



**Complex
Incentives & Financing
Experience Portfolio**

By: Frank A. Hoffman

New Market Tax Credit & State Investment Tax Credit Equity Transaction Track Record Since 2005

- *Has closed 8 State Investment Tax Credit (Community Revitalization, Industrial Recovery and Venture Capital) Equity Financing transactions resulting in over \$23M in State Tax Credit Equity and funding over \$120M in total Project Costs since 2005 in Indiana.*
- *Has closed over 16 NMTC Financing transactions that resulted in over \$106M in NMTC Tax Credit Equity and funded over \$450M in total Project Costs.*
- *Structured and closed the \$33 million NMTC financing for the Ivy Tech Community College's Corporate College and Culinary Arts Training Center in Indianapolis that was recently visited by President Obama.*
- *Structured and closed two (2) of the Top 102 New Market Tax Credit Financing Transactions (Marion – Winterfield & Indianapolis – Hoosier Gasket) selected by the National New Market Tax Credit Coalition from over \$30,000,000,000 in transactions closed during the first ten years (2002-2012) of the Federal New Markets financing program.*
- *Has participated in the formation of New Markets Tax Credit Programs for the Indiana Bankers Association and its 180 member banks (2004, \$50 Million Statewide Allocation), the City of Fort Wayne (2008, \$15 million City Allocation), the Town of French Lick and seventeen (17) participating southern Indiana counties focusing on rural projects (2009, \$50 million Southern Indiana Allocation) and the City of Indianapolis (2010, \$32 million City Allocation).*
- *Has closed Indiana NMTC Transactions since 2005 resulting in over \$66M in Federal NMTC Equity invested in Indiana.*
- *Has closed transactions NMTC Transactions in Virginia (\$65M), Louisiana (\$112M) and Kentucky (\$42M).*

Indiana State Investment Tax Track Record
Over \$120M in Total Project Costs & Over \$33M in Total State Tax Credits Since 2005

- *\$24.00M Mixed-Use & Office & Retail in **South Bend, IN (2016, CRED: \$5,00,000+)***
- *\$10.00M Industrial Manufacturing Facility in East Chicago **Ft. Wayne, IN (2016, Industrial Recovery: \$2,250,000)***
- *\$28.00M Mixed-Use Office & Retail in **Ft. Wayne, IN (2015, CRED: \$5,700,000+)***
- *\$45.00M Commercial Bakery Facilities in **Marion, IN (2013, CRED: \$5,800,000+)***
- *\$18.50M Mixed-Use Retail, Office & Apartments in **Ft. Wayne, IN (2012, CRED: \$3,750,000)***
- *\$6.50M Start-up Paper Plant Manufacture in **Marion, IN (2005; CRED: \$1,200,000)***
- *2 \$5.00M Leveraged Venture Capital Investment Tax Credit Transactions **(2013 & 2016 - \$2,000,000)***

Indiana Urban NMTC 2007-2016 Track Record
Over \$125M in Total Project Costs & Over \$36M in Federal Tax Credit

- \$24.00M Mixed-Use Retail & Office in **South, Bend, IN (2016, Federal NMTC: \$6,383,500) WALORSKI – 2ND DISTRICT**
- \$18.50M Mixed-Use Retail, Office & Apartments in **Ft. Wayne, IN (2012, Federal NMTC: \$5,850,000) STUTZMAN – 3RD DISTRICT**
- \$41.00M Ivy Tech Community College Culinary Arts & Corporate Training Center in **Indianapolis, IN (2012, Federal NMTC: \$13,260,000) CARSON – 7TH DISTRICT**
- \$20.00M Community Center (YMCA & Medical Clinic) in **Indianapolis, IN (2012, Federal NMTC: \$7,020,000) CARSON – 7TH DISTRICT**
- \$12.00M Brown Mackie Community College (Classroom Facility) in **Indianapolis, IN (2009, Federal NMTC: \$3,083,526) CARSON – 7TH DISTRICT**
- \$6.00M Procure Treatment Center Training Center in **Bloomington, IN (2007, Federal NMTC: \$1,869,585) YOUNG – 9TH DISTRICT**
- \$10.00M Hoosier Gasket Manufacturing Facility in **Indianapolis, Indiana (2006, Federal NMTC : \$3,648,898) CARSON – 7TH DISTRICT**

