

# How to Layer a Deal

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# What is the project?

- **\$10M in land acquisition and construction of a 50,000 square foot building**
- **\$12.5M in equipment**
- **Retain 100 employees**
- **Hire an additional 70 employees**
- **Add 4.4M in annual payroll**

# Great Project!!!!

## How can we help?

- JTIP? Yes
- High Wage Job? Yes
- Rural Job? No
- MITC? Yes
- LEDA? Yes

# That's good what else is out there?

- Could IRB's work?

- Yes 

- Is it in an Opportunity Zone?

- No 

- Is it in a NMTC census tract?

- Yes 

- Is there R & D and does it qualify for the credit?

- Yes 

# Let's get to work! Make this deal happen!

1. Gather data to calculate statutory incentives, pay close attention to IRB and R&D numbers.
2. Determine if the client has an existing banking relationship or if they are open to utilizing a local bank or if they intend to self finance.
3. Work with your Regional Rep to makes sure you gather all necessary information for a LEDA determination
4. Contact NMFA to determine if they have any NMTC available for your project
5. What does your package look like?



# Statutory Incentives

	Max Benefit	Est Benefit
JTIP	\$1,210,000	\$ 907,500
HWJTC	\$1,496,000	\$1,047,200
MITC	\$ 640,625	\$ 640,625
R&DTC	\$ 950,000	\$ 665,000
Total	\$4,296,625	\$3,260,325

# Local Incentives

IRB Land & Building	\$3,512,124
IRB Equipment	\$ 523,014
IRB Compensating Tax	<u>\$ 640,625</u>
Total	\$4,675,763

**LEDA**

**\$1,250,000**

Total Incentives with IRB	\$8,521,088
Total Incentives with R&D Tax Credit	\$4,510,325

**What  
do we do  
now???**



**Incentives Total is \$8,521,088 what else is there?  
????????????????????????????????????????????????????????????  
OH Yea!! NMTC what could that do to the deal?**



# NMTC on \$22.5M

<b>Client Borrows</b>	<b>\$21,197,750</b>
<b>Interest only for 7 years on</b>	<b>\$ 6,717,750</b>
<b>After 7 years loan is discounted by</b>	
<b>Reporting Requirements</b>	<b>\$ (1,343,550)</b>
<b>Economic Development Credit</b>	<b>\$ (3,358,785)</b>
<b>Closing Cost Rebate</b>	<b>\$ <u>(300,000)</u></b>
<b>Exit Fee</b>	<b>\$ 1,715,415</b>
<b>Total Debt converted to equity</b>	<b>\$ 4,061,940</b>

# What does the final deal look like?

Client commits to \$22.5M in capital cost to the project

Client also commits to retaining 100 jobs and adding  
70 more jobs @ an average salary of \$62,800

Total project savings for the client on this project:

**\$12,583,028**

