

# CDFA – Stifel Nicolaus Tax Increment Finance Webcast Series: What Makes a Good Feasibility Study?

**The Broadcast will begin at 1:00pm (EST).**

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

**Intro Public-Private  
Partnership (P3)  
Finance WebCourse**



December 12-13, 2012  
Daily: 12-5pm (EST)

**Reshored  
Manufacturing  
Webinar Series**



February-May, 2013  
2:00-4:00pm (Eastern)

**CDFA-Stifel Nicolaus  
Tax Increment Finance  
Webcast Series**



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# What Makes a Good Feasibility Study?

**Katie Kramer**

**Director, Education & Programs  
Council of Development Finance Agencies  
Columbus, OH**



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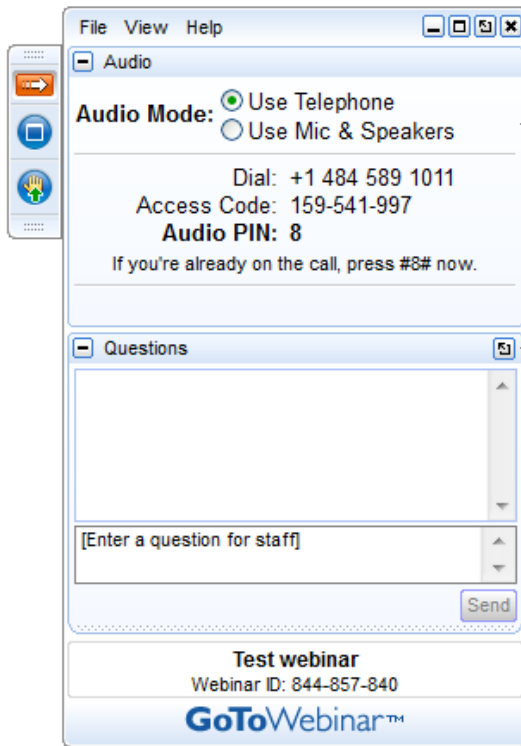
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Using your telephone will give you better audio quality.

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](http://www.cdfa.net).

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# What Makes a Good Feasibility Study?

## Speakers

**John Markowitz**

Stifel Nicolaus & Company, Inc.

**Rick Rosenberg**

Development Planning & Finance Group Inc.

**Caleb Bell**

Bricker & Eckler LLP



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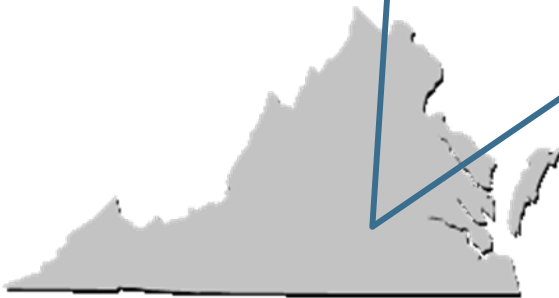


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# What Makes a Good Feasibility Study?

**John Markowitz**

**Assistant Vice President  
Stifel Nicolaus & Company, Inc.  
Richmond, VA**



■ ■ **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](http://www.cdfa.net).

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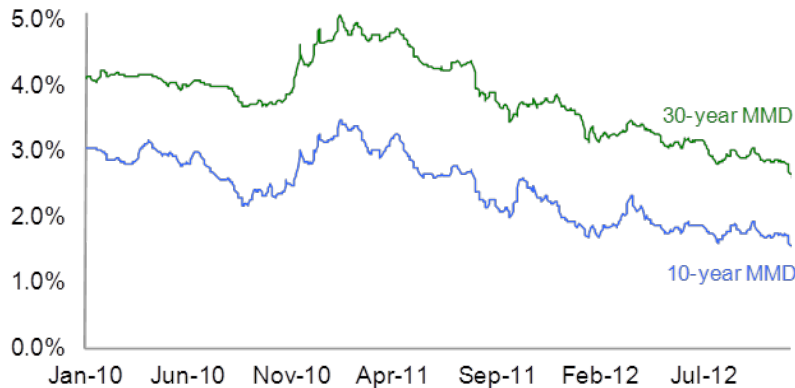
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# Municipal Market Overview