Indiana NMTC Rural Track Record
Over \$113M in Project Costs & \$34M in Federal Tax Credit

- \$15.00M YMCA in **Warsaw, IN (2014, Federal NMTC: \$5,850,000)**
STUTZMAN – 3RD DISTRICT
- \$23.00M Hospital expansion in **Rural Indiana County (2014, Federal NMTC: \$3,900,000)** **STUTZMAN – 3RD DISTRICT**
- \$34M Convention Center Expansion in **French Lick, IN (2013, Federal NMTC: \$13,260,000)** **YOUNG – 9TH DISTRICT**
- \$9.50M “Town Square” Projects in **Orange County, IN (French Lick & Paoli; 2012; Federal NMTC: \$3,705,000)** **YOUNG – 9TH DISTRICT**
- \$25.00 Waterpark & Hotels in **French Lick, IN (2007; Federal NMTC: \$7,447,045)** **YOUNG – 9TH DISTRICT**
- \$6.50M Start-up Paper Plant Manufacture in **Marion, IN (2005; Federal NMTC: \$2,446,480)** **BROOKS – 5TH DISTRICT**

**Our “Out of Indiana” NMTC For Profit Track Record
Over \$219 in Project Costs & \$43M in Federal Tax Credit**

- **\$65M Mixed Use Medical Building in Norfolk, VA (2008, Federal NMTC: \$14,305,200)**
- **\$42M Mixed-Use Retail, Office & Apartments in Louisville, KY (2012, Federal NMTC: \$16,380,000)**
- **\$112M Chemical Processing Facility in East Carroll Parrish, LA (2012; Federal NMTC: \$13,650,000)**

South Bend, Indiana – \$24M+ Mixed Use Commercial Building (Office & Retail) – an Indiana CRED & NMTC investment tax credit transaction resulting in \$9,000,000+ in non-dilutive tax credit equity financing for the redevelopment of Studebaker Buildings 112 & 113 with a total tax credit benefit in excess of \$11,600,000 to the Developer. Advised the Developer to structure the combination of CRED and NMTC Tax Credits.



East Chicago, Indiana – \$10M+ Industrial Building – an Indiana **Industrial Recovery investment tax credit transaction resulting in \$2,000,000+ in non-dilutive tax credit equity** financing for the redevelopment of a vacant building in East Chicago with a **total tax credit benefit in excess of \$2,000,000** to Developer. Advised the Developer and Bank to structure Industrial Recovery Tax Credit transaction.



Fort Wayne, Indiana – \$28M+ Mixed Use Commercial Building (Office & Retail) – an Indiana **CRED investment tax credit transaction resulting in \$5,000,000+ in non-dilutive tax credit equity** financing for the construction of a new 65,000+/- sq. ft. mixed use commercial building with a **total tax credit benefit in excess of \$5,700,000** to Developer (**for-profit**). Advised the Developer to structure CRED Tax Credit transaction.



Marion, Indiana (rural county with a population of less than 75,000) – \$45M+ Commercial Bakery – an Indiana CRED investment tax credit transaction resulting in \$5,000,000+ in non-dilutive tax credit equity financing for the construction of a new 253,000 sq. ft. commercial bakery facility with a total tax credit benefit in excess of \$5,800,000 to owner of the facility (for-profit). Advised the City of Marion and its economic development target, Café Valley, on how to structure the current deployment and prospective combination of Local TIF, State CRED Investment Tax Credit Equity and Federal NMTC financing. Café Valley committed to **recruit and hire over 200 new associates.** The use of the CRED investment tax credit **reduced the City's anticipated aggregate TIF investment from \$14.5M to \$10M.** An **out-of-state National Bank funded the tax credit equity.** Another law firm advised the City of Marion on the Café Valley TIF Bond transaction.



