

CDFA – Stifel Nicolaus Innovative Deals Webcast Series: Transit

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

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

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



August 6-7, 2013
Washington, DC

in partnership with  **ASSOCIATION
TO INVEST IN USA**

**Intro EB-5
Finance WebCourse**



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

**Advanced Bond
Finance WebCourse**



October 15-16, 2013
Daily: 12-5pm (EDT)

**CDFA-Stifel Nicolaus
Innovative Deals
Webcast Series**



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Innovative Deals: Transit

Katie Kramer

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



◆ Are you a CDFA Member?

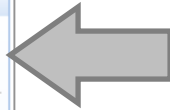
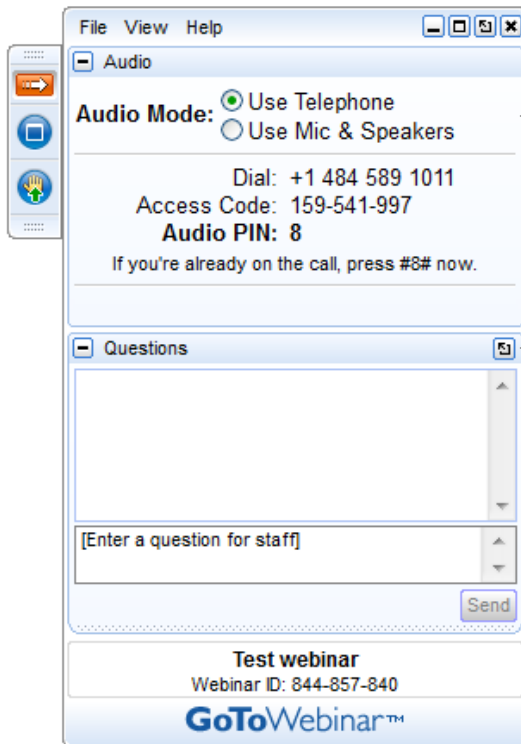
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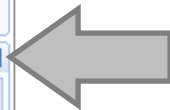


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Innovative Deals: Transit



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.

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Innovative Deals: Transit

Speakers

Jake Campos, *Moderator*
Stifel Nicolaus & Company, Inc.

Eric Metz
Los Angeles Streetcar, Inc.

Ben Feingold
Los Angeles Streetcar, Inc.

Rick Gustafson
Portland Streetcar, Inc.



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Jake Campos

Vice President
Stifel Nicolaus & Company, Inc.
Los Angeles, CA



◆ **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.

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Eric Metz

Partner, Urban One
Los Angeles Streetcar, Inc.
Los Angeles, CA

Ben Feingold

Associate, Urban One
Los Angeles Streetcar, Inc.
Los Angeles, CA



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The Downtown Los Angeles Streetcar

