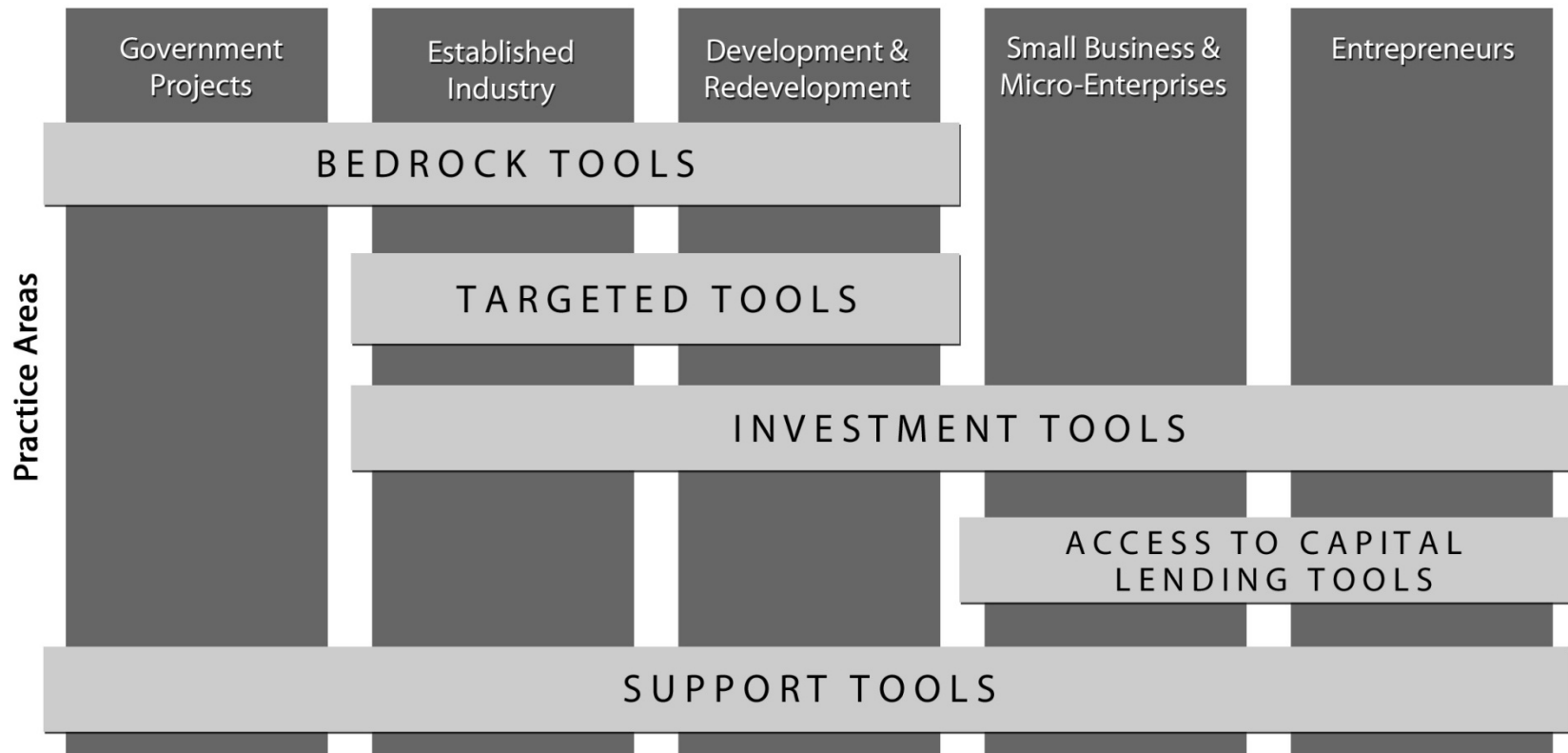
www.cdfa.net

Development Finance Spectrum



Development Finance SPECTRUM

Types of Financings



From the *Practitioner's Guide to Economic Development Finance*

In the End...

- All economic development comes down to the access to financial resources for completing a given project or deal.
- Nearly all projects/deals hinge on the ability to leverage inexpensive sources of financing.
- As they say, cash is king, money makes the world go around and show me the money!



www.cdfa.net

Post-Recession Economic Development Finance



www.cdfa.net

Recession's Impact

- Reduction in state and local government tax revenues has severely hindered ability to spur economic development
- Constraints of federal government have reduced resources for economic development (fiscal cliff approaching)
- Inactivity of Congress has slowed economic recovery and created mixed message of policy vs. politics
- States have acted irrationally to reduce strains on government to detriment of econ development efforts



www.cdfa.net

Recession's Impact

- Private sector has retracted and contracted
- Access to capital has “dried-up”
- Commercial real estate development has slowed significantly
- Bond markets have slowed to snail's pace
- Government expansion only now starting to pick-up
- Focus of economic development has shifted



www.cdfa.net

Recession's Impact

- Threats to common economic development tools are rampant and real
- Tax Exempt Bonds
- New Markets Tax Credits
- Historic Rehab Tax Credits
- CDBG, EDA, USDA
- SBA 504 and 7a