Ft. Wayne, Indiana - Harrison Mixed Use Building Downtown (office, retail & apartments) – a combined \$18,500,000 NMTC & CRED transaction providing permanent financing for portion of construction of a new 100,000 +/- sq. ft. mix use fitness facility by bringing a total tax credit benefit of \$11,650,000 to the Developer. It was the first time the City of Ft Wayne had participated in combination NMTC/CRED transaction. The Fort Wayne CDE funded this NMTC transaction. Advised and structured the entire transaction for the CDE and Developer, and assisted the CDE in obtaining the \$15M NMTC Allocation used for this transaction.



Marion, Indiana (*rural county with a population of less than 20,000*) – \$6.5M Paper Plant Manufacturing facility – the combination **a \$6.5M NMTC transaction** providing a ***portion of the construction & permanent loan financing (1% interest only for 7 years)*** and an Indiana **CRED investment tax credit transaction providing \$600,000+ in non-dilutive tax credit equity** for the Project by providing a **total NMTC & CRED ITC tax credit benefit in excess of \$3,500,000** to a Local Manufacturer (***for-profit***). An IBA/CABI Statewide CDE funded this NMTC transaction. The Town credit enhanced the NMTC Financing with \$3.5M in TIF bonds structured as a letter of credit to secure the NMTC loans. This was the first time the Town had participated in a NMTC transaction and a CRED tax credit transaction. Advised and structured the combination of the Local TIF, State CRED Investment Tax Credit Equity and Federal NMTC financing transaction for the IBA/CBAI CDE, the City and the Manufacturer, and assisted the IBA/CBAI Statewide CDE in obtaining the \$50M NMTC Allocation (a portion used for this transaction) designated for the state of Indiana (including Orange County) that facilitated this NMTC transaction.



Warsaw, Indiana (city with a population of less than 16,000) YMCA Facility – a \$15,000,000 NMTC transaction providing permanent financing (1% interest only for 7 years) for the entire costs of construction of a new 84,000 sq. ft. fitness facility by bringing a total tax credit benefit of \$5,850,000 to the YMCA (nonprofit). Two of the top National CDEs funded the NMTC transaction. A Local Bank provided a portion of leverage loan for the transaction. It was the first time the Local Bank had participated in a NMTC transaction. Represented the YMCA, as QALICB (borrower & tax) counsel and brought the NMTC Allocation and the Local Bank to the transaction.



Rural Indiana (county with a population of less than 80,000) – \$23M Outpatient Community Healthcare Facility – a **\$10,000,000 NMTC transaction** financing **(1% interest only for 7 years)** providing a **portion (about 44%) of the construction and permanent financing** for a new 84,000 sq. ft. facility by bringing a **total tax credit benefit of \$3,900,000** to **Local Hospital (nonprofit)**. One of the top national CDEs funded the NMTC transaction. The Parent of the Regional Hospital Organization provided the leverage loan for the transaction. This was the **first time Regional Hospital Organization had participated in a NMTC transaction**. Represented the Regional Hospital Parent, as the Leveraged Lender, and the Local Hospital, as the QALICB (borrower).



Indianapolis, Indiana – Avondale Meadows YMCA & Community Health & Wellness Center at – a \$18,000,000 NMTC transaction providing *permanent financing* for portion of new construction of the \$20,000,000+/- 70,000 sq. ft. facility by bringing a total tax credit benefit of \$7,020,000 to the Meadow Community Foundation. The new Avondale Meadows Health & Wellness Center will include an 18,000 square foot health clinic operated by HealthNet and a 32,000 square foot YMCA. This was the first time the Meadows Community Foundation had participated in a NMTC transaction. The Indianapolis CDE, funded this NMTC transaction. Advised and structured the transaction for the CDE and Foundation, and assisted the CDE in obtaining the \$32M NMTC Allocation a portion of which used for this transaction.