Financing a Community Vision

Eric Metz, Project Director
Ben Feingold, Project Associate

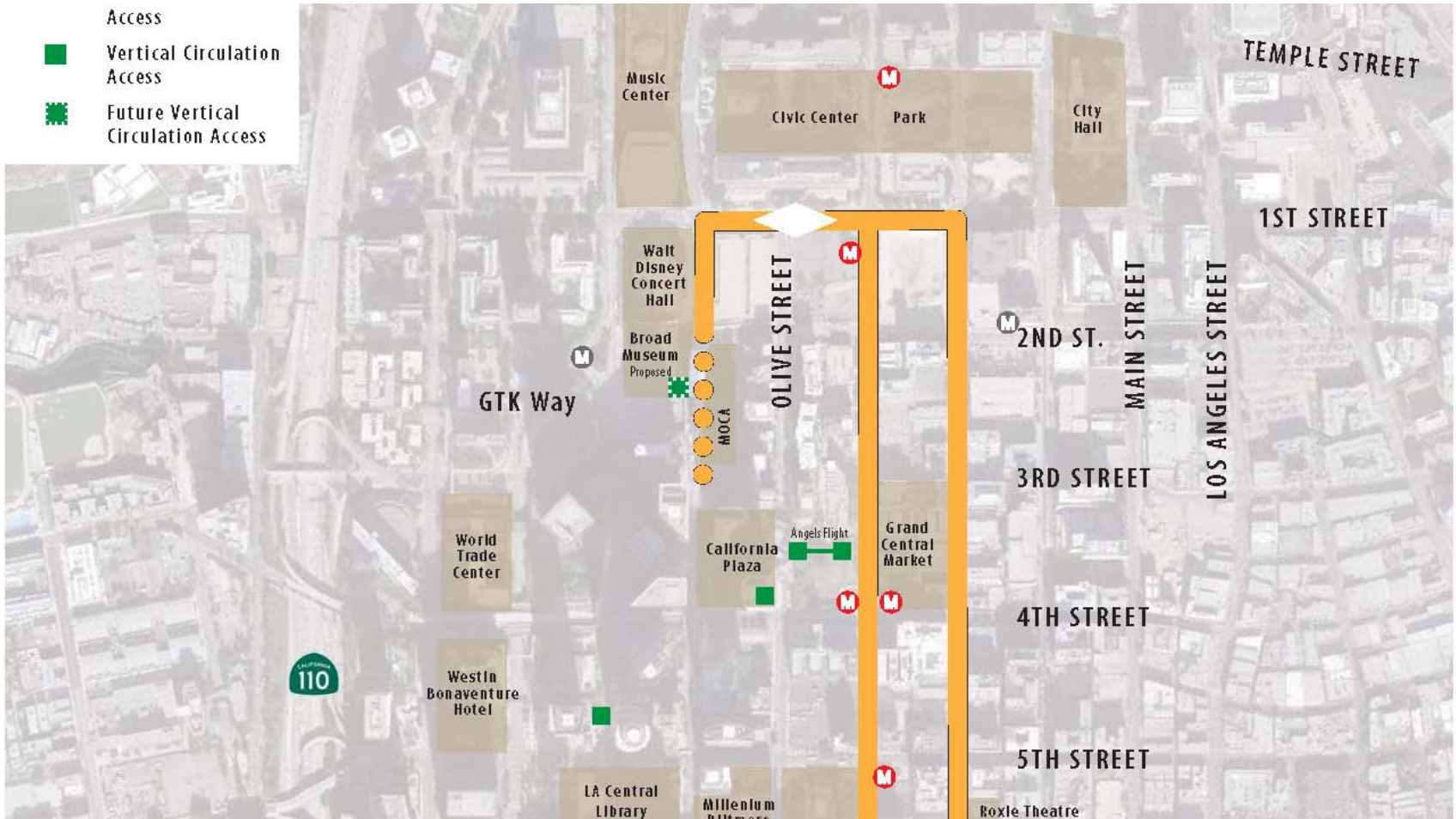
URBAN | ONE



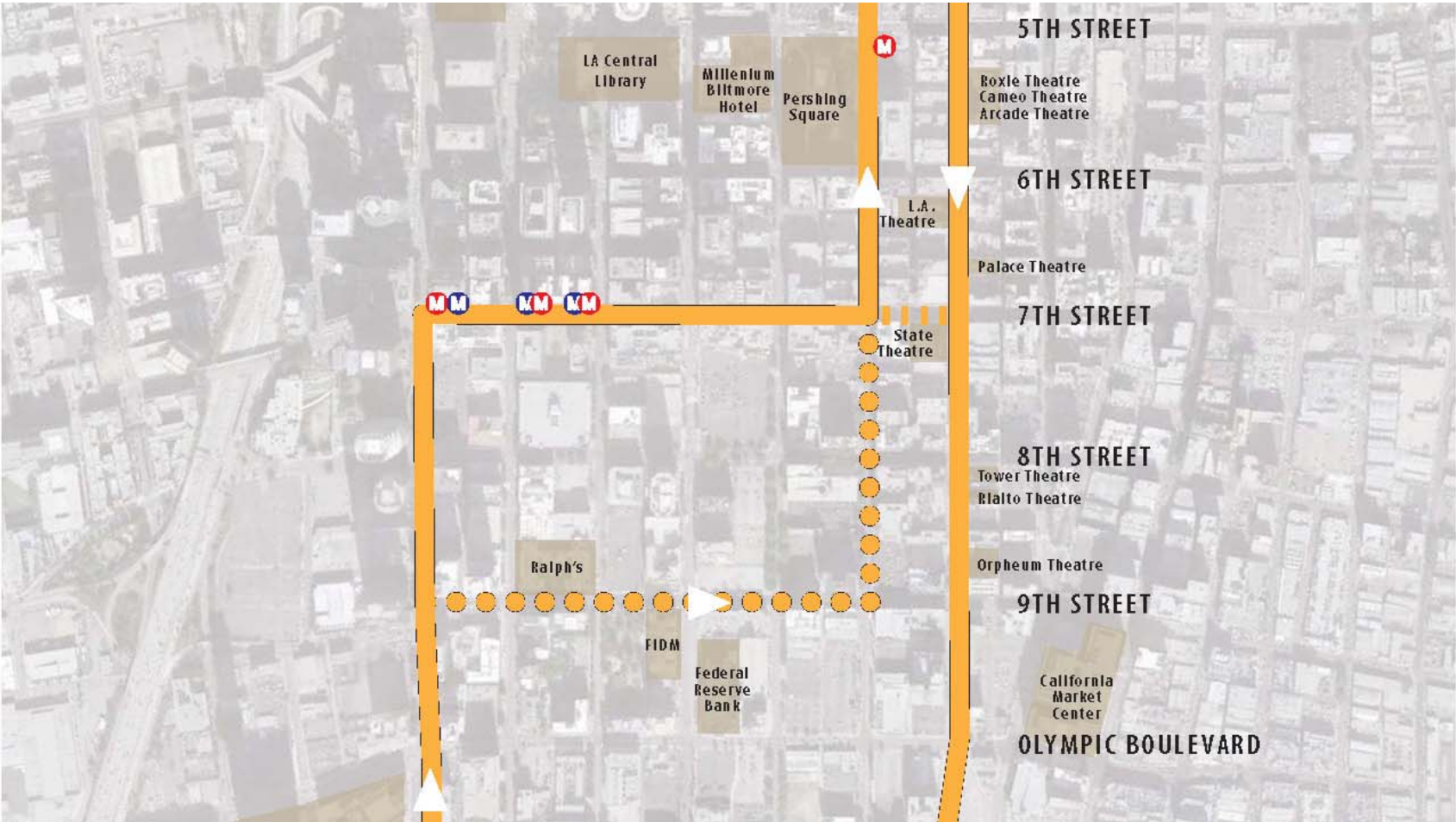
www.streetcar.la

Background

- Access
- Vertical Circulation Access
- Future Vertical Circulation Access