www.cdfa.net

2013 Trends in Development Finance

- Project focus has shifted
- Energy efficiency, sustainable development
- Urban infill, land reuse and revitalization
- Transit oriented development, intermodal opportunities
- Innovation finance, entrepreneurship
- Small business development
- Low spec development



www.cdfa.net

End on a High Note

- Opportunities are emerging
- P3 deals are gaining significant traction
- Bond markets are up 68% over last year
- EB-5 reauthorized for three years
- Investment in sustainable infrastructure is now preferred by investment community
- Reshored manufacturing is happening



www.cdfa.net

Resources

- Over 3,800 online resources with dozens of categories and subcategories
- Designated resource centers to help break down some of the complexity

- About CDFA
- Membership
- Training Institute
- Legislative Affairs
- National Summit
- Resources & Research
- Advisory Services
- TIF Coalition
- Webcasts
- Bookstore
- Perspectives Magazine
- Newsletter

Join CDFA

Renew Your Membership

FOLLOW US ON 

CDFA Upcoming Events

CDFA - BNY Mellon Webcast Series: The Rise of Social Impact Bonds
Free Webcast
October 23, 2012

CDFA S3BCI Webinar Series
5-part Series
October 31, 2012

Intro Tax Credit Finance
WebCourse
Daily: 12-5pm (EST)
November 6-7, 2012

CDFA Pennsylvania Financing Roundtable
Conference: Advancing Development Finance in the Commonwealth
Harrisburg, PA
November 14, 2012

CDFA-Stern Brothers Renewable Energy Finance
Webcast Series: Digging Into the Ugly Side of Renewable Energy Finance
Free Webcast
November 15, 2012

CDFA-Stifel Nicolaus Webcast Series: What Makes a Good Feasibility Study?
Free Webcast
December 6, 2012



CDFA Online Resource Database

The CDFA Online Resource Database (ORD) is the nation's only electronic resource collection dedicated exclusively to development finance.

To conduct a Search of the ORD, use the search features below. Users can conduct a basic keyword search or select various categories to narrow the search results. To search deeper within a given category, click the [+] symbol to show a list of subcategories. Many resources are available to all users while others are restricted to CDFA members only. CDFA members must login with their unique CDFA username and password to access restricted items. Non-members can join CDFA today to gain access to the entire database.

Keywords & Phrases

State:

Sort Results By:

Categories & Subcategories

- Access to Capital [+] (select all)
- Bond Finance [+] (select all)
- Brownfield Financing [+] (select all)
- Community Development [+] (select all)
- EB-5 Visa [+] (select all)
- Economic Development [+] (select all)
- Energy Finance [+] (select all)
- Export Import Bank of the United States (Ex-Im Bank) [+] (select all)
- Foundations
- Green Finance [+] (select all)
- Infrastructure Finance [+] (select all)
- Innovation Finance [+] (select all)
- Internal Revenue Service (IRS) [+] (select all)
- International
- National Science Foundation (NSF) [+] (select all)
- NIST Manufacturing Extension Partnership (MEP) [+] (select all)
- Revolving Loan Funds (RLFs) [+] (select all)
- Rural Development [+] (select all)
- Tax Credits [+] (select all)
- Tax Increment Finance (TIF) [+] (select all)
- Urban Development [+] (select all)
- U.S. Dept. of Agriculture (USDA) [+] (select all)
- U.S. Dept. of Energy (DOE) [+] (select all)
- U.S. Dept. of Housing & Urban Affairs (HUD) [+] (select all)
- U.S. Dept. of Interior - National Park Services (NPS) [+] (select all)
- U.S. Dept. of Justice (DOJ) [+] (select all)
- U.S. Dept. of Treasury [+] (select all)
- U.S. Dept. of Treasury CDFI Fund [+] (select all)
- U.S. Economic Development Administration (EDA) [+] (select all)
- U.S. Environmental Protection Agency (EPA) [+] (select all)
- U.S. Small Business Administration (SBA) [+] (select all)
- Webcasts

After selecting your criteria, click the Search button. Search results will populate below.



Resource Centers

cdfa
Council of Development Finance Agencies

Advancing Development Finance Knowledge, Networks & Innovation

Revolving Loan Fund Resource Center

RLF Resources

- >>> Understanding Revolving Loan Funds
- >>> RLF Lending Policies, Criteria & Conditions
- >>> RLF Marketing Examples
- >>> RLF Sample Applications
- >>> RLF Case Studies

>>> ADVANCED SEARCH

CDFA Original Research

How the Tool Works: Revolving Loan Funds
This CDFA "How the Tool Works" profile addresses revolving loan funds (RLFs), which use interest and...

DF Perspectives 3: Tips for Managing Your RLF Program
This article providing fund capitalization, RLF committee, program marketing, and loan servicing tips for...

