

*Knock, Knock.....  
Who's there?*

*Ya....  
Ya who?*

*Wow.....you are really  
excited to see me!!*



# Marketing Your RLF Program

*EPA Region 1 RLF Grantee Workshop*

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**TRC Environmental**

*April 6 & 7, 2017*

# Marketing RLF Money – The What?

**I have RLF**



- 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** → Tax credits, low-cost borrowing
- **Market analysis** → Rental/lease/sale rates
- **Traffic/Transportation** → Walkable, bus route, train
- **Demographics** → Low income, senior, market rate
- **Making in money** → Pro Forma





# Developers Pro Forma – In the Red

## 20 Year Financing at 5.5%

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

### Sources and Uses

Development Costs	Total Cost	\$/Tot SF
Land Costs	\$ 750,000	\$ 13
<b>Hard Costs</b>		
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
<b>Soft Costs</b>		
Estimated Soft Costs	\$ 1,125,000	\$ 19
Developer Fee	\$ 937,576	\$ 16
<b>Total Development Costs</b>	\$ 13,842,876	\$ 235
<b>Equity</b>		
Developer's Cash In	\$ 1,900,000	\$ 32
<b>Subtotal Equity</b>	\$ 1,900,000	\$ 32
<b>Debt</b>		
5.5% Financing	\$ 11,942,876	\$ 108

### Income Statement

Base Rent Costs		\$/NET SF
Annual Debt Service	\$ 985,842	\$ 17
Base Rent Expenses	\$ 985,842	\$ 17
<b>NNN Costs</b>		<b>\$/NET SF</b>
Full Property Taxes	\$ 177,000	\$ 3
Less Tax Relief	\$ -	\$ -
Operating Expenses	\$ 236,000	\$ 4
Triple Net Expenses	\$ 413,000	\$ 7
<b>Total Annual Costs</b>	\$ 1,398,842	\$ 24
<b>Base Rental Income (NNN)</b>	<b>Total Rent</b>	<b>Rent / SF</b>
Retail Rent	\$ 252,000.00	\$ 18.00
Market Office Rent:	\$ 945,000.00	\$ 21.00
Total Rent	\$ 1,197,000.00	\$ 19.50
<b>Annual Profit / Loss</b>		
Profit or Loss	\$ 211,157.76	\$ 3.58
Debt Service Coverage		1.214

# Developers Pro Forma – In the Green

## 20 Year Financing at 5.5%

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

### Sources and Uses

Development Costs	Total Cost	\$/Tot SF
Land Costs	\$ 750,000	\$ 13
<b>Hard Costs</b>		
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
<b>Soft Costs</b>		
Estimated Soft Costs	\$ 1,125,000	\$ 19
Developer Fee	\$ 937,576	\$ 16
<b>Total Development Costs</b>	<b>\$ 13,842,876</b>	<b>\$ 235</b>
<b>Equity</b>		
EPA Cleanup G. (Asb/ Remed)	\$ 200,000	\$ 3
MassD. Grant (Demo/ Remed)	\$ 200,000	\$ 3
Developer's Cash In	\$ 1,900,000	\$ 32
<b>Subtotal Equity</b>	<b>\$ 2,300,000</b>	<b>\$ 39</b>
<b>Debt</b>		
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
<b>NNN Costs</b>		<b>\$/NET SF</b>
Full Property Taxes	\$ 177,000	\$ 3
Less Tax Relief	\$ -	\$ -
Operating Expenses	\$ 236,000	\$ 4
Triple Net Expenses	\$ 413,000	\$ 7
<b>Total Annual Costs</b>	<b>\$ 1,365,824</b>	<b>\$ 23</b>
<b>Base Rental Income (NNN)</b>	<b>Total Rent</b>	<b>Rent / SF</b>
Retail Rent	\$ 252,000.00	\$ 18.00
Market Office Rent:	\$ 945,000.00	\$ 21.00
Total Rent	\$ 1,197,000.00	\$ 19.50
<b>Annual Profit / Loss</b>		
Profit or Loss	\$ 244,176.24	\$ 4.14
Debt Service Coverage		1.256

# 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?



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