

Financing Roundtable for Closed Installation Reuse Projects



ADC Installation Reuse Forum

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Session Agenda

1. Overview of Financing Decisions and Options
2. Overview of Federal Support
3. Case Study: Financing Redevelopment at the former Fort McPherson and Fort Gillem
4. Open Discussion
 - A. Financing Success Stories
 - B. Financing Obstacles

Redevelopment is Expensive

- No magic pot of money
- Lots of expenses
 - Reuse planning
 - Application and negotiation with Military Service
 - Selection and negotiation with end users
 - Payment for the land acquisition
 - Costs for the redevelopment or disposition of the land
 - Pre-development studies, advisors, etc.
 - Development activities

Cheapest Redevelopment Alternative

- Let the Military Department dispose of the site through disposal methods not involving the LRA
- Local government exercises limited control over the site through zoning

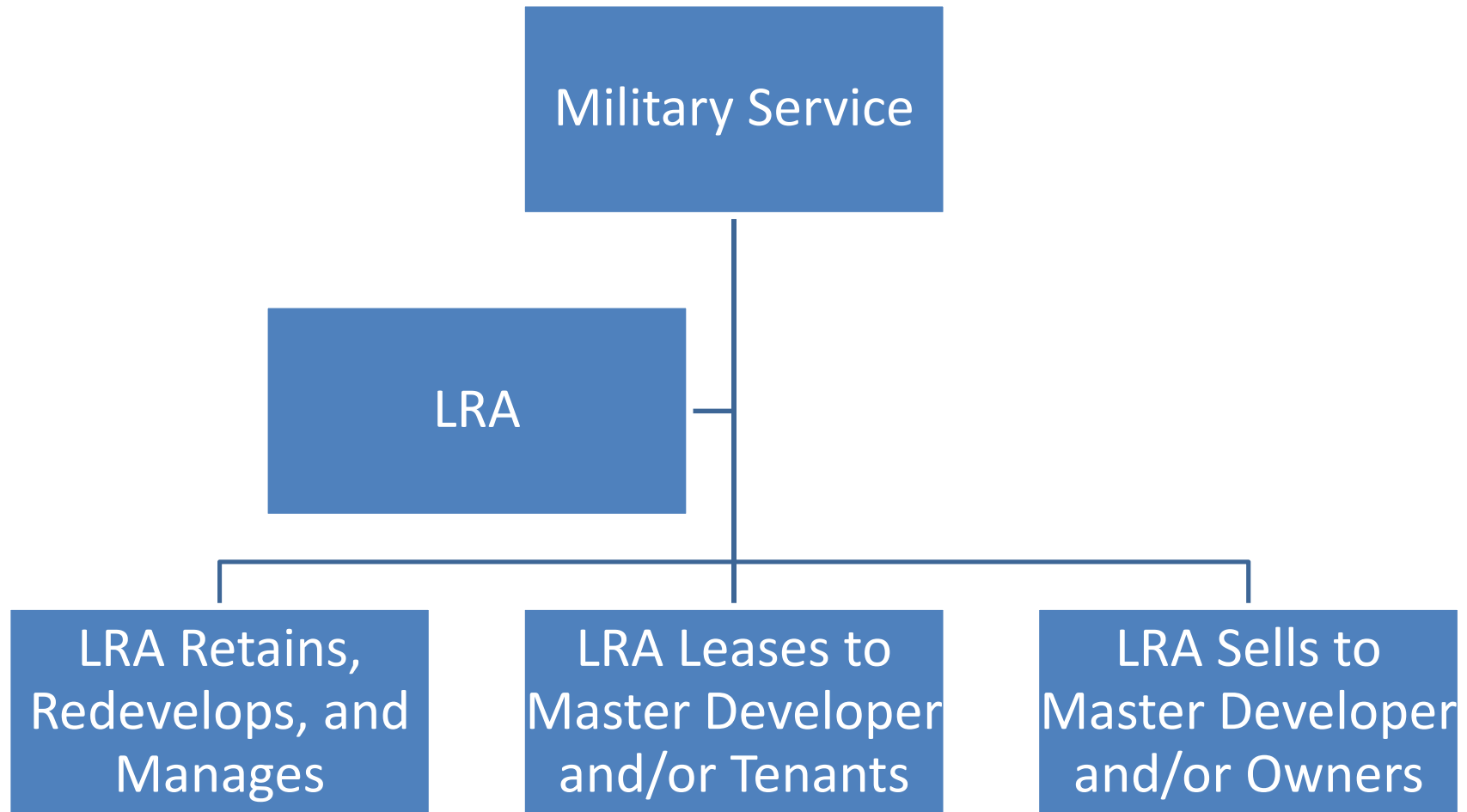
Why Undertake the Redevelopment?

- Greater control over site uses
- Greater control over redevelopment timing
- Greater control over economic development
- Greater control over developer(s), tenant(s), or new owner(s)

Financing Support

- (Limited) federal grants and tax credits
- (Limited) state grants
- (Limited) LRA funds
- Borrow money
- Payments from developer(s) or other end user(s)
- Other?

Making the Disposition Decision



Negotiating a Transaction Structure that Works

- Payments to Military Service
 - Cost or no-cost?
 - Up-front or deferred over time?
 - Fixed amount and/or participation payments?
 - Guaranty or letters of credit?
 - LRA source of funds?
 - Pass through funds from developer(s) or other end user(s)?

Negotiating a Transaction Structure that Works (Continued)

- Payments from Developer(s) or Other End User(s)
 - Cost or no-cost?
 - Up-front or deferred over time?
 - Fixed amount and/or participation payments?
 - Guaranty or letters of credit?
 - Amount sufficient to cover payments to Military Service? To cover additional LRA expenses? To provide additional consideration to the LRA?

Questions?

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