>>> MORE CDFA RESEARCH

Federal RLF Resources

- >>> EDA RLF Grant Program
- >>> EPA RLF Grants
- >>> CDFA Federal Financing Clearinghouse

>>> ADVANCED SEARCH

RLF Program Profiles

Featured Program

Facade Improvement Program

Managing Organization
Downtown Tuscon Partnership

Capitalization Source(s)
Private, Local

Loan Terms
15 years

Loan Rates
0%

>>> RLF Programs
>>> Submit Your RLF
>>> All RLF Resources

Compare All States

RLF Applications

CDFA Revolving Loan Fund Resource Center
The CDFA Revolving Loan Fund Resource Center is a one-stop hub for all of the resources, reports, headlines,...

Salt Lake City Business Revolving Loan Fund Application Login
This is the complete application form for the Salt Lake City Business Revolving Loan Fund. Elements include...

cdfa
Council of Development Finance Agencies

Advancing Development Finance Knowledge, Networks & Innovation

Bond Finance Resource Center

Bond Finance Resources

- >>> Understanding Bonds
- >>> Bond Volume Cap
- >>> Bond Deal Structuring
- >>> Bond Credit Enhancement
- >>> Investing Bond Proceeds
- >>> Bond Rating Agencies
- >>> Bond Swaps & Derivatives
- >>> Advance Refundings
- >>> Auction Rate Securities
- >>> Bond Arbitrage & Rebate
- >>> Bond Insurance
- >>> Bond Program Marketing Examples
- >>> Bond Banks
- >>> Federal Home Loan Bank Letter of Credit (LOC)
- >>> MSRB's EMMA Muni Disclosures & Market Data

>>> ADVANCED SEARCH

Types of Bonds

- >>> Industrial Development Bonds (IDBs)
- >>> 501(c)(3) Bonds
- >>> Exempt Facility Bonds
- >>> TIF Bonds
- >>> Aggie Bonds
- >>> Green Bonds
- >>> New Clean Renewable Energy Bonds (New CREBS)
- >>> Property Assessed Clean Energy Bonds (PACE)
- >>> Qualified Energy Conservation Bonds (QECBs)
- >>> Qualified School Construction Bonds (QSCBs)
- >>> Qualified Zone Academy Bonds (QZABs)
- >>> Enterprise Zone Bonds

>>> ADVANCED SEARCH

Want more bond finance?

cdfa SUBSCRIBE

The Bond Market

Interest Rate Risk Management
Key Bank | Oct. 23

Interest Rate Market Insight
Cardea Partners | Oct. 22

Municipal Bond Market Note
Janney Capital Markets | Oct. 19

Capital Markets Weekly Update
Wye River Group | Oct. 19

>>> MORE MARKET REPORTS

IRS Guidance & Resources

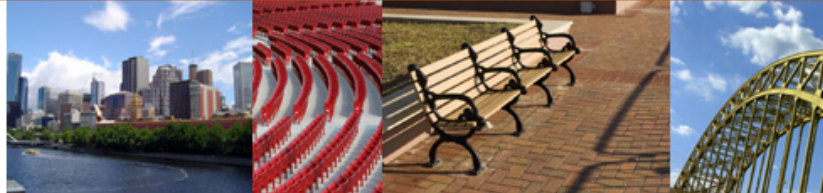
IRS Guidance: Qualified Energy Conservation Bonds Login
This guidance from the Internal Revenue Service provides detailed information on the use of Qualified Energy...

IRS: Your Responsibilities As A Conduit Issuer of Tax-Exempt Bonds Login
Internal Revenue Service Publication 5005 provides an overview for state and local governments of the...

>>> MORE IRS Guidance & Resources

CDFA Federal Financing Clearinghouse

CDFA Member Login



National Sponsors



Advancing Development Finance Knowledge, Networks & Innovation

About CDFA

Membership

Training Institute

Legislative Affairs

National Summit

Resources & Research

Advisory Services

TIF Coalition

Webcasts

Bookstore

Perspectives Magazine

Newsletter

Join CDFA

Renew Your Membership

FOLLOW US ON Twitter

CDFA Upcoming Events

CDFA - BNY Mellon Webcast Series: The Rise of Social Impact Bonds
Free Webcast
October 23, 2012

CDFA SSRCI Webinar Series



CDFA Federal Financing Clearinghouse

An online searchable clearinghouse of federal economic development finance programs.

CDFA's **Federal Financing Clearinghouse** is the only online resource cataloging the development finance programs offered by the federal government. The Clearinghouse includes program overviews of over 100 federal financing programs available to both public and private sector users.

This is an exclusive CDFA member benefit. Users must log-in with their unique CDFA username and password to search the Clearinghouse.

Enter your username and password to login.