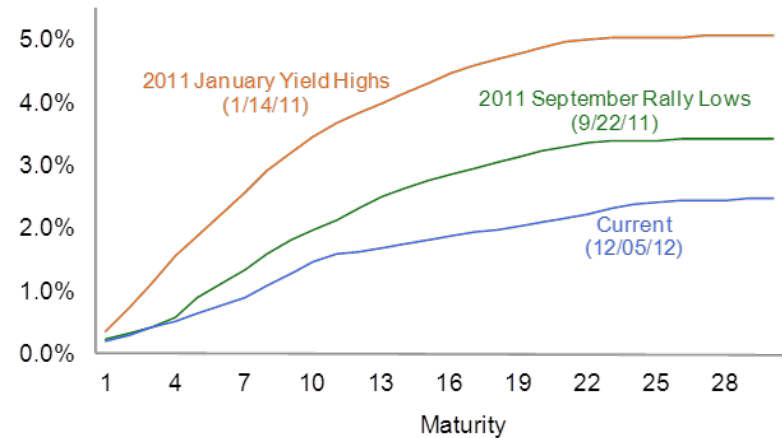
*Municipal market rates near historic lows*

- ◆ **30-year rate at 2.48%; Long-term high grade yields have been below 3% level for the past 10 weeks**
- ◆ **Municipals have followed Treasury market movements with a lag, however, the recent municipal rally has outperformed the Treasury market.**
- ◆ **Municipal rates have set new all-time lows in 2012 and have hovered near those levels for most of the year**

**30-Year and 10-Year 'AAA' MMD Yields**  
(1/1/2010 - 12/05/2012)



**'AAA' Rated MMD**  
**Changing Yield Curves**



Source: Thomson Financial. MMD (Municipal Market Data) is an index of 'AAA' rated general obligation bonds.

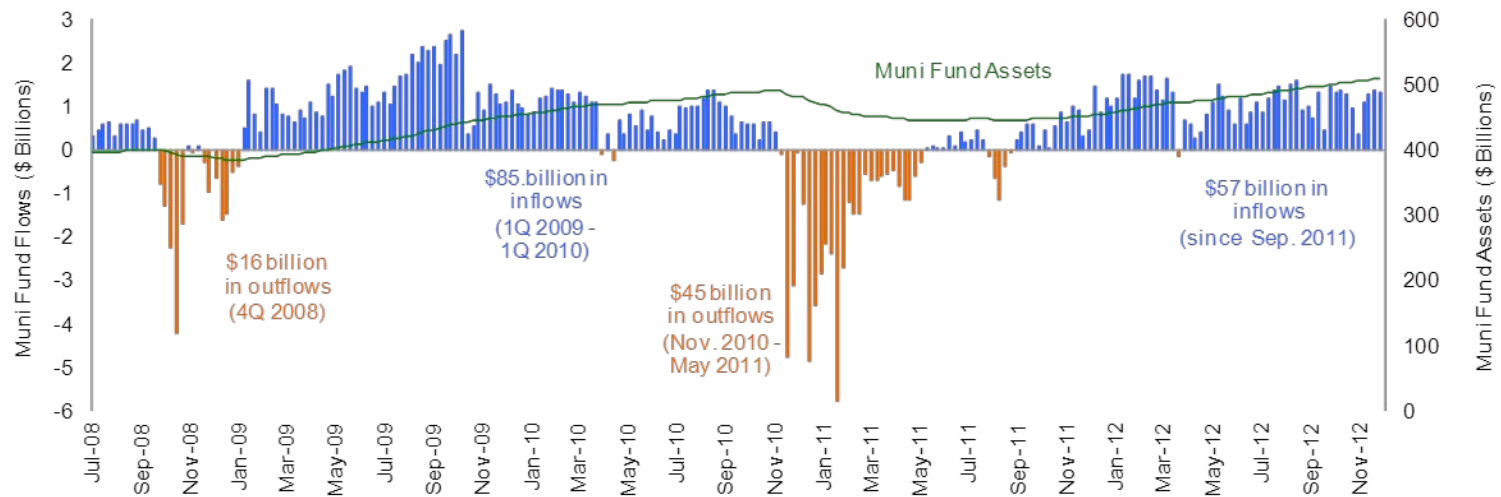


# Investor Demand

*Municipal mutual fund inflows strong, supply remains manageable*

- ◆ Past three weeks see municipal mutual fund net inflows of over \$3.9 billion
- ◆ Investor demand remains strong despite low nominal rates
- ◆ Positive net inflows in nearly every week since August 2011
- ◆ Over \$50 billion in net inflows year-to-date in 2012