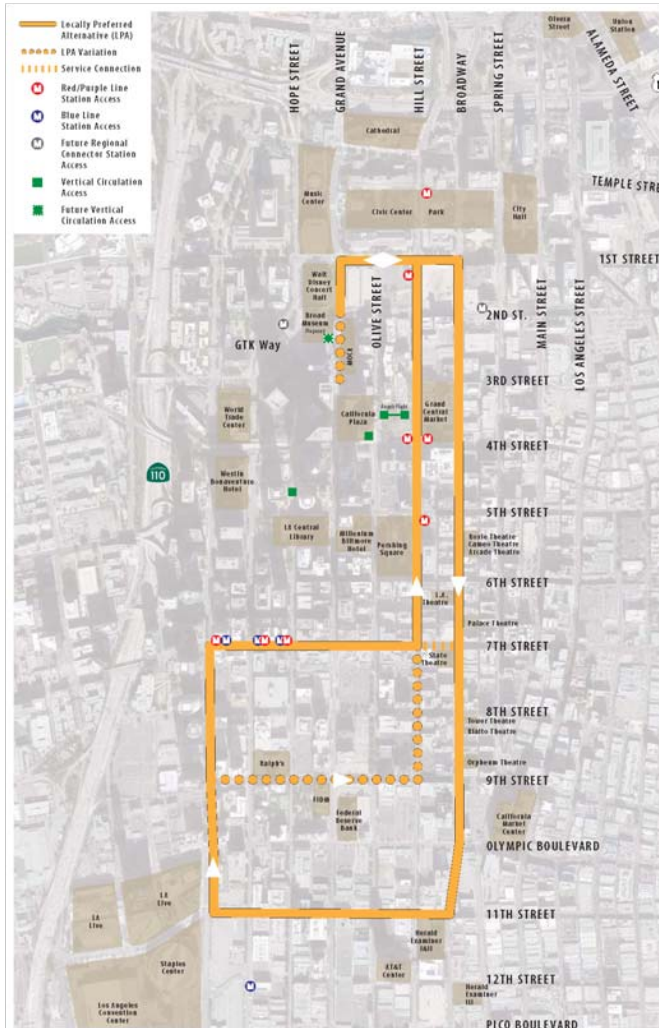
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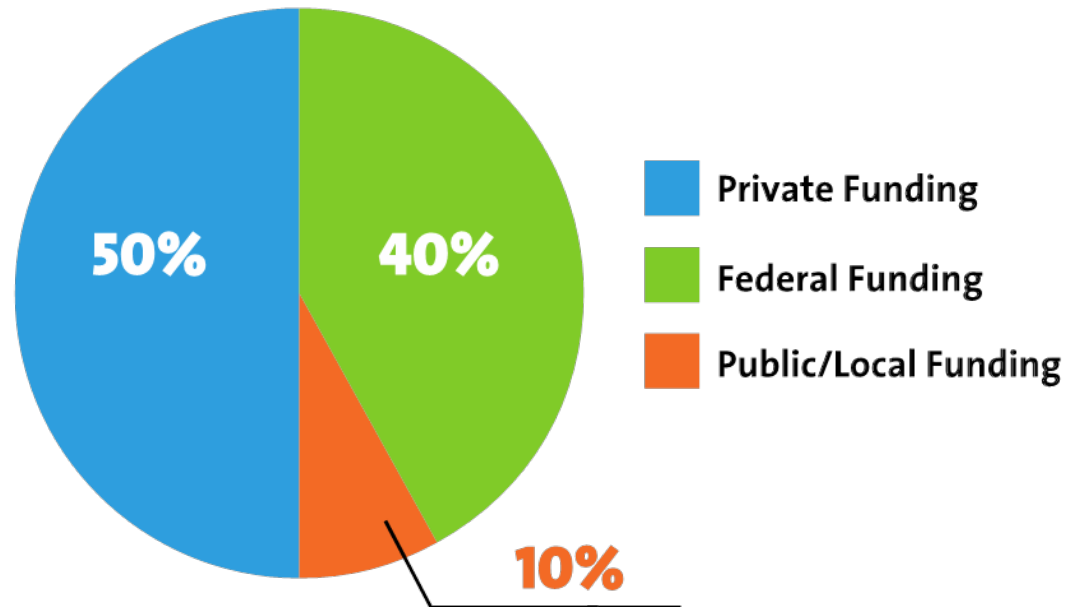
Background



Background



- Alignment Length: 4 Miles
- Total Estimated Capital Cost: **\$125 Million**



\$62.5 Million in Local Private Funding

Needed financing mechanism with key characteristics:

- Flexible structure & payment terms
- Equitable across varying densities/land uses
Downtown
- Provide predictability and certainty to property owners

Solution: Community Facilities District (CFD)