Username

[Forgot your username?](#)

Password

[Forgot your password?](#)

Login

[Create username and password.](#)

Search By Agency

Search By Program

Search By Financing Category

Search By Keyword

CDFA Federal Financing Clearinghouse

About CDFA

Membership

Training Institute

Legislative Affairs

National Summit

Resources & Research

Advisory Services

TIF Coalition

Webcasts

Bookstore

Perspectives Magazine

Newsletter

Join CDFA

Renew Your Membership

FOLLOW US ON 

CDFA Upcoming Events

CDFA SSBCI Webinar Series
5-part Series
October 31, 2012

Intro Tax Credit Finance
WebCourse
Daily: 12-5pm (EST)
November 6-7, 2012

CDFA Pennsylvania
Financing Roundtable
Conference: Advancing
Development Finance in the
Commonwealth
Harrisburg, PA
November 14, 2012

CDFA-Stern Brothers
Renewable Energy Finance
Webcast Series: Digging Into
the Ugly Side of Renewable
Energy Finance



504 Loan Program

Program Agency	U.S. Small Business Administration (SBA)
Financing Category	Access to Capital Community Development Urban Development
Financing Type	Direct Loan
Program Overview	<p>The Certified Development Company (CDC)/504 loan program is a long-term financing tool, designed to encourage economic development within a community. The 504 Program accomplishes this by providing small businesses with long-term, fixed-rate financing to acquire major fixed assets for expansion or modernization.</p> <p>A CDC is a private, nonprofit corporation which is set up to contribute to economic development within its community. CDCs work with SBA and private sector lenders to provide financing to small businesses, which accomplishes the goal of community economic development. Typically, a CDC/504 project includes:</p> <ul style="list-style-type: none"> A loan secured from a private sector lender with a senior lien covering up to 50 percent of the project cost; A loan secured from a CDC (backed by a 100 percent SBA-guaranteed debenture) with a junior lien covering up to 40 percent of the project cost; and A contribution from the borrower of at least 10 percent of the project cost (equity). <p>This type of setup means that 100 percent of the project cost is covered either by contribution of equity by the borrower, or the senior or junior lien.</p>
Eligible Users	To be eligible for a CDC/504 loan, businesses must be operated for profit and fall within the size standards set by the SBA. Under the 504 Program, a business qualifies as small if it does not have a tangible net worth in excess of \$7.5 million and does not have an average net income in excess of \$2.5 million after taxes for the preceding two years. Loans cannot be made to businesses engaged in speculation or investment in rental real estate.

Eligible Project Types	<p>504 loans must be used for fixed asset projects such as:</p> <ul style="list-style-type: none"> The purchase of land, including existing buildings; The purchase of improvements, including grading, street improvements, utilities, parking lots and landscaping; The construction of new facilities or modernizing, renovating or converting existing facilities; or The purchase of long-term machinery and equipment. <p>The 504 Program cannot be used for working capital or inventory, consolidating or repaying debt, or refinancing.</p>
Special Notes	
How to Apply	There are about 270 CDCs nationwide, each covering a specific geographic area. If you are interested in applying for a 504 loan, contact your local CDC. A list of SBA CDCs is available online.
Website & Contact Information	http://www.sba.gov/content/cdc504-loan-program

[New Search](#)

Additional Resources from CDFA's Online Resource Database:

Combining and Leveraging TIF with Other Tools

Access to Capital | Bond Case Studies | Bond Finance | Case Studies | Energy Finance | Federal | Green Bonds | Green Finance | Qualified Energy Conservation Bonds (QECBs) | Qualified Energy Conservation Bonds (QECBs) | SBA CDC 504 Loan Program | SBA CDC 504 Loan Program | State Resource | Tax Increment Finance (TIF) | TIF Case Studies | Understanding TIF | U.S. Small Business Administration (SBA)

Jim Snyder of Ice Miller LLP discusses layering TIF with other sources of financing and presents the Kone Center case study.

Chester County Economic Development Council

Access to Capital | Community Development | Community Development Corporation (CDC) | Federal | Innovation Finance | Local Finance Program | Local Green Finance Programs | Revolving Loan Funds (RLFs) | Rural Development | SBA CDC 504 Loan Program | SBA CDC 504 Loan Program | State Finance Program | State Tax Credit Programs | Tax Credits | Technology Financing | U.S. Small Business Administration (SBA)

Gary Smith of Chester County Economic Development Council reviews the organization's programs to support economic development and capital access in the region.

SBA Office of Capital Access Performance Highlights



CDFA State Financing Roundtable

- CA, OR, OH, PA, MI, IL, GA, and TX
- Newsletters
- Webcasts
- State Conference
- Resource/Research Center
- Networking



cdfa
Council of
Development
Finance
Agencies

cdfa
Ohio
Financing
Roundtable

Advancing Development Finance Knowledge, Networks & Innovation

A specialized state initiative of the Council of Development Finance Agencies

The CDFA Ohio Financing Roundtable is dedicated to developing a sustainable economic development finance industry for the state of Ohio. A collection of CDFA members and finance leaders from across the state, the Roundtable brings together the Ohio development finance industry through education, news and research.

Upcoming Events

A CDFA Ohio Financing Roundtable Webcast is being developed for later in 2012 and will be announced soon. Check back later for more information.

Annual Roundtable Sponsors

Annual Roundtable Sponsors make a yearlong commitment to support all of the activities of the CDFA Ohio Financing Roundtable.

