

8. A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY (THE AGENCY) APPROVING A CONTRACT WITH CATALYST CONSULTING, LLC (CONSULTANT) TO PROVIDE THE AGENCY PROFESSIONAL SERVICES IN COMPLETING AN APPLICATION FOR A MINIMUM OF 50 MILLION IN NEW MARKET TAX CREDIT AUTHORITY; PROVIDING AN EFFECTIVE DATE.
(ATTACHMENT - #8)



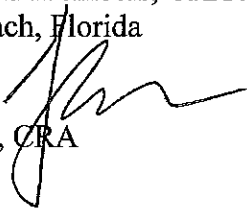
Florida's Dynamic Waterfront Community

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY

2001 BROADWAY, SUITE 300
RIVIERA BEACH, FL 33404
PHONE: 561-844-3408
FAX: 561-881-8043
Website: www.rbcra.com

MEMORANDUM

TO: Honorable Chair and Members, CRA Board of Commissioners
City of Riviera Beach, Florida

FROM: Tony T. Brown 
Executive Director, CRA

DATE: May 2, 2012

CC: J. Michael Haygood, Interim General Counsel
Mike Clark, Viking Developers

SUBJECT: Application for New Markets Tax Credits

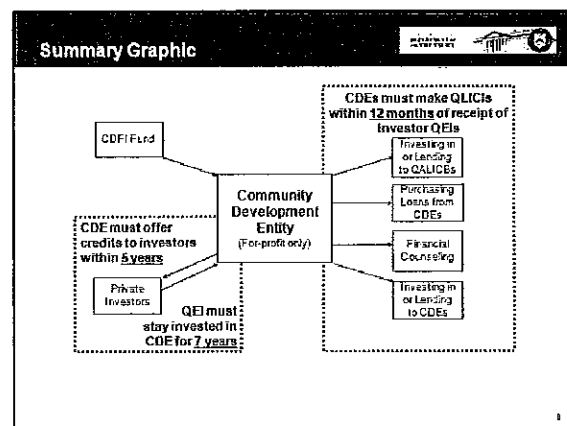
Request

Approval is requested to spend up to \$40,000.00 for professional services with Catalyst Consulting (\$25,000.00) and Novogradac & Company (\$15,000.00) to provide the Agency with professional services in completing an application for a minimum of \$50 million in New Markets Tax Credit Authority.

Background

The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). Last year, the Agency formed the Riviera Beach CDE and applied for \$75 million in NMTC authority. Fifth Third Bank (\$50 million) and BB&T Bank (\$40 million) pledged both equity and debt capital that allowed us to achieve our capitalization goals. Both financial institutions have indicated their intent to support our application again.

Although we were unsuccessful, the application received "Good" scores but ranked below more highly qualified applicants. Our application was endorsed by Senator Bill Nelson-D-FL and both members of Congress representing Riviera Beach: Representative Alcee Hastings-D-FL23 and



RBCDE Debriefing Results	
Section	Score
Business Strategy	Good
Community Impact	Good
Management Capacity	Good
Capitalization Strategy	Good
Total Base Score	Low Good

Last year, Viking sponsored half the budget (\$55,000.00) for the costs to apply. This year, the Agency proposes to cover the entire balance as we recognize that Viking’s ongoing collaboration is shown by the study they commissioned with Live Work Learn Play (LWLP) that resulted in the Marina District Redevelopment Strategic Assessment. We believe components of the Strategic Assessment and the ongoing work of LWLP should enhance our Business Strategy and Community Impact scores.

Application Highlights:

The NMTC application will highlight the capital required to demolish and rebuild the Municipal Marina. The development is a cooperative venture between the city of Riviera Beach, RBCRA and Viking:

1. Over 60,000 sf featuring restaurants, retail and a Marina office.
2. A rebuilt community banquet and conference center (Newcomb Hall)
3. A Public Market to offer fresh and health foods

RBCRA believes that working capital loans on average of \$50,000 will provide 100 businesses access to the capital they need to commence operations in the Public Market and Marina. We will craft a Riviera Beach Venture fund to provide capital access to these businesses.