### Municipal Mutual Fund Flows and Assets



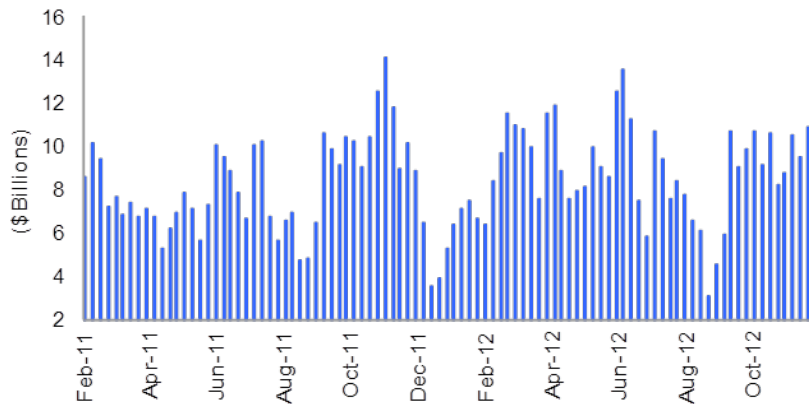
Source: Investment Company Institute

# New-Issue Supply

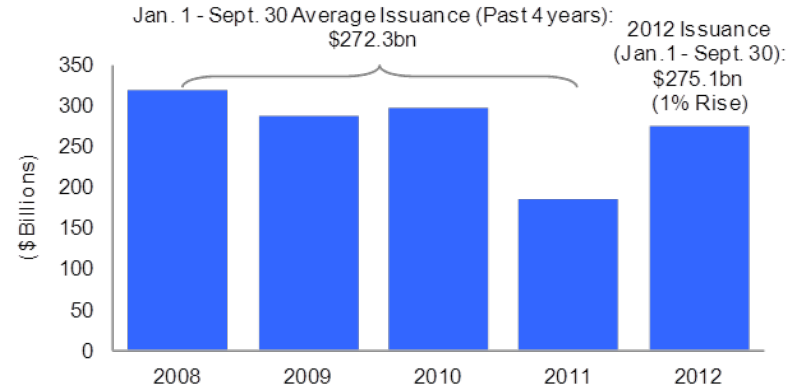
*Heavy supply before year's end*

- ◆ **30-day forward-looking visible supply between \$9 - \$10 billion for past four weeks**
- ◆ **November witnesses \$32 billion in new issuance**
- ◆ **Average monthly issuance during second half of 2012 at \$30 billion**
- ◆ **National supply in 2011 lowest in past decade; 2012 issuance near historical average**

**Bond Buyer 30-Day Visible Supply<sup>1</sup>**



**National Municipal New Issuance**



<sup>1</sup>Long term issues only. Weekly averages of estimated 30-day visible supply  
Sources: SDC and The Bond Buyer