Paoli, Indiana (*rural county with a population of less than 20,000*) – \$4.75M Town Square Mixed Use Building – a ***\$4,750,000 NMTC transaction*** providing a ***portion of the construction and permanent financing (1% interest only for 7 years)*** for a new Town Square mixed use (office, retail and apartments) project by providing a ***total tax credit benefit of \$1,852,500*** to a Local Developer (***nonprofit***). A local CDE funded this NMTC transaction. The Local Developer and Town provided the leverage loan for the transaction by “leveraging” TIF and other state and federal grants. This was the ***first time the local Developer and Town had participated in a NMTC transaction***. Advised and structured the entire transaction for the Local CDE, the Town and the Developer, and assisted the Local CDE in obtaining the \$50M NMTC Allocation (a portion used for this transaction) designated for rural communities (including Orange County) in southern Indiana that facilitated the NMTC transaction. **This transaction closed at the same time as the French Lick Town Square Project NMTC financing (next slide).**



French Lick, Indiana (rural county with a population of less than 20,000) – \$4.75M Town Square Mixed Use Building – a \$4,750,000 NMTC transaction providing a portion of the construction and permanent financing (1% interest only for 7 years) for the renovation of 1913 Town Square mixed use (office, retail and apartments) building by providing a total tax credit benefit of \$1,852,500 to a Local Developer (*nonprofit*). A local CDE funded this NMTC transaction. The Town provided the leverage loan for the transaction by “leveraging” TIF . This was the second time the Town had participated in a NMTC transaction. The transaction also used Federal Historic Tax Credits as a means to raise additional equity for the Project. Advised and structured the entire transaction for the Local CDE, the Town and the Developer, and assisted the Local CDE in obtaining the \$50M NMTC Allocation (a portion used for this transaction) designated for rural communities (including Orange County) in southern Indiana that facilitated this NMTC transaction. **This transaction closed at the same time as the Paoli Town Square Project NMTC financing (prior slide).**



Indianapolis, Indiana – Ivy Tech Culinary Arts & Corporate Training Center at the Downtown Campus – an \$34,000,000 NMTC transaction providing permanent financing for portion of construction of the \$41,000,000 renovation of the historic 13 – story Stouffer Inn by bringing a total tax credit benefit of \$13,260,000 to The Community College. It was the first time Ivy Tech Community College had participated in a NMTC transaction. The Indianapolis CDE. Advised and structured the transaction for the CDE and Community College, and assisted the CDE in obtaining the \$32M NMTC Allocation of portion of which used for this transaction.



President Obama Visits CDFI Fund Financed Community College and Training Center

By Annie Donovan

This was originally published on the [Treasury Department blog](#) on **February 6, 2015**.

Today, President Obama delivered remarks on our growing economy and steady job growth at Ivy Tech Community College's Corporate College and Culinary Arts Training Center in Indianapolis. The President's visit underscores what is possible if we continue to make investments that increase opportunities for all Americans. The Corporate College and Culinary Arts Training Center was once a vacant building in a low-income neighborhood, and thanks to resources from the U.S. Treasury Department's Community Development Financial Institutions Fund (CDFI Fund) that leveraged private sector investments, this state-of-the-art facility now offers students a chance to gain the skills needed for well-paying jobs in today's workforce.

The Corporate College and Culinary Arts Training Center is a remarkable example of how resources from the CDFI Fund are put to use. Three local community development organizations – the Great Lakes Capital Fund, Local Initiatives Support Corporation Indianapolis, and the city's Indianapolis Development CDE – used more than \$33 million in New Markets Tax Credits allocated from the CDFI Fund to leverage private capital needed to finance this project which opened in 2012. These tax credits helped Ivy Tech Community College purchase and renovate the historic building that now houses Ivy Tech's workforce development, culinary arts, and distance learning education programs, as well as office space for staff.



COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND



Indianapolis, Indiana – Brown Mackie Community College Classroom Facilities at 1200 N. Meridian Downtown – a **\$9,887,000 NMTC transaction** providing ***permanent financing*** for portion of \$12,000,000+/- historic renovation of 1921 4-story Lexington Building (45,000 sq. ft.) bringing a **total tax credit benefit of \$3,083,526** to a local Developer. **The IBA/CBAI Statewide CDE** funded this NMTC transaction. Advised and structured the entire transaction for the IBA/CBAI CDE and Developer, and assisted the CDE in obtaining the \$50M NMTC Allocation a portion of which used for this transaction. A local bank funded the leverage loan and tax credit equity for this transaction.