Professional Services Consultants:

About Catalyst Consulting:

Catalyst Consulting is an Ohio-based firm that specializes in project management, grant writing and application services for the New Markets Tax Credit program. Its principal, Keena Smith, is known to Executive Director Tony Brown who has witnessed her services in completing over \$350 million in NMTC application services. The company assisted RBCRA in completing last year’s application. Dr. William Stronge, Ph.D. Economics and former professor in the Economics Department at Florida Atlantic University, will serve as a sub-contractor to Catalyst.

About Novogradac & Company:

Novogradac is a national certified public accounting and consulting firm with 13 offices nationwide. The Agency approved a professional services contract with Novogradac under a competitive solicitation process to serve as a financial advisor for federal tax credit programs. John Sciarretti is a partner in the Dover, Ohio office where he specializes in real estate finance and community development, including the low-income housing tax credit, the historic rehabilitation credit, the new markets tax credit and renewable energy credits.

RESOLUTION NO. 2012-_____

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY (THE AGENCY) APPROVING A CONTRACT WITH CATALYST CONSULTING, LLC ("CONSULTANT") TO PROVIDE THE AGENCY PROFESSIONAL SERVICES IN COMPLETING AN APPLICATION FOR A MINIMUM OF \$50 MILLION IN NEW MARKET TAX CREDIT AUTHORITY; PROVIDING AN EFFECTIVE DATE.

* * * * *

WHEREAS, the Agency desires the Consultant to provide the Agency professional consultation services in completing a 2012 New Market Tax Credit application for a minimum of \$50 million in new market tax credit authority pursuant to the scope of work detailed in Exhibit "A" to the attached agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY THAT:

SECTION 1. The Agency hereby approves the agreement with Catalyst Consulting, LLC attached hereto as Exhibit "A".

SECTION 2. This resolution shall be effective immediately upon its adoption.

[Signatures on following page]

PASSED AND ADOPTED this 9th day of May, 2012.

RIVIERA BEACH COMMUNITY
REDEVELOPMENT AGENCY

ATTEST:

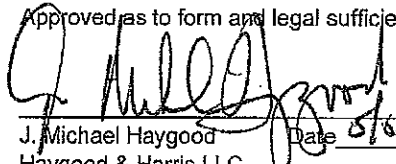
By: _____
Name: BILLIE E. BROOKS
Title: Chairperson

Executive Director

MOTION BY: _____
SECONDED BY: _____

B. BROOKS _____
D. PARDO _____
C. THOMAS _____
S. LOWE _____
J. DAVIS _____

Approved as to form and legal sufficiency



J. Michael Haygood Date 5/6/12
Haygood & Harris LLC
General Counsel to CRA

**CONTRACT FOR CONSULTANT/PROFESSIONAL SERVICES
FOR
NMTC APPLICATION**

This Contract is made as of the ____ day of May, 2012 by and between the RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY, a body corporate and politic created pursuant to Part III, Chapter 163, Florida Statutes (hereinafter referred to as the CRA), and CATALYST CONSULTING, LLC, an Ohio limited liability company, authorized to do business in the State of Florida (hereinafter referred to as the CONSULTANT).

In consideration of the mutual promises contained herein, the CRA and the CONSULTANT agree as follows:

ARTICLE 1 – SERVICES

The CONSULTANT'S responsibility under this Contract is to provide professional/consultation services to complete a new market tax credit application, as more specifically set forth in the Scope of Work detailed in Exhibit "A".

The CRA'S representative/liaison during the performance of this Contract shall be Tony Brown, Executive Director, telephone no. (561) 844-3408.

ARTICLE 2 - SCHEDULE

The CONSULTANT shall commence services on upon delivery of a work order.

ARTICLE 3 – PAYMENTS TO CONSULTANT

- A. The CRA agrees to compensate the CONSULTANT in accordance with the fee proposal set forth in Exhibit A attached hereto and incorporated by reference herein. The total and cumulative amount of this contract shall not exceed Twenty Five Thousand Dollars (\$25,000.00). Reimbursable expenses, as identified in said fee proposal, incurred during the course of performance of this contract shall be itemized and invoiced separately. The CRA shall not reimburse the CONSULTANT for any travel costs incurred as a direct result of the CONSULTANTS providing deliverables to the CRA in pursuance of the scope of work contained in Exhibit A, attached hereto and made part hereof.
- B. Invoices received from the CONSULTANT pursuant to this Contract will be reviewed and approved by the CRA'S representative, indicating that services have been rendered in conformity with the Contract. Invoices will normally be paid within thirty (30) days following the CRA representative's approval.
- C. All requests for payment of expenses eligible for reimbursement under the terms of this Agreement shall include copies of said receipts, invoices, or other documentation acceptable to the CRA. Such documentation shall be sufficient to establish that the expense was actually incurred and necessary in the performance of the scope of work described in this Agreement. Any travel, per diem, mileage, meals, or lodging expenses which may be reimbursable under the terms of this Agreement will be paid in accordance with the rates and conditions set forth in Section 112.061, Florida Statutes.