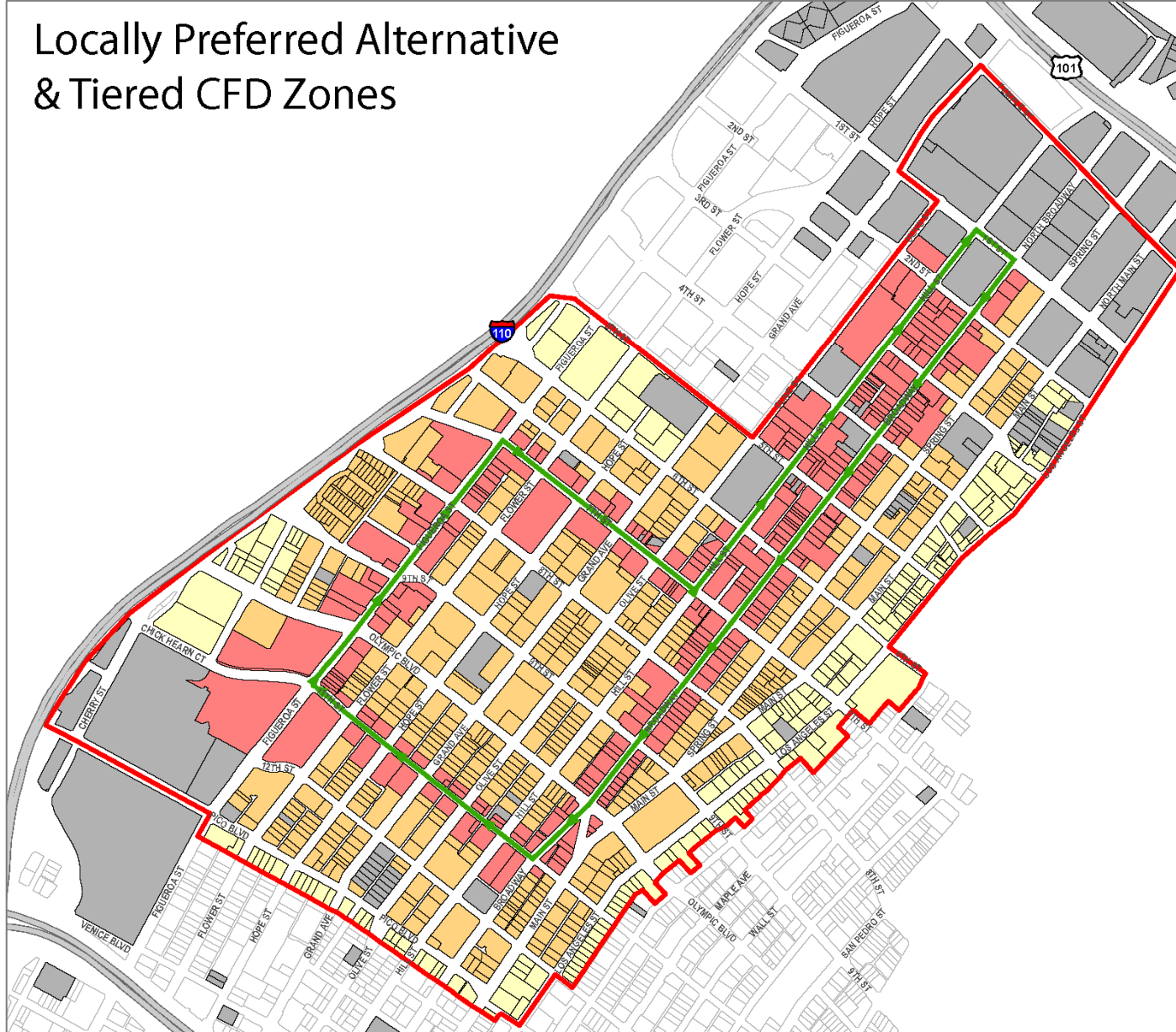
CFD Methodology

- Special Tax Zones
 - Zone 1: property fronts alignment
 - Zone 2: within 2 blocks of the route
 - Zone 3: within 3 blocks of the route
- Taxed on Parcel Square Footage
 - Distributes assessment evenly along alignment
 - Incentivizes development of underdeveloped parcels
- Formula

$$\text{Parcel Land Area SF} \times \text{Zone Special Tax Rate} = \text{Total Annual Special Tax}$$



Locally Preferred Alternative & Tiered CFD Zones



Estimated Per Parcel SF Special Tax by Zone

Zone	Zone Description	Annual Special Tax per Parcel SF		
		<i>Bond Interest Rates:</i>	@ 5%	@ 6%
		All rates are per parcel square feet		
Zone 1	Parcels with frontage along streetcar route	\$0.454	\$0.521	\$0.596
Zone 2	Parcels within 2 blocks of streetcar route	\$0.318	\$0.365	\$0.417
Zone 3	Parcels within 3 blocks of streetcar route	\$0.159	\$0.182	\$0.208