Bricker & Eckler
ATTORNEYS AT LAW

Frost Brown Todd
ATTORNEYS

ICE MILLER
LEGAL COUNSEL

KeyBanc
Capital Markets

PNC
CAPITAL MARKETS

ROETZEL & ANDRESS

STIFEL NICOLAUS

Ohio Resources

Detroit/Wayne County Port Authority: PA 639 of 1978 Enhancements
Local Finance Program | Bond Finance | State Finance Program
John Kerr of the Detroit/Wayne County Port Authority compares the economic development finance abilities of Ohio's and Michigan's ports, and discusses legislative changes to bring the two in line.
Columbus-Franklin County Finance Authority

Ohio News

Travel Plaza Planned to Catalyze Redevelopment Area
Dayton Daily News | Oct. 19

City Approves Loan for Downtown Rehab Project
Sidney Daily News | Oct. 18

Unlikely Marriage of a Developer and...

CDFA Upcoming Events

CDFA - BNY Mellon Webcast Series: The Rise of Social Impact Bonds Free Webcast
October 23, 2012

CDFA SBCCI Webinar Series 5-part Series
October 31, 2012

Intro Tax Credit Finance WebCourse
Daily: 12-5pm (EST)
November 6-7, 2012

CDFA Pennsylvania Financing Roundtable Conference: Advancing Development Finance in the Commonwealth
Harrisburg, PA
November 14, 2012

CDFA - Stern Brothers Renewable Energy Finance Webcast Series: Digging Into the Ugly Side of Renewable

Contact CDFA

Toby Rittner, DFCP, EDFP
President & CEO
trittner@cdfa.net

Council of Development Finance Agencies
85 E. Gay Street, Suite 700
Columbus, OH 43215



www.cdfa.net

Unlocking the Development Finance Toolbox

Carol McCoog

Partner

Hawkins Delafield & Wood LLP

Portland, OR



■ **Are you a CDFA Member?**

Members receive exclusive access to thousands of resources in the CDFA Online Resource Database. Join today at www.cdfa.net to set-up your unique login.



in partnership with
business oregon



A specialized state initiative of the Council of Development Finance Agencies



Bonds 101

Carol Juang McCoog

CDFA Oregon Financing Roundtable Webcast –
May 23, 2013

Hawkins
DELAFIELD & WOOD LLP



Types of Bonds in Oregon

- **General Obligation (GO) Bonds**
 - Unlimited property taxes
 - Voter approved
- **Revenue Bonds**
 - Secured by revenue stream
- **Full Faith and Credit Obligations**
 - Secured by all legally available revenues, including property taxes (e.g., General Fund)
 - Possible charter and constitutional limitations

Types of Bonds in Oregon

- Limited Improvement District (LID) Bonds
 - Limited types of projects
 - Paid for with payments from benefitted property owners
- Urban Renewal Bonds
 - Tax increment (i.e., increment of assessed value)

Type of Bonds in Oregon

- Conduit Bonds
 - Purpose to obtain tax-exempt financing for private businesses
 - Limited to certain private businesses
 - Only certain governments in Oregon have authority
- Industrial development bonds (IDBs)
 - Small manufacturing projects
- Solid Waste Disposal
 - Solid waste disposal and recycling
- 501(c)(3) non profits



Tax-Exemption

- Interest paid not taxed as income
- Lower interest charged to governmental issuers or conduit bond borrowers
 - Limitations related to tax-exempt financed projects and proceeds
- Tax-exemption frequently discussed in tax reform conversation



Securities laws

- Heightened scrutiny by SEC on disclosure
- Annual financial information now required for publicly sold variable rate bonds
- Certain conduit issuers and underwriting banks require “long-form” disclosure even with bank letter of credit

Karen M. Williams

Principal

Carroll Community Investments, LLC

Portland, OR



- **Need assistance with your development finance programs?**

Consider CDFA's Research & Advisory Services – offering customized and tailored technical assistance for all of your development finance needs. Learn more at www.cdfa.net.



in partnership with
business oregon



A specialized state initiative of the Council of Development Finance Agencies

The Oregon Approach to Innovation in Infrastructure



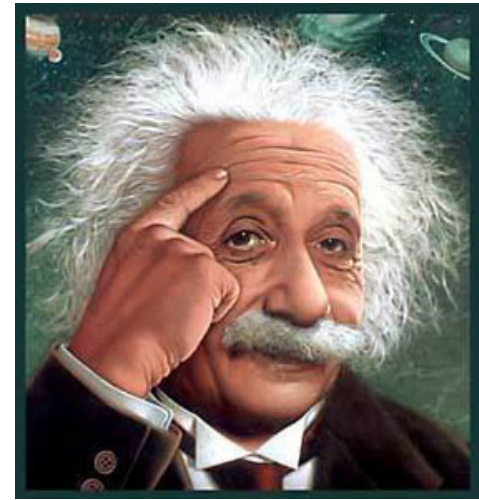
Oregon's Infrastructure Needs

Infrastructure needs over the next 20 years:

- \$2.8 billion for drinking water
- \$3.8 billion for wastewater
- \$2.5 billion for schools
- Address 135 high-hazard dams
- Repair 433 structurally deficient bridges
- Improve 1,341 functionally obsolete bridges
- And More.....