- D. Final Invoice: In order for both parties herein to close their books and records, the CONSULTANT will clearly state "final invoice" on the CONSULTANT'S final/last billing to the CRA. This certifies that all services have been properly performed and all charges and costs have been invoiced to the CRA. Since this account will thereupon be closed, any and other further charges if not properly included on this final invoice are waived by the CONSULTANT.

ARTICLE 4 – TRUTH-IN-NEGOTIATION CERTIFICATE

Signature of this Contract by the CONSULTANT shall also act as the execution of a truth-in-negotiation certificate certifying that the wage rates, overhead charges, and other costs used determined the compensation provided for in this Contract are accurate, complete and current as of the date of the Contract.

ARTICLE 5 – TERMINATION

This Contract may be canceled by the CONSULTANT upon fifteen (15) days' prior written notice to the CRA'S representative in the event of substantial failure by the CRA to perform in accordance with the terms of this contract through no fault of the CONSULTANT. It may also be terminated, in whole or in part, by the CRA, with or without cause, upon fifteen (15) days written notice to the CONSULTANT. Unless the CONSULTANT is in breach of this Contract, the CONSULTANT shall be paid for services rendered to the CRA'S satisfaction through the date of termination. After receipt of a Termination Notice and except as otherwise directed by the CRA the CONSULTANT shall:

- A. Stop work on the date and to the extent specified.
- B. Terminate and settle all orders and subcontracts relating to the performance of the terminated work.
- C. Transfer all work in process, completed work, and other materials related to the terminated work to the CRA.
- D. Continue and complete all parts of the work that have not been terminated.

ARTICLE 6 – PERSONNEL

The CONSULTANT represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the CRA.

All of the services required hereinunder shall be performed by the CONSULTANT or under its supervision, and all personnel engaged in performing the services shall be fully qualified and, if required, authorized or permitted under state and local law to perform such services.

The CONSULTANT warrants that all services shall be performed by skilled and competent personnel to the highest professional standards in the field.

All of the Company's personnel (and all Subcontractors) while on CRA premises, will comply with all CRA requirements governing conduct, safety and security.

ARTICLE 7 – SUBCONTRACTING

The CRA reserves the right to accept the use of a subcontractor or to reject the selection of a particular subcontractor and to inspect all facilities of any subcontractors in order to make a determination as to the capability of the subcontractor to perform properly under this Contract. The CONSULTANT is encouraged to seek minority and women business enterprises for participation in subcontracting opportunities. If a subcontractor fails to perform or make progress, as required by this Contract, and it is necessary to replace the subcontractor to complete the work in a timely fashion the CONSULTANT shall promptly do so, subject to acceptance of the new subcontractor by the CRA.

ARTICLE 8 – FEDERAL AND STATE TAX

The CRA is exempt from payment of Florida State Sales and Use Taxes. The CRA will sign an exemption certificate submitted by the CONSULTANT. The CONSULTANT shall not be exempted from paying sales tax to its suppliers for materials used to fulfill contractual obligations with CRA, nor is the CONSULTANT authorized to use the CRA'S Tax Exemption Number in securing such materials.

The CONSULTANT shall be responsible for payment of its own and its share of its employees' payroll, payroll taxes, and benefits with respect to this contract.

ARTICLE 9 – AVAILABILITY OF FUNDS

The CRA'S performance and obligation to pay under this contract is contingent upon an annual appropriation for its purpose by the COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY.

ARTICLE 10 – INSURANCE

- A. Prior to execution of this Contract by the CRA, the CONSULTANT shall provide certificates evidencing insurance coverages as required hereunder. All insurance policies shall be issued by companies authorized to do business under the laws of the State of Florida. The Certificates shall clearly indicate that the CONSULTANT has obtained insurance of the type, amount, and classification as required for strict compliance with the ARTICLE and that no material change or cancellation of the insurance shall be effective without thirty (30) days prior written notice to the CRA'S representative. Compliance with the foregoing requirements shall not relieve the CONSULTANT of its liability and obligations under this Contract.

