



Utilizing New Market Tax Credits to assist in financing CMPA Projects:

Building Phase I and the Museum concurrently

In June of 2009, the Capital Trust Agency Community Development Entity (CTA-CDE) was allocated \$75 million in New Market Tax Credits from the US Treasury. This allocation was made available through Congressional authorization to increase the allocation nationally of these tax credits as a part of the American Reinvestment and Recovery Act of 2009. The CTA-CDE service area is the entire state of Florida. The staff and board of the agency would be pleased to apply a portion of the allocation, through a monetization of the credits provided to the CMPA project, as a means of creating an additional source of capital for the Maritime Park development. Utilizing the added funding created by the NMTC program may be a means of constructing much more of the original Community maritime Park development than currently is envisioned.

The following “what if” financial analysis of the tax credits in combination with the debt financing already contemplated by the CMPA provides funding to begin an immediate construction of the park, often referred to as Phase I, and the museum. The NMTC program often is described as a means of making a project that would not be feasible “but for” injecting added capital created by the NMTC allocation. In the case of the museum, it clearly cannot be constructed “but for” an additional funding source other than the contributions already provided.

Community Maritime Park & Maritime Museum Financial Analysis | August 19, 2009

This document has been developed to provide a basis for discussion regarding funding of both \$40 million infrastructure for the Community Maritime Park and \$20 million for the Maritime Museum in one transaction.

Community Maritime Park

Sources & uses of funds for the combined projects break down as follows:

Community Maritime Park & Museum Pensacola, FL		
NMTC Funding Sources & Uses of Funds		
<i>Updated 8/11/09</i>		
Sources		
Gross proceeds from bond issue	61.4%	\$ 43,000,000
Museum bank debt (= to budget shortfall)	3.9%	2,743,215
Maritime Museum sponsor equity	7.1%	5,000,000
NMTC equity	27.5%	19,247,426
Total sources	100.0%	69,990,641
Uses		
CMP infrastructure project budget - (incl. \$2 mil predev costs)	57.2%	40,000,000
Museum project budget	28.6%	20,000,000
Cost of issuance - bond issue	1.0%	700,000
Capitalized Interest - CMP	7.1%	4,992,621
Capitalized Interest - Museum	0.1%	82,503
CDE origination & placement fee	5.6%	3,915,517
Legal - NMTC	0.4%	300,000
Total Uses	100.0%	69,990,641

Net proceeds from NMTCs break down as follows:

Net Benefit of NMTCs	
NMTC equity	\$ 19,247,426
CDE fees	(3,915,517)
Legal attributable to NMTC	(275,000)
Net Benefit of NMTCs	15,056,909

Debt service is anticipated as follows:

Debt Service Calculation			
	Sr. Debt	NMTC Debt	Total
Loan amount	\$ 43,000,000	\$ 19,247,426	62,247,426
Interest rate	5.51%	1.00%	
Amortization (months)	360	Int only	
Amortization (years)	30.00		
Payment (annual)	2,933,030	192,474	3,125,504

Capitalized interest during construction of the CMP portion of the project was calculated to include two years of debt service; for the Maritime Museum it is calculated as follows:

Maritime Museum Capitalized Interest Calculation					
Construction Period			12 months		
Amount of debt			\$ 2,743,215		
Interest rate			5.51%		
	Mo	%	Amt drawn	Bal drawn	Pmt
	1	10%	274,321	\$ 274,321	\$ 1,260
	2	10%	274,321	548,643	2,519
	3	10%	274,321	822,964	3,779
	4	7%	192,025	1,014,989	4,660
	5	7%	192,025	1,207,014	5,542
	6	7%	192,025	1,399,040	6,424
	7	7%	192,025	1,591,065	7,306
	8	7%	192,025	1,783,090	8,187
	9	7%	192,025	1,975,115	9,069
	10	7%	192,025	2,167,140	9,951
	11	10%	274,321	2,441,461	11,210
	12	11%	301,754	2,743,215	12,596
Total		100%	2,743,215		82,503