CFD Approval Process

- California Law requires that **registered voters** in a developed area must vote to approve CFD
- LASI conducted years of intensive work with property owners in Downtown to develop methodology and contingencies



CFD Contingencies

1. Environmental Certification
2. Federal Funding Commitment
3. Guaranteed Operations for 30-year Bond Term



The Value-Add Proposition

Typical Office Building Owner

Owner Metric		Typical Building
Parcel Size		10,000
Building Size		50,000
Monthly Rent / psf		\$ 2.25
Annual Rent		\$ 1,350,000
Vacancy	15%	\$ (202,500)
Expenses	20%	\$ (270,000)
Net Operating Income		\$ 877,500
Cap Rate		7.5%
Value		\$ 11,700,000
Value Creation		
Occupancy / Rental Increase	1.0%	\$ 13,500
Capped Value Creation		\$ 180,000
Value Creation Per Square Foot		\$ 3.60
Building Value Increase		1.54%



CFD Election – The Campaign

we want
STREETCAR!

Securing our future as the hub of the Los Angeles region.

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CFD Election – The Campaign



CFD Election – The Campaign

—= we want =—
STREETCAR!

STREETCAR WILL *Connect* *Neighborhoods*

..... ↓

The Problem
Too many cool places to go, no easy way to reach them



VISIT WWW.STREETCAR.LA FOR MORE INFORMATION

—= we want =—
STREETCAR!

The Solution
Streetcar as a neighborhood binder

..... ↓

How?
A Downtown Streetcar will offer permanent access to other neighborhoods and business without having to drive and re-park.



VISIT WWW.STREETCAR.LA FOR MORE INFORMATION

↑

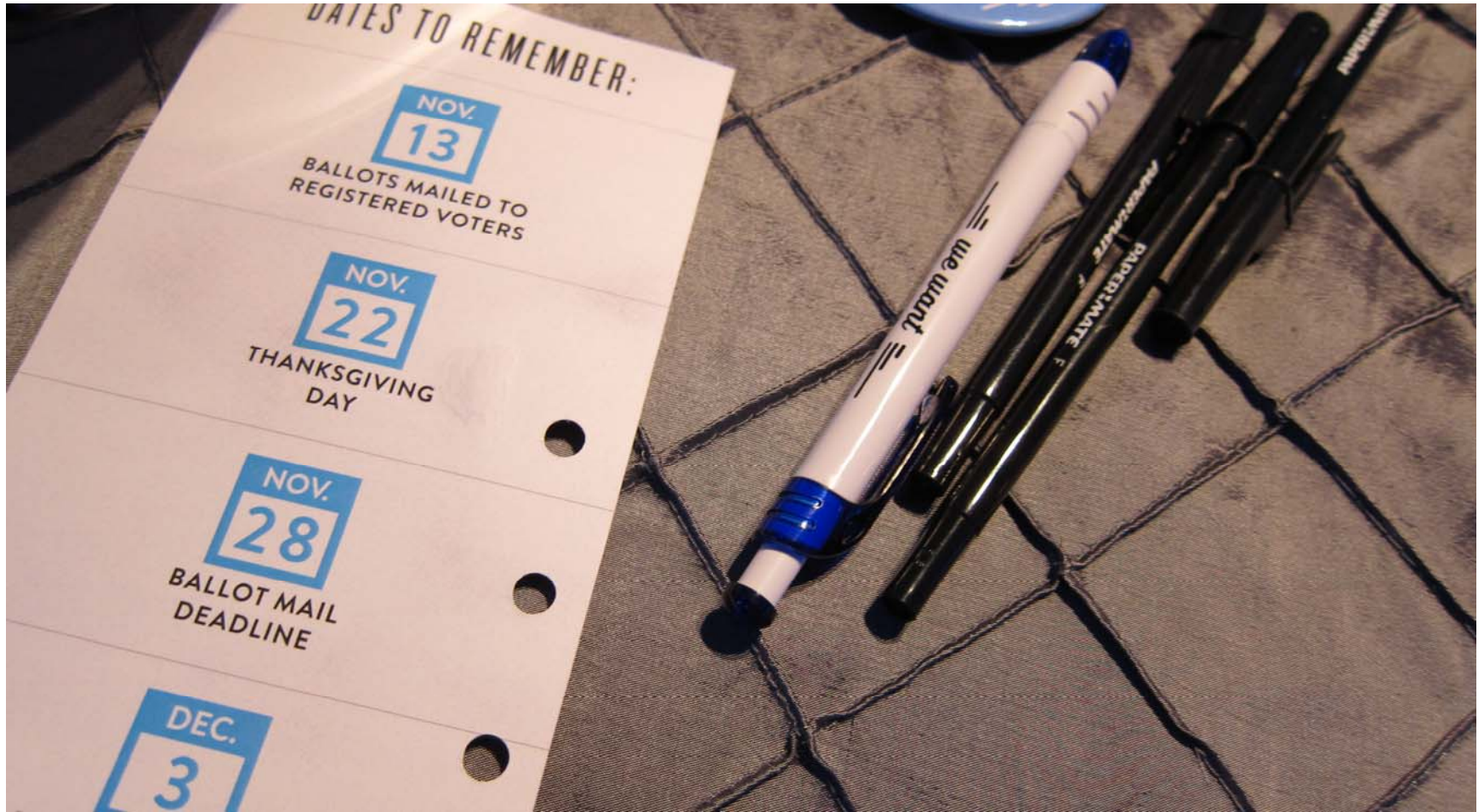
- 10 AM – COFFEE BAR
6TH AND SPRING
- 10:15 AM – POST OFFICE
5TH AND SPRING
- 10:25 AM – CHASE BANK
HILL AND 9TH
- 10:50 AM – RALPHS
9TH AND FLOWER
- 11:30 AM – ARTS CLEANERS
2ND AND HILL
- 12 PM – CROSSFIT
2ND AND MAIN

