

Paul Maggie

From: Kooiker Sam
Sent: Tuesday, December 17, 2013 4:55 PM
To: Steve Baker
Cc: 'Hani F. Shafai'; 'Pat Hall'
Subject: RE: NMTC Closing

Thank you Steve. I appreciate your response.

Sam

From: Steve Baker [mailto:baker@rda-llc.com]
Sent: Tuesday, December 17, 2013 10:50 AM
To: Kooiker Sam
Cc: 'Hani F. Shafai'; 'Pat Hall'
Subject: RE: NMTC Closing

I've been involved in the NMTC Program since its beginning. From the time of its origin until today, there has always been far more demand for allocations than the available supply. That's more true today than ever before, as the Program is becoming better understood by the public, and as economic developers and lenders have become more comfortable with it as a tool to help attract capital. I can also tell you that there are many commercial mixed use projects in urban areas that are competing for allocations—it would seem that this demand increased as the availability of funding for such projects tightened. The space becomes more competitive with each passing year, with CDEs prioritizing projects that are in the most highly distressed areas and that exhibit the highest levels of community impacts. A stronger rural focus has also ensued on the part of many CDEs. The combination of these factors has made it increasingly difficult for urban mixed use commercial real estate projects to garner allocations. 2014 promises to be even tougher...

The CDFI Fund has not communicated a specific date for the announcement of the 2013 allocation awards. We've been led to believe that it will occur in the first quarter of 2014; however, the CDFI Fund is under no particular deadline to extend the allocations and can do so at any time of the staff's choosing. Once that occurs, CDEs that receive allocations will go through the process of prioritizing their prospects and extending allocations...that can take some time, depending upon the CDE. Your assumption about the May period would be a reasonable expectation of when one might see the next allocations being extended, although nothing's certain at this point. And once an allocation is extended, it can easily take 3-6 months to consummate an NMTC transaction. That presupposes that the project is ready to fund. One must remember that one of the key factors in extending an allocation relates to the project's state of readiness. CDEs want to see evidence that the project has all of the ingredients in place to be able to fund the project. (ie, debt commitments from other lenders, pre-lease commitments, construction designs, due diligence, etc.). If those elements aren't in place, the project will get passed over for others.

From: Kooiker Sam [mailto:Sam.Kooiker@rcgov.org]
Sent: Tuesday, December 17, 2013 9:31 AM
To: baker@rda-llc.com
Cc: 'Hani F. Shafai'; Pat Hall
Subject: FW: NMTC Closing

Steve,

Greetings. At a meeting on Thursday afternoon, Dec 5, with several council members and staff members, Hani Shafai mentioned that several years ago CDE's were "knocking on the door" offering NMTC's. I asked him which CDE's, and he mentioned you specifically.

Can you confirm and help me understand what's since changed?

Hani's question to you below was about the previous process, not about 2014's process. I understand the timeframes depend on multiple factors and can vary from cycle to cycle.

My understanding based on our conversation a few weeks ago was the NMTC's for 2014 would be awarded to the CDE's by end of March 2014 and that the allocations would take place shortly thereafter – by about mid-May or so.

Please help me clarify if my understanding is incorrect. Merry Christmas to you and yours.

Sam Kooiker
Mayor of Rapid City
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Rapid City, SD 57701
605-394-4110
mayor@rcgov.org

From: Hani Shafai [hani@dreamdesigninc.com]

Sent: Monday, December 16, 2013 12:43 PM

To: Scott Amanda; Wright Jerry; Estes Brad; Clayton Bill; Lewis Chad; Doyle Charity; Petersen Bonny; Nordstrom Ritchie; Roberts John

Cc: ecarpenter@costelloporter.com; pathall@premierpropertiesblackhills.com

Subject: FW: NMTC Closing

Good Afternoon,

I hope all is going well.

I do not mean to add to your issues to address tonight. I am not sure if I shared this email with the City Council members. I thought it may help clarify the timing to utilize NMTC for the president's Plaza. I hope this addresses the Mayor timing issue for the project.

Please see the comments below from Steve Baker with Dakota's America (DA) CDE (one of the CDE's considered for the project)

Thank you for your help

Happy Holidays,

Hani F. Shafai, PE
President

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From: Steve Baker [<mailto:baker@rda-llc.com>]
Sent: Wednesday, November 27, 2013 9:33 AM
To: Hani Shafai
Subject: RE: NMTC Closing

DA's allocations were all committed by Sept as I recall. Most transactions will take a minimum of three months to close, and can often take longer. We have one now, that's into its fourth month.

From: Hani Shafai [<mailto:hani@dreamdesigninc.com>]
Sent: Wednesday, November 27, 2013 9:24 AM
To: baker@rda-llc.com
Cc: Hani Shafai
Subject: NMTC Closing

Good Morning Steve,

I hope your holiday season will be a happy , safe and enjoyable.

I forgot to ask you yesterday about last year's NMTC placement for Dakotas America. When did Dakotas America commit the last of its allocation? Was it August , September, or October? How long did it take to close the transaction after you have the agreement?

We are working with the City on dates for the President's Plaza and we hope to put forth realistic dates for 2014.

Thank you for your help.

Have a great Thanksgiving Holiday,

Hani F. Shafai, PE
President

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