Indianapolis, Indiana – Procure Training Center Downtown on 3rd & Walnut – a \$4,793,856 NMTC transaction providing permanent financing for portion of \$6,000,000+/- new construction of 2-story training facility (20,000 sq. ft.) bringing a total tax credit benefit of \$1,869,585 to a local Developer. **The IBA/CBAI Statewide CDE funded this NMTC transaction. Advised and structured the entire transaction for the IBA/CBAI CDE and Developer, and assisted the CDE in obtaining the \$50M NMTC Allocation a portion of which used for this transaction. A local bank funded the leverage loan and tax credit equity for this transaction.**



Indianapolis, Indiana – Hoosier Gasket Headquarters & Manufacturing Facilities in the Keystone Enterprise Park on the near eastside – a \$9,367,893 NMTC transaction providing *permanent financing* for portion of \$12,000,000+/- new construction and equipment cost of the new headquarters (15,000 sq. ft.) and manufacturing facility (120,000 sq. ft.) bringing a total tax credit benefit of \$3,648,898 to a local Manufacturer. The IBA/CBAI Statewide CDE funded this NMTC transaction. Advised and structured the entire transaction for the IBA/CBAI CDE and Developer, and assisted the CDE in obtaining the \$50M NMTC Allocation a portion of which used for this transaction. A local bank funded the leverage loan and tax credit equity for this transaction.



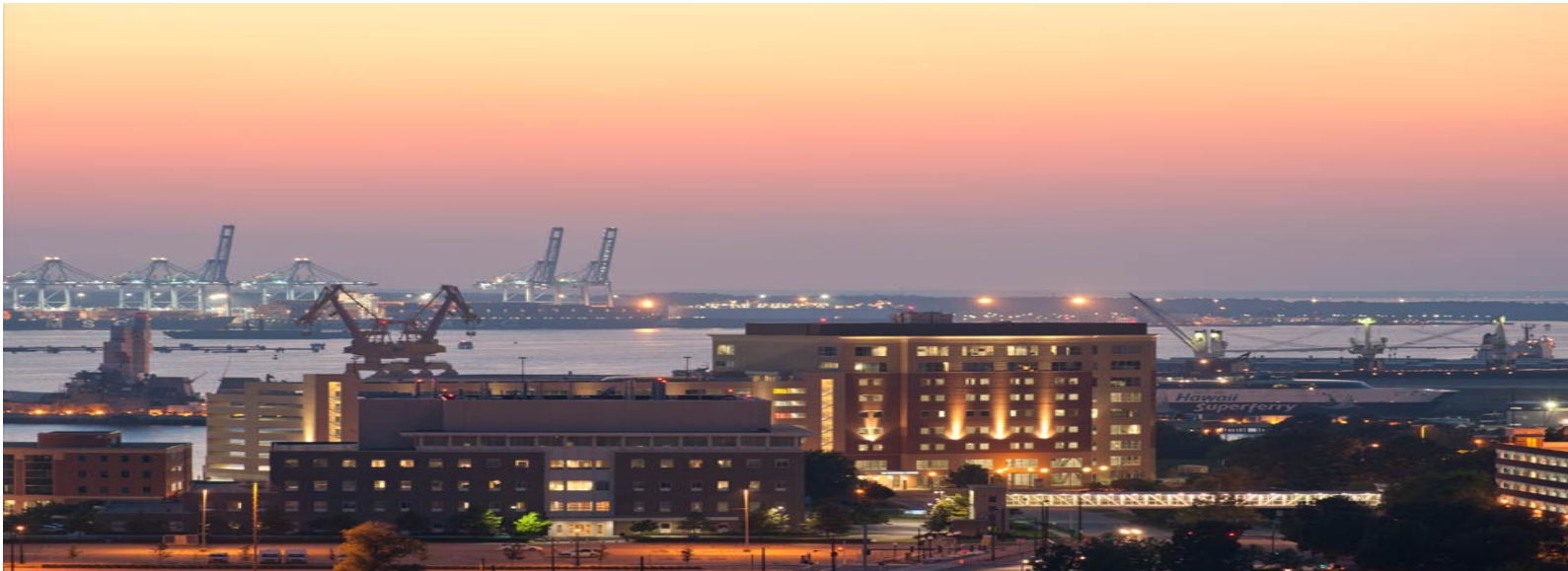
French Lick, Indiana (*rural county with a population of less than 20,000*) – \$34M+ Hotel Event Center Expansion – a **\$34,000,000 NMTC transaction** providing a ***portion of the construction & permanent financing (1% interest only for 7 years)*** for a new 58,000 sq. ft. event center expansion by providing a **total tax credit benefit of \$13,926,000** to a Local Hotel (***for-profit***). A local CDE funded this NMTC transaction. The Parent of Local Hotel provided the leverage loan for the transaction. This was the ***first time the local Hotel Organization had participated in a NMTC transaction***. Advised and structured the entire transaction for the Local CDE and Hotel, and assisted the Local CDE in obtaining the \$50M NMTC Allocation (a portion used for this transaction) designated for rural communities (including Orange County) in southern Indiana that facilitated the NMTC transaction.



