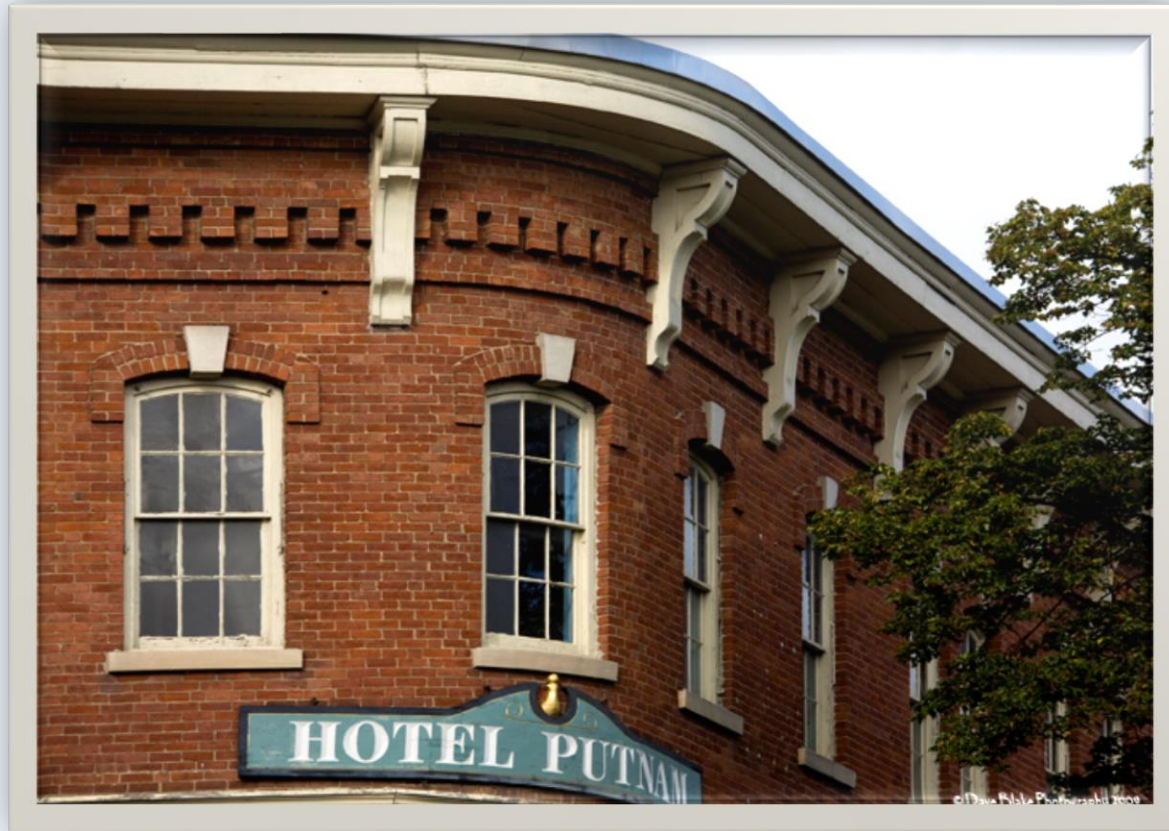


# Opportunity Funds In Action





# Agenda

- **Who we are**
- **What we do**
- **How we do it**
- **What does this have to do with Opportunity Zones?**



# Who We Are



Bob Stevens, *P.E.*  
*CNU, LEED AP*  
*Principal*



Katie Stuart-Buckley  
*Director of Project*  
*Development*



Skye Morse  
*Investment Director*  
*Principal*



Martha Ratcliffe  
*Senior Project Manager*



Gabrielle Ciuffreda  
*Project Manager*



# What We Do

- Development Consultants
  - Deep Understanding of Rural Economies
  - Dedicated to Empowering Community Revitalization



BROOKS HOUSE



GS PRECISION  
EXPANSION



CHROMA  
TECHNOLOGY  
EXPANSION



ATHOL MEMORIAL  
HOSPITAL



PUTNAM BLOCK



## So What?

**Reality of rural development:**

**Average Project Cost: \$300/sf**

**Average Project Value at Completion: \$100/sf**

*These projects just don't pencil out*



# Community Enabled Development

- Community Leaders as Owners
- Community Leaders as Bankable Tenants
- Community Leaders for tenant recruitment
- State Offices or other institutions as tenants



# Utilizing Every Source Available

- Community Equity
  - Leadership Equity
  - Preferred Equity
- Debt
  - Traditional Senior
  - VEDA Junior
  - Town Loan
  - Environmental Loans
- Tax Credits
  - Federal Historic
  - New Markets
  - VT Downtown
- Grant Funding
  - CDBG
  - Efficiency Vermont
  - Brownfields
  - Affordable Housing
- Public / Private Partnerships
  - Tax Increment Financing
  - Tax Stabilization
  - Municipal Infrastructure Support

# How to cover the gap?

- Banks lend based on appraised value at completion
- Grants and Tax Credits will get you part way there
- Not economically viable without community investment
- Local rents will not support a “typical” return on equity for these risks





# Case Study - Putnam Block





# Case Study - Putnam Block

<b>Putnam Redevelopment Project - Capital Stack</b>	
<b>Source</b>	<b>Contribution</b>
BRG Leadership Equity to Date	\$2,350,000
Preferred Equity Pledged to Date	\$1,755,000
VT Community Development Block Grant	\$1,250,000
VT Housing & Conservation Board Grant	\$930,000
WRC & EPA Grants (Environmental Testing & Clean-up)	\$180,500
Efficiency Vermont	\$92,000
Federal Historic Tax Credits	\$3,235,000
VT Downtown Credits	\$1,186,000
New Markets Tax Credits	\$8,093,000
Senior Bank Loan	\$5,050,000
Junior Debt	\$1,500,000
Brownfields Revolving Loan Funds-WRC	\$430,000
Brownfields Grant-ACCD	\$150,000
<u>Town of Bennington Revolving Loan Fund</u>	<u>\$200,000</u>
<b>TOTAL RAISED/PROJECTED TO DATE</b>	<b>\$26,401,500</b>
<b>TOTAL BUDGETED PROJECT COST</b>	<b>\$30,151,500</b>
<b>GAP NEEDED TO CLOSE</b>	<b>\$3,750,000</b>



# Opportunity Zone Funds

## Requirements

- Untaxed Capital Gains
- Reinvested within 180 days (ish)
- Qualified Opportunity Zone Investments

## Benefits

- Deferral of original capital gains tax until 12/31/26
- 15% Step up in basis if held for at least 7 years
- Gains from Opportunity Zone Fund are untaxed

Community Investment + Tax Avoidance = ☺

# Case Study – Putnam Block





Skye Morse  
*Investment Director  
Principal*



Katie Stuart-Buckley  
*Director of Project  
Development*

# M&S Development

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Empowering Community Revitalization

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