

**City of Lompoc
Old Town Revitalization
New Market Tax Credits (NMTC)
Project Package Research & Development**

Proposed Initial Scope of Work

1. Create Multi-Property Owner Legal Entity Concept

Give the complexity and costs of structuring and implementing the necessary legal, finance and compliance mechanisms, NMTC are most efficient for projects of \$5MM or more. To assemble an appropriately sized pool of potential improvement projects in Old Town, multiple properties and multiple property owners may be involved.

In this step, Consultant would work with legal, finance and accounting experts knowledgeable with NMTC to conceptualize a potential legal entity structure that could make for an efficient implementation of NMTC financing while preserving property rights for individual property owners. Expected results of this task would be a description of the proposed entity, with a generalized discussion of roles, responsibilities and risks.

2. Evaluate Economic Potential & Size Project Package

Consultant will meet with prospect owner participants to understand current financial condition of assets, including operating revenues, expenses, net operating income and current capital structure. Issues related to owner expectations and requirements for retention or disposition of assets, timing and tax planning will also be considered.

Based on the above, and based on Consultant's estimate of potential Old Town rents for modernized commercial space, Consultant will estimate future income potential and supportable first trust deed. Consultant will incorporate results of City-sponsored structural engineering and improvement cost reviews, as available.

3. Present Project Package Concept

Based on Tasks 1 & 2, Consultant will draft a short description of the potential project package, including: illustrative financing sources and uses; legal entity structure; summary of risks and rewards; timing and process; and, next steps. This document will be geared to a lay-audience, with sufficient detail to provide property owners with information to inform a go / no-go decision.

4. Conduct Preliminary Outreach to Potential CDE (Community Development Entities) to Present Project Concept

Consultant will present Project Package Concept to potential CDE's for inclusion in CDE's submittal to NMTC program.

5. Next Steps and Additional Work Scope to Support Final NMTC Submittal. Based on the above and the level of interest expressed by property owner participants and other stakeholders, Consultant will provide outline of further work tasks and budget to support refinement of Project Package for submittal to CDE / NMTC.

Schedule

Work can be completed in 4 to 6 weeks, contingent on access to property owners and other necessary stakeholders.

Work Products

Work products will take the form of simple memoranda with necessary displays and simple graphics to convey the results of the work effort. A short presentation will be developed to convey the results of Task 3 and to support outreach efforts in Task 4. No formal final written report will be provided.