

Marketing Your RLF Program

EPA Region 1 RLF Grantee Workshop

Kelley Race, P.G., LSP TRC Environmental

April 6 & 7, 2017



Marketing RLF Money – The What?



- Cleanup and remediation dollars
- Financing that traditional sources (banks) may not cover
- Monies to hire an environmental professional (QEP)
- Technical assistance to comply with state and federal requirements (CRP, ABCA, HASP, QAPP, engineering docs, closure docs)

Marketing RLF Money – The Who?



Networking



Private Sector

- Developers
- Banks
- Non-profits
- Realtors
- Attorneys (Real Estate/Environmental)
- Rotary/Chamber of Commerce

Public Sector

- Municipalities
- Economic/Redevelopment Agencies

Marketing the RLF Money - The How?







Meetings

- Professional/Industry Trade Groups
 - NAIOP MA
 - EBC MA, CT, NH
 - MEREDA ME
 - BIA NH
- Workshops/Seminars
- Advisory Committees
- One on One meetings with the developer team

Written Communication

- Brochures/Factsheets/Page Inserts
- Web-based outreach
- Newsletters/Media



Understanding What Developers Need Considerations?

- Financing
- Market analysis
- Traffic/Transportation
- Demographics
- Making in money

- Tax credits, low-cost borrowing
- Rental/lease/sale rates
- Halkable, bus route, train
- Low income, senior, market rate
- 🟓 Pro Forma





Developers Pro Forma – In the Red

20 Year Financing at 5.5%

LOTIE	440.040		D-4-11 AF:	44.000
LOT SF:	110,642		Retail SF:	14,000
PROPOSED BUILD SF:	59,000		Office SF:	45,000
PARKING REQ (SP/SF):	236	70,800	Total SF:	59,000

Development Costs	Total Cost	\$/Tot S
Land Costs	\$ 750,000	\$ 13
Hard Costs		
Demolition	\$ 180,000	\$ 3
Asbestos Abatement	\$ 120,000	\$ 2
Environmental	\$ 135,000	\$ 2
Office Construction Cost	\$ 5,625,000	\$ 125
Retail Construction Cost	\$ 1,708,000	\$ 122
Tenant Fit Out	\$ 2,655,000	\$ 45
Contingency (10%)	\$ 1,042,300	\$ 18
Total Hard Costs	\$ 11,030,300	\$ 187
Soft Costs		
Estimated Soft Costs	\$ 1,125,000	\$ 19
Developer Fee	\$ 937,576	\$ 16
Total Development Costs	\$ 13,842,876	\$ 235

Sources and Lise

Developer's Cash In	\$ 1,900,000	\$ 32	1
Subtotal Equity	\$ 1,900,000	\$ 32	(
			7
Debt			
5.5% Financing	\$ 11,942,876	\$ 108	

Base Rent Costs		\$ /NET SF
Annual Debt Service	\$ 985,842	\$ 17
Base Rent Expenses	\$ 985,842	\$ 17
NNN Costs		\$ NET SF
Full Property Taxes	\$ 177.000	\$ 3

Income Statement

Total Annual Costs	\$ 1,398,842	\$ 24	
Triple Net Expenses	\$ 413,000	\$ 7	
Operating Expenses	\$ 236,000	\$ 4	
Less Tax Relief	\$ -	\$ -	
Full Property Laxes	\$ 177,000	\$ 3	

Base Rental Income (NNN)	Total Rent Rent /		
Retail Rent	\$ 252,000.00	\$	18.00
Market Office Rent:	\$ 945,000.00	\$	21.00
Total Rent	\$ 1,197,000.00	\$	19.50

Annual Profit / Loss			
Profit or Loss	\$ 211,157.76	\$ 3.58	
Debt Service Coverage		1.214	



Developers Pro Forma – In the Green

LOT SF: 110,642 Retail SF:	
	14,000
PROPOSED BUILD SF: 59,000 Office SF:	45,000
PARKING REQ (SP/SF): 236 70,800 Total SF:	59,000

13

3

2

2

125

122

45

18

19

16

187

Sources and Uses **Total Cost** Development Costs \$/Tot SF \$ Land Costs \$ 750,000 Hard Costs Demolition 180.000 \$ \$ Asbestos Abatement 120,000 Environmental 135,000 \$ \$ Office Construction Cost 5,625,000 1,708,000 \$ Retail Construction Cost \$ Tenant Fit Out 2,655,000 \$ Contingency (10%) \$ 1,042,300 \$ Total Hard Costs \$ 11,030,300 \$ Soft Costs Estimated Soft Costs \$ 1,125,000 \$ \$ Developer Fee \$ 937,576

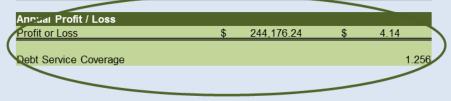
Total Development Costs	¢	13,842,876	\$ 235
Egaty			
EPA Cleanup G. (Asb/ Remed)	\$	200,000	\$ 3
MassD. Grant (Demo/ Remed)	\$	200,000	\$ 3
Developer's Cash In	\$	1,900,000	\$ 32
Subtotal Equity	\$	2,300,000	\$ 39
Debt			
5.5% Financing	\$	11,542,876	\$ 104

Income Statement

Base Rent Costs		\$ /NET SF
Annual Debt Service	\$ 952,824	\$ 16
Base Rent Expenses	\$ 952,824	\$ 16

NNN Costs		\$ /NET SF
Full Property Taxes	\$ 177,000	\$ 3
Less Tax Relief	\$ -	\$ -
Operating Expenses	\$ 236,000	\$ 4
Triple Net Expenses	\$ 413,000	\$ 7
Total Annual Costs	\$ 1,365,824	\$ 23

Base Rental Income (NNN)	Total Rent	Re	nt / SF
Retail Rent	\$ 252,000.00	\$	18.00
Market Office Rent:	\$ 945,000.00	\$	21.00
Total Rent	\$ 1 197 000.00	\$	19.50





Take-Away Elevator Speech



- RLF offers financing that many banks won't fund (aka cleanup)
- May be the first money into the project
 - Competitive rates- low interest to no interest, flexible terms/repayment options



 Simple application, no or low application fees

- Defined eligible activities
- Technical assistance
- State regulatory closure





Questions?



Contact:

Kelley Race, P.G., LSP TRC Environmental krace@trcsolutions.com (207) 274-2630