Portland metro area alone needs \$20 billion more infrastructure investment than what we can accomplish using traditional financing and procurement

Einstein was right



Doing the same thing over and over again and expecting different results simply will not work.

Oregon must innovate to deliver the infrastructure we need if we are to preserve our quality of life and have a sound and resilient economy.

The Innovations

Collaboration to establish a best-practices marketplace

Innovative procurement based on performance outcomes and highest life-cycle value

The West Coast Infrastructure Exchange

- A market for private capital investment in public infrastructure
- A forum for best practices and interjurisdictional cooperation

“Design-Build-Finance-Maintain”

- Transfer risks of design, construction, financing cost, and long-term performance to private partners
- Invite innovation and life-cycle design to reduce total cost of occupancy and increase value for dollars invested

The Innovations

Develop system for Performance-based, life-cycle procurement (“DBFM”) in collaboration with Partnerships BC

- Invites private innovation to meet required performance outcomes
- Transfers risk for on-time, on-budget delivery and quality to the private providers
- Assures performance by placing private capital at risk with penalties for non-performance
- Stretches public dollars by leveraging private capital
- Results in higher value for dollars because projects are designed to reduce long-term costs of occupancy, not just to achieve least cost of construction
- Not a transfer of assets or a concession for privatization of services
- Public sector owns infrastructure and delivers the services

DBFM



- Public owner transfers risk to private team that provides design, construction, some amount of financing, and long term maintenance through a single integrated contract for payments that are capped and scheduled for entire term of contract.
- Payment deductions apply if performance requirements not met.
- Encourages high quality, allows for highest teamwork and innovation in design and construction.
- Methodology refined by Partnerships BC in British Columbia
 - \$12.5 billion in projects in 11 years
 - \$5 billion in private capital participation
 - Overall 20% higher value for money

The Oregon Plan



- Develop skills and capacity to deliver innovative infrastructure projects reliably and consistently.
- Identify opportunities to allow all Oregon communities to benefit from sophisticated project delivery by combining “bundles” of like-type projects when higher value can be obtained for the public dollars, and when innovation can solve intractable problems.
- Use best practices in a West Coast regional marketplace to obtain the highest value for infrastructure investments and leverage private capital.

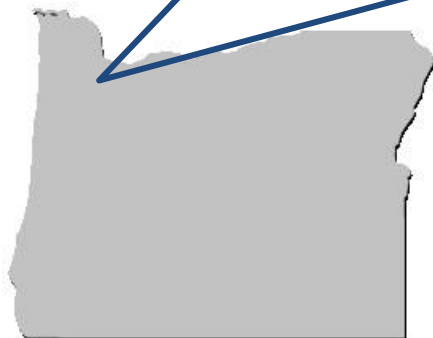
Unlocking the Development Finance Toolbox

Ken Rust

Director

Public Financial Management, Inc.

Portland, OR



■ **What are you reading these days?**

Your development finance toolbox isn't complete without a set of CDFA reference guides. CDFA Members save 15% or more on every purchase. Order today at www.cdfa.net.



in partnership with
business oregon



A specialized state initiative of the Council of Development Finance Agencies

DEVELOPING SUCCESSFUL FUNDING STRATEGIES

The Twenty-Year Quest to Solve the Funding Puzzle
for a Convention Center Hotel



Development of the Oregon Convention Center

- Phase I constructed in 1989--\$90 million
- Phase II expansion in 2001—\$100 million
- Convention Center Hotel viewed as critical to long-term success:
 - Eastside location of the Convention Center
 - Westside location of existing hotel stock
 - Ability to secure and offer room block for future convention business



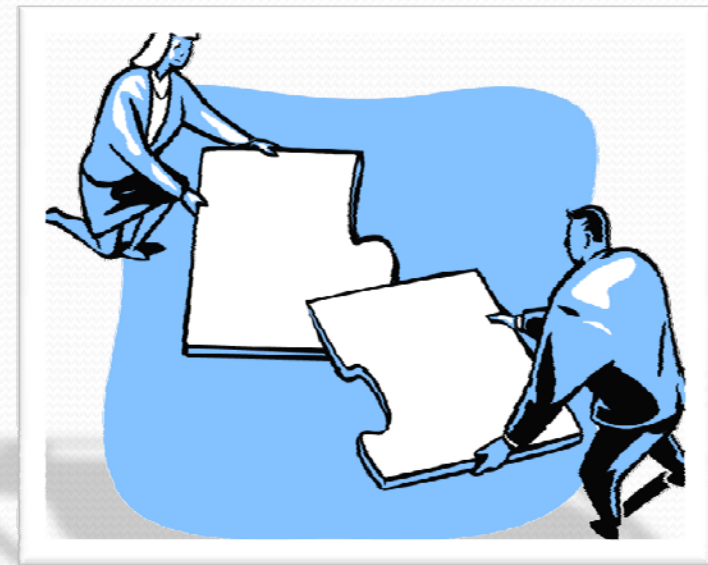
Convention Center Hotel Development— Overcoming Unique Funding Challenges