Capital Trust Agency Community Development Entity LLC (CTA-CDE)

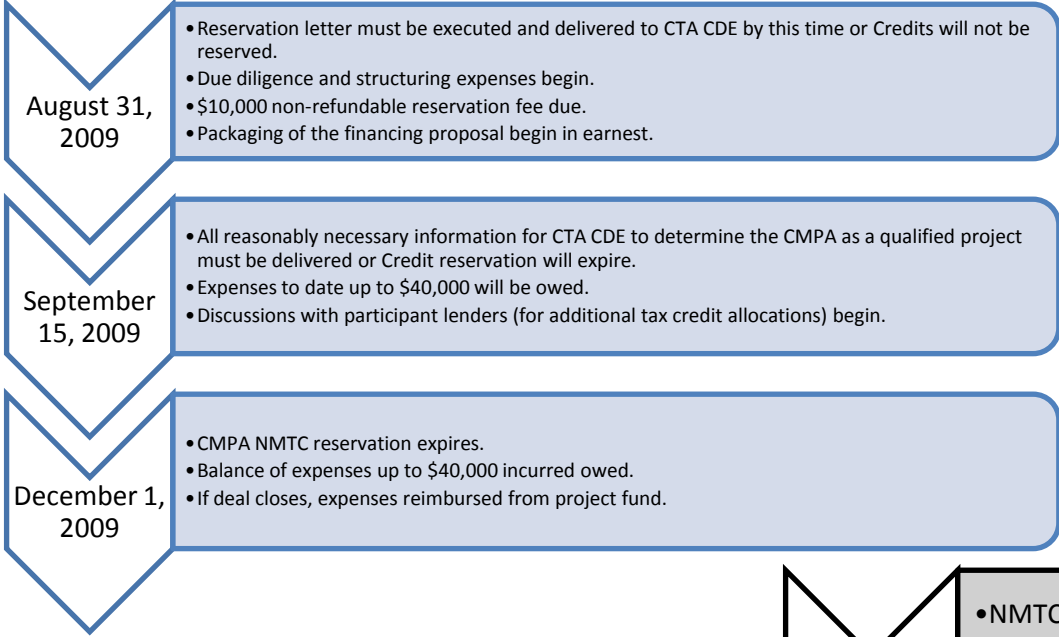
Financing of the Community Maritime Park and Museum

Understanding and Deal Points Conveyed (not final and subject to additional terms)

1. The total project cost for the infrastructure and museum construction will total approximately \$60 million, plus an additional cost related to bond financing and tax credit fee structuring of \$10 million. The net benefit to the project of the tax credits being monetized will total an estimated \$13 to 15 million, with market acceptability determining the exact amount.
2. The CTA-CDE will submit to its board for action a request to fund \$35 million in tax credit allocation. The CTA-CDE will seek participant CDE's for the funding of the balance of the \$35 million in tax credit allocation for the total cost of \$70 million.
3. The CMPA will be the developer of the project having a leasehold interest in the site for a period of at least 60 years.
4. Any contracting of the development plan shall be to individuals fully licensed and bonded to properly complete the plan on a timetable critical to the transaction. Credentialing and proof of bonding capability shall be submitted to CTA-CDE for its approval.
5. Site selection for the museum shall be finalized by the September 18th, 2009 deadline noted in the reservation agreement.
6. Bond proceeds, contributions from the university, proceeds from the sale of tax credits, and budgeted shortfall in the financing plan must ALL be deposited into the project fund simultaneously December 1, or a timetable mutually agreeable to all parties.
7. Construction must begin within 90 days of the project fund being established.
8. The project must be 95% completed within one year of the project fund loaning the monies to the project.

Capital Trust Agency Community Development Entity, LLC \$35 Million Allocation to Construct the Community Maritime Park and Museum

Reservation Letter Timeline



Project Funding Timeline