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CFD Election – The Campaign



CFD Election – Results

- Special Mail-In Ballot in December 2012
- 2,137 votes cast (20% turnout)
- 73% voted to approve CFD

In March 2013, City of Los Angeles committed nearly \$300 million over 30 years to guarantee streetcar operations



Questions?

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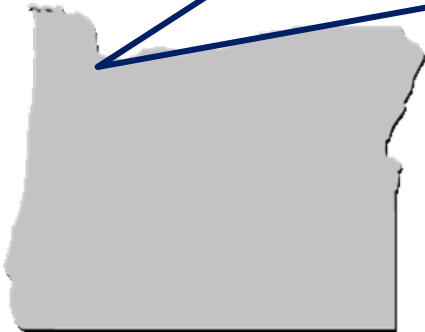


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Innovative Deals: Transit

Rick Gustafson

Executive Director, Portland Streetcar, Inc.
Principal, Shields Obletz Johnsen, Inc.
Portland, OR



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**GO BY
STREETCAR**



Innovative Deals: Transit

Audience Questions



Advancing Development Finance Knowledge, Networks & Innovation

Save the Date

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

The banner features a background image of the US Capitol building and the Washington Monument. The text is overlaid on a dark red horizontal band. The bottom right of the banner has a light blue background with white stars.

◆ Register Today

Early Bird Rates
available until
June 14, 2013.

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Upcoming Events at CDFA

Intro P3 Finance Course

Washington, DC
August 6-7, 2013

National Development Finance Summit

Washington, DC
August 8-10, 2013

Intro EB-5 Finance WebCourse

Daily: 12-5pm EDT
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:

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Next Webcast

CDFA – BNY Mellon Development Finance Webcast Series
Tuesday, May 21, 2013 @ 1:00pm Eastern

CDFA – Stifel Nicolaus Innovative Deals Webcast Series
August 2013 live from the National Development Finance Summit

CDFA – Stern Brothers Renewable Energy Finance Webcast Series
August 2013 live from the National Development Finance Summit

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For More Information

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