- Convention Center Hotel amenities create cost challenges:
 - Meeting room space
 - Ballrooms
 - Room Block Agreements
- Private Ownership typically requires deep public subsidy
- Public Ownership viewed as too risky and a potential form of unfair competition



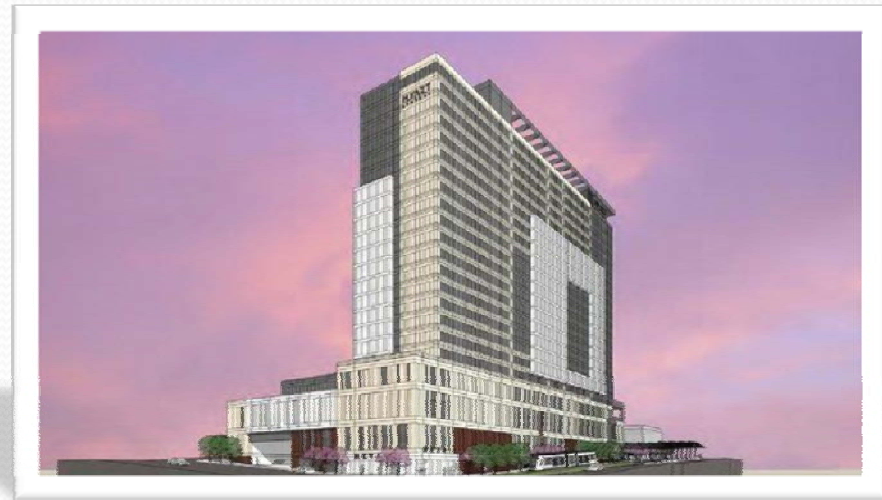
Potential Pieces of the Funding Puzzle

- Public/Private Partnership
- Public finance and credit support
- Direct public subsidy
- Urban renewal/tax increment financing
- Development fee waivers or tax deferrals/abatements
- Dedicate existing and/or new “site-specific” tax revenues to the project
- Local improvement district assessments and financing
- Access Visitor Development Initiative (VDI) resources



Current Finance Plan— Hybrid Public/Private Model

- Public/Private Partnership
 - Hyatt/Mortenson
 - Metro
- Dedication of site-specific revenues (transient lodging taxes)
- Public financing of hotel site-specific revenues
- VDI backstop
- Limited direct public subsidy
 - Metro
 - State of Oregon
 - PDC/Tax Increment



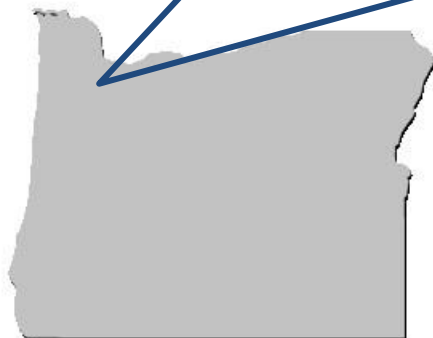
Unlocking the Development Finance Toolbox

Cam Turner

Principal

United Fund Advisors

Portland, OR



■ Are you a CDFA Member?

Members receive exclusive access to thousands of resources in the CDFA Online Resource Database. Join today at www.cdfa.net to set-up your unique login.



in partnership with
business oregon



A specialized state initiative of the Council of Development Finance Agencies

CDFA OREGON FINANCING ROUNDTABLE WEBCAST

Federal & State Tax Credit Programs

Cam Turner

Principal, United Fund Advisors

cam@unitedfundadvisors.com

UFA BACKGROUND

- 3BL financial services company that provides tax-advantaged investment capital and advisory services for community development and renewable energy projects
- Based in Portland, OR, w/national footprint
- Tax Credit Financing Experience
 - Closed >100 investments: >\$3.5B of project costs
 - Received approx \$500MM of NMTC allocation
 - Clients include institutional investors, developers, CDFIs and major cities (NYC, LA, San Diego, San Francisco, Las Vegas)

FEDERAL NEW MARKETS TAX CREDIT

- Increase flow of capital into low-income communities through financial intermediaries (i.e., CDEs)
- Administered by CDFI Fund (US Treasury Dept)
- 749 awards totaling \$36.5B of NMTC allocation (based upon 2,638 requests) since March 2003, w/\$31.2B deployed through April 2013
- Real estate projects and operating businesses
- Focus on community benefits (e.g., jobs, goods & services, sustainability, healthy foods, etc.)
- Approximately 20% of capital stack

OREGON NEW MARKETS TAX CREDIT

- New program based largely on Federal program
- Administered by Business Oregon
- Five awards totaling \$68MM of \$200MM of available NMTC allocation, w/\$12MM deployed through May 2013
- Preference for operating businesses with set-aside for green businesses
- \$4MM/project limitation
- Challenging investment environment
- Pending legislative “fixes”