French Lick, Indiana (*rural county with a population of less than 20,000*) – \$25M Waterpark & Hotel – a \$19,000,00+ NMTC transaction providing a *portion of the construction & permanent financing (1% interest only for 7 years)* for the construction of a 152 room hotel and a 28,000 sq. ft. water park by providing a total tax credit benefit of \$7,410,000 to a Local Developer (*for-profit*). An IBA/CBAI Statewide CDE funded this NMTC transaction. The Town credit enhanced the NMTC Financing with \$6M in TIF bonds structured as a letter of credit to secure the NMTC loans. This was the first time the Town had participated in a NMTC transaction. Advised and structured the entire transaction for the Local CDE, the Town and the Developer, and assisted the IBA/CBAI Statewide CDE in obtaining the \$50M NMTC Allocation (a portion used for this transaction) designated for the state of Indiana (including Orange County) that facilitated this NMTC transaction.



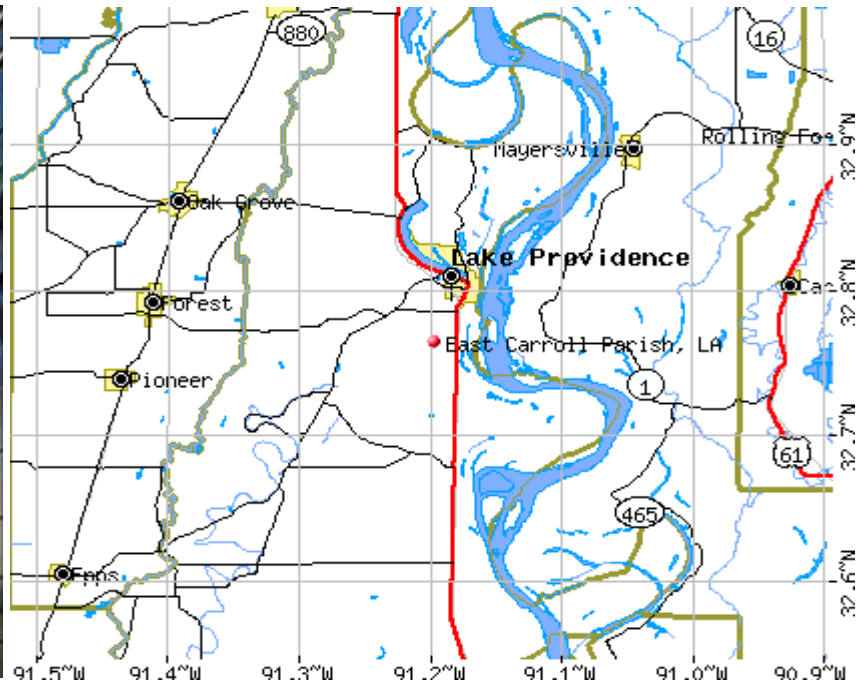
Norfolk, Virginia (Urban) – \$65M Mixed Use Medical Office Plaza & Parking Garage – providing a **portion of the construction & permanent loan financing (\$31,640,000 @ 1% interest only for 7 years) using total NMTC benefit in excess of \$14,300,000** for a **National Developer (for-profit)**. This project was the first new medical office complex constructed in the Downtown Norfolk area in over 40 years. Structured the entire transaction and advised the Developer in closing the its first NMTC transaction.