# Selected TIF and Land Secured Trades

Issuer	City of Palm Desert CFD (University Park)	Bainebridge CDD	IDA of Jefferson County High Ridge Commons CID	Waterset North CDD Series 2007B
Trade Type	Secondary	Secondary	New Issue	Secondary
Metro Area	Inland Empire	Jacksonville	St. Louis	Tampa
State	California	Florida	Missouri	Florida
Location Type	Suburban	Suburban	Suburban	Suburban
Development Plan	1,052 single fam. & 268 multi-fam. units, at least 245k sf of mixed-use commercial	521 single family units	Walmart Supercenter	896 single family and 142 townhomes
Development Status	22% of special tax on developed property	9% of homes built and closed to homeowners	Fully built & operational for 5 months	0 sales to homeowners; \$8.7MM in new capitalization in Dec. 2011
Developer Type	Regional	Regional	Regional	National
Security Type	Special Tax	Special Assessment	Sales Tax Increment	Special Assessment
Debt Service Coverage	100%	100%	130%	100%
Value : Bonds	1.9:1	NA	NA	NA
Delinquency Rate	0%	0% <sup>2</sup>	NA	NA
Original Issue Date	5/9/06	5/1/07	10/30/12	10/1/07
Maturity	9/1/32	5/1/38	10/1/39	11/1/2015 <sup>7</sup>
Trade Date	10/1/12	10/15/12	10/18/12	10/30/12
Trade Amount	\$2,000,000	\$3,960,000	\$5,000,000 <sup>6</sup>	\$1,000,000
Yield	5.72%	6.12%	5.44%	9.70%
MMD AAA Index for Maturity on Trade Date	2.42%	2.78%	2.86%	0.42%
Spread to MMD	3.30%	3.34%	2.58%	9.28%
Earlier Trade Date in 2010-12	5/24/2010	4/9/2012	NA	10/23/2012
Yield on Earlier Trade	7.10%	NA <sup>3</sup>	NA	9.98%

<sup>2</sup> Bond seller agreed to forgive 50% of principal to cure default.

<sup>3</sup>Yield for this trade not disclosed on EMMA.

<sup>6</sup> Issue also includes \$3,200,000 of shorter term bonds and \$230,000 of taxable bonds

<sup>7</sup> Bonds structured to paydown as homes are sold.

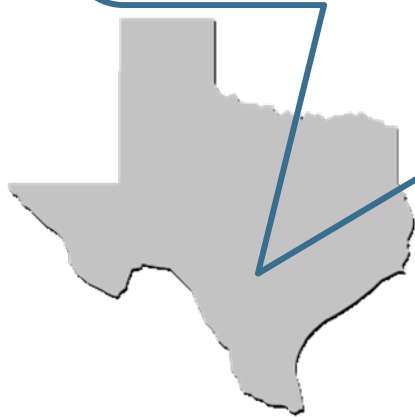
# What Makes a Good Feasibility Study?

**Rick Rosenberg**

**Managing Principal**

**Development Planning & Finance Group Inc.**

**Austin, TX**



■ ■ **Need research and technical assistance advice about TIF?**

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# What Makes a Good Feasibility Study?

**Caleb Bell**

**Attorney**

**Bricker & Eckler LLP**

**Columbus, OH**



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What Makes a Good Feasibility Study?

## Selecting the Consultant

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# What Makes a Good Feasibility Study?

## Undertaking the Study

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# Evaluating the Completed Study

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## Monitoring the Transaction

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# Audience Questions



*Fundamentals of Development Finance*  
*Bond Finance*  
*Tax Increment Finance*  
*Tax Credit Finance*  
*Revolving Loan Fund Finance*  
*Federal Financing Programs*  
*State & Local Financing Programs*

*Energy Finance*  
*Innovation Finance – Seed, Angel & Venture Capital*  
*Brownfield Finance*  
*Transportation Finance*  
*Access to Capital Finance*  
*Special District Finance*  
*Public-Private Partnership Finance*

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# Upcoming Events at CDFA

## Intro Public Private Partnership

### (P3) Finance WebCourse

Daily: 12-5pm (EST)

December 12-13, 2012

## Intro Bond Finance WebCourse

Daily: 12-5pm (EST)

January 29-30, 2013

## Reshored Manufacturing Webinar Series

4-part series

February 13, 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:

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# Upcoming Webcasts

## **CDFA Illinois Financing Roundtable Webcast**

**Monday, December 10, 2012 @ 1:00pm Eastern**

## **CDFA Michigan Financing Roundtable Webcast**

**Monday, December 17, 2012 @ 1:00pm Eastern**

## **CDFA – BNY Mellon Development Finance Webcast Series**

**Tuesday, December 18, 2012 @ 1:00pm Eastern**

**More Information on the 2013 Webcast Series Coming Soon**

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# For More Information

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