FEDERAL HISTORIC TAX CREDIT

- Preservation of historic and significant buildings
- Administered by National Park Service w/SHIPO
- Available for any qualified rehabilitation expenditure
- 10% for pre-1936 buildings or 20% for certified historic structures (i.e., National Register)
- Credits can be claimed by owner or syndicated to third-party investor
- Current syndication challenges
- Frequently “twinned” with NMTCS
- No state counterpart

FEDERAL RENEWABLE ENERGY TAX CREDIT

- Renewable energy (e.g., solar, wind, fuel cells, biomass, geothermal)
- Administered by Depts of Energy and Revenue
- Available based upon costs of renewable energy generation
- 10% or 30% credit depending upon type of equipment, w/bonus depreciation
- Credits can be claimed by owner or syndicated to third-party investor
- Structure is similar to HTCs
- Sometimes “twinned” with NMTCs
- Oregon BETCs

Unlocking the Development Finance Toolbox

Gary O'Connell
Senior Vice President
Columbia State Bank
Bend, OR



■ **Need assistance with your development finance programs?**

Consider CDFA's Research & Advisory Services – offering customized and tailored technical assistance for all of your development finance needs. Learn more at www.cdfa.net.



in partnership with
business oregon



A specialized state initiative of the Council of Development Finance Agencies

Unlocking the Development Finance Toolbox

John Saris

Business Development Manager

Business Oregon

Salem, OR



■ **What are you reading these days?**

Your development finance toolbox isn't complete without a set of CDFA reference guides. CDFA Members save 15% or more on every purchase. Order today at www.cdfa.net.



in partnership with
business oregon



A specialized state initiative of the Council of Development Finance Agencies



Unlocking the Development Finance Toolbox in Oregon

John Saris
Business Services Manager
Business Oregon
May 23, 2013



State of Oregon Development Finance Resources

- Oregon's Approach
 - Develop public/private relationships to create, grow, retain and attract businesses that provide sustainable living wage jobs
- CDFA and Business Oregon
 - Resource in the development of Business Finance programs
 - Advocates for the modification, extension and preservation of federal resources
 - Provides national network of development finance professionals



Oregon's Approach to Capital

- Suite of Development Resources
 - Direct Loans
 - OBDF/EDLF
 - Insurance
 - CEF/CAP
 - Private Activity Bonds
 - IDB/Express Bonds/SELP
 - Tax Credits
 - Oregon NMTC/Manufacturing BETC
 - Tax Abatements
 - SIP, Oregon Advantage, Enterprise Zone



2013-15 Session Update

- Budget Process
- Agency Projections
- New Legislative Considerations
 - Oregon Growth Board
 - Aggie Bonds
 - Manufacturing Tax Credit
 - Oregon NMTC Enhancements

Future Opportunities

- August 6-9, 2013
 - CDFA National Development Finance Summit & Capitol Hill
- September
 - Fall Oregon Development Finance Webinar
- October 9 & 10, 2013
 - Clean Energy & Bond Finance Roundtable
 - Development Finance Roundtable

Audience Questions

Advancing Development Finance Knowledge, Networks & Innovation



Save the Date

**C DFA National
Development Finance Summit**
August 6-9, 2013
Washington, DC

Register Today

Early Bird Rates
available until
June 14, 2013.



in partnership with
**business
oregon**



A specialized state initiative of the Council of Development Finance Agencies

Upcoming Events at CDFA

Intro P3 Finance Course

Washington, DC

August 6-7, 2013

National Development Finance Summit

Washington, DC

August 8-9, 2013

Intro EB-5 Finance WebCourse

Daily: 12-5pm (EST)

September 18-19, 2013



Development Finance Certified Professional Program
get certified

CDFA's Development Finance Certified Professional (DFCP) Program is the industry's only comprehensive development finance professional certification program. Graduates of the DFCP Program gain valuable knowledge and experience within the complex development finance industry and achieve a level of understanding unmatched by any other professional certification program. Getting started is easy:

1. Visit www.cdfa.net to see the current list of courses.
2. Register for an upcoming CDFA Training Institute course.
3. Pick 5 other courses to take over the next 3+ years.
4. Start down the road to personal and professional advancement!

Learn more at www.cdfa.net and jumpstart your career today.



Register online at www.cdfa.net



in partnership with
**business
oregon**



A specialized state initiative of the Council of Development Finance Agencies

Upcoming Webcasts

CDFA – BNY Mellon Development Finance Webcast Series
Tuesday, June 18, 2013 @ 1:00pm Eastern

CDFA – BNY Mellon Development Finance Webcast Series
Tuesday, July 16, 2013 @ 1:00pm Eastern

CDFA-Stifel Nicolaus Innovative Deal Webcast Series
Thursday, August 8, 2013 @ 10:30am Eastern – Live from the National Summit

CDFA-Stern Brothers Renewable Energy Finance Webcast Series
Thursday, August 8, 2013 @ 1:45pm Eastern – Live from the National Summit



in partnership with
business oregon



A specialized state initiative of the Council of Development Finance Agencies