Louisville, Kentucky (Urban) – \$42M Mixed Use (Five Buildings) Integrated Retail, Commercial, Affordable Residential Apartments and Parking Garage Development – providing a ***all of the permanent loan financing (\$39M) using total NMTC benefit in excess of \$15M*** for a National Developer (*for-profit*). Structured the entire transaction and advised the Developer in closing the its first NMTC transaction.



Complex Large Industrial Transaction Experience
Myriant Lake Providence, Inc. - East Carroll Parish, Louisiana (2012)



Example of Our Complex Large Industrial Transaction Experience

Myriant Lake Providence, Inc. - East Carroll Parish, Louisiana

- Assisted Myriant and Stern Brothers in closing a **\$25 million USDA B&I Loan Guarantee** in addition to obtaining a **\$50 million cooperative agreement** that Myriant received from the **U.S. Department of Energy (DOE)** and a **\$10 million grant** from the Lake Providence Port Commission and the Louisiana Department of Transportation in June, 2012. Of the \$25 million in bonds sold by Stern Brothers, \$15 million were guaranteed by the USDA under the B&I program. Myriant's commercial scale bio-succinic acid production facility is capable of producing 30 million pounds per year of bio-succinic acid. Myriant's cost-advantaged bio-succinic acid will be a "drop-in" replacement for petroleum-derived succinic acid and other chemical intermediates. ***Advised and represented Stern Brothers as bond co-counsel to structure the transaction for additional NMTC subordinate debt financing at construction completion.***
- In October 2012, 3 national CDEs provided **\$34 million of NMTC financing (total tax credit benefit exceeded \$13.26M)** to Myriant, an industrial biotechnology company and green manufacturer, that has developed a proprietary technology platform to produce high-valued biomass-based industrial chemicals that can directly compete with or replace petroleum-derived chemicals. Myriant developed a \$100M+ innovative renewable chemical, bio-succinic acid production facility in a highly distressed rural census tract in Lake Providence, LA. **Myriant is located in a parish (county) with the 4th highest unemployment rate in the nation (20.5% as of June 2012).** ***Represented Myriant as NMTC QALICB borrower counsel and special tax counsel.***
- To learn more about the Myriant Transaction go to:
<http://www.biofuelsdigest.com/bdigest/2012/06/18/myriants-debt-deal-a-light-at-the-end-of-a-long-bio-based-tunnel/>

ABOUT FRANK HOFFMAN AND CONTACT INFORMATION

Frank A. Hoffman is President of Strategus LLC. With over 30 years of experience in innovative financing and incentive procurement for all types of businesses, Frank often takes the lead as the project finance and incentive manager for Strategus client projects. In addition to his role at Strategus, Frank is also a partner with the law firm of Ice Miller.

Prior to joining Strategus and Ice Miller, Frank was:

- a partner with the law firm of Krieg DeVault for over 25 years (1991-2016);
- executive vice president and in-house general counsel for Landmark Corporation, a real estate private placement securities firm (1985 to 1991); and
- a tax advisor - PriceWaterhouseCoopers (f/k/a Coopers & Lybrand) (1982-1985).

He is a frequent speaker on the subject of New Markets Tax Credit transactions, and has presented more than 1,000 times on NMTC and other complex economic development incentive topics over the past 10 years.

He holds a bachelor's degree from DePauw University (1979), and a J.D. from the Indiana University Robert H. McKinney School of Law (1982).

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