- B. The CONSULTANT shall maintain, during the life of this Contract, commercial general liability, including contractual liability insurance in the amount of \$500,000 per occurrence to protect the CONSULTANT from claims for damages for bodily and person injury, including wrongful death, as well

as from claims of property damages which may arise from any operations under this Contract, whether such operations be by the CONSULTANT or by anyone directly employed by or contracting with the CONSULTANT.

C. The CONSULTANT shall maintain, during the life of this Contract, comprehensive automobile liability insurance in the minimum amount of \$500,000 combined single limit for bodily injury and property damages liability to protect the CONSULTANT from claims for damages for bodily and personal property damages liability to protect the CONSULTANT from claims for damages for bodily and person injury, including death, as well as from claims for property damage, which may arise from the ownership, use, or maintenance of owned and non-owned automobiles, including rented automobiles whether such operations be by the CONSULTANT or by anyone directly or indirectly employed by the CONSULTANT.

D. All insurance to be maintained by the CONSULTANT shall specifically include the CRA as an "Additional Insured".

ARTICLE 11 – INDEMNIFICATION

The CONSULTANT shall indemnify and save harmless and defend the CRA, its agents, servants, and employees from and against any and all claims, liability, losses, and/or cause of action which may arise from any negligent act or omission of the CONSULTANT, its agents, servants, or employees in the performance of services under this Contract.

ARTICLE 12 – SUCCESSORS AND ASSIGNS

The CRA and the CONSULTANT each binds itself and its partners, successors, executors, administrators and assigns to the other party of this Contract and to the partners, successors, administrators and assigns of such other party, in respect to all covenants of this Contract. Except as above, neither the CRA nor the CONSULTANT shall assign, sublet, convey or transfer its interest in this Contract without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the CRA which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the CRA and the CONSULTANT.

ARTICLE 13 – REMEDIES

This Contract shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the contract will be held in Palm Beach County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to very other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

ARTICLE 14 – CONFLICT OF INTEREST

The CONSULTANT represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance or services required hereunder, as provided for in Florida Statutes 112.311. The CONSULTANT further represents that no person having any interest shall be employed for said performance.

The CONSULTANT shall promptly notify the CRA'S representative, in writing, by certified mail, of all potential conflicts of interest for any prospective business association, interest or other circumstance which may influence or appear to influence the CONSULTANT'S judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the CONSULTANT may undertake and request an opinion of the CRA as to whether the association, interest or circumstance would, in the opinion of the CRA, constitute a conflict of interest if entered into by the CONSULTANT. The CRA agrees to notify the CONSULTANT of its opinion by certified mail within thirty (30) days of receipt of notification by the CONSULTANT. If, in the opinion of the CRA, the prospective business association, interest or circumstance would not constitute a conflict of interest by the CONSULTANT, the CRA shall so state in the notification and the CONSULTANT shall, at its option, enter into said association, interest or circumstance and it shall be deemed not in conflict of interest with respect to services provided to the CRA by the CONSULTANT under the terms of this contract.

ARTICLE 15 – EXCUSABLE DELAYS

The CONSULTANT shall not be considered in default by reason of any failure in performance if such failure arises out of causes reasonably beyond the control of the CONSULTANT or its subcontractors and without their fault or negligence. Such causes include, but are not limited to: acts of God; natural or public health emergencies; labor disputes; freight embargoes; and abnormally severe and unusual weather conditions.

Upon the CONSULTANT'S request, the CRA shall consider the facts and extent of any failure to perform the work, and if the CONSULTANT'S failure to perform was without it or its subcontractors fault or negligence, the Contract Schedule and/or any other affected provision of this Contract shall be revised accordingly; subject to the CRA'S rights to change, terminate, or stop any or all of the work at any time.

ARTICLE 16 – ARREARS

The CONSULTANT shall not pledge the CRA's credit or make it a guarantor of payment or surety for any contract, debt, obligation, judgment, lien, or any form of indebtedness. The CONSULTANT further warrants and represents that it has no obligations or indebtedness that would impair its ability to fulfill the terms of this Contract.

ARTICLE 17 – DISCLOSURE AND OWNERSHIP DOCUMENTS

The CONSULTANT shall deliver to the CRA'S representative for approval and acceptance, and before being eligible for final payment of any amounts due, all documents and materials prepared by and for the CRA under this Contract.

All written and oral information not in the public domain or not previously known, and all information and data obtained, developed, or supplied by the CRA or at its expense will be kept confidential by the CONSULTANT and will not be disclosed to any other party, directly or indirectly, without the CRA'S prior written consent

unless required by a lawful order. All drawings, maps, sketches, programs, data base, reports and other data developed, or purchased, under this Contract for or at the CRA'S expense shall be and remain the CRA'S property and may be reproduced and reused at the discretion of the CRA.

The CRA and the CONSULTANT shall comply with the provisions of Chapter 119, Florida Statutes (Public Records Law).

All covenants, agreements, representations and warranties made herein, or otherwise made in writing by any party pursuant hereto, including but not limited to any representations made herein relating to disclosure or ownership of documents, shall survive the execution and delivery of this Contract and the consummation of the transactions contemplated hereby.

ARTICLE 18 – INDEPENDENT CONTRACTOR RELATIONSHIP

The CONSULTANT is, and shall be, in the performance of all work services and activities under this Contract, an Independent Contractor, and not an employee, agent, or servant of the CRA. All persons engaged in any of the work or services performed pursuant to this Contract shall at all times, and in all places, be subject to the CONSULTANT'S sole direction, supervision, and control. The CONSULTANT shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the CONSULTANT'S relationship and the relationship of its employees to the CRA shall be that of an Independent Contractor and not as employees or agents of the CRA.

The CONSULTANT does not have the power or authority to bind the CRA in any promise, agreement or representation other than specifically provided for in this Agreement.

ARTICLE 19 – CONTINGENT FEES

The CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT to solicit or secure this Contract and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the CONSULTANT, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the aware of making of this Contract.

ARTICLE 20 – ACCESS AND AUDITS

The CONSULTANT shall maintain adequate records to justify all charges, expenses, and costs incurred in estimating and performing the work for at least three (3) years after completion of this Contract. The CRA shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at the CONSULTANT'S place of business.

ARTICLE 21 – NONDISCRIMINATION

The CONSULTANT warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, disability, sex, age, national original, ancestry, marital status, or sexual orientation.

ARTICLE 22 – ENFORCEMENT COSTS

If any legal action or other proceeding is brought for the enforcement of this Contract, or because of an alleged dispute, breach, default or misrepresentation in connection with any provisions to this Contract, the successful or prevailing party or parties shall be entitled to recover reasonable attorney’s fees, court costs and all expenses (including taxes) even if not taxable as court costs (including, without limitation, all such fees, costs and expenses incident to appeals), incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.

ARTICLE 23 – AUTHORITY TO PRACTICE

The CONSULTANT hereby represents and warrants that it has and will continue to maintain all licenses and approvals required to conduct its business, and that it will at all times conduct its business activities in a reputable manner. Proof of such licenses and approvals shall be submitted to the CRA’S representative upon request.

ARTICLE 24 – SEVERABILITY

If any term or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, to remainder of this Contract, or the application of such terms or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Contract shall be deemed valid and enforceable to the extent permitted by law.

ARTICLE 25 – PUBLIC ENTITY CRIMES

As provided in F.S. 287.132-133 by entering into this Contract or performing any work in furtherance hereof, the contractor certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the 36 months immediately preceding the date hereof. This notice is required by F.S. 287.133(3)(a).

ARTICLE 26 – MODIFICATIONS OF WORK

The CRA reserves the right to make changes in Scope of Work, including alterations, reductions therein or additions thereto. Upon receipt by the CONSULTANT of the CRA’S notification of a contemplated change, the CONSULTANT shall, in writing: (1) provide a detailed estimate for the increase or decrease in cost due to the contemplated change, (2) notify the CRA of any estimated change in the completion date and (3) advise the CRA if the contemplated change shall affect the CONSULTANT’S ability to meet the completion dates or schedules of this Contract.

If the CRA so instructs in writing, the CONSULTANT shall suspend work on that portion of the Scope of Work affected by a contemplated change, pending the CRA’S decision to proceed with the change.

If the CRA elects to make the change, the CRA shall initiate a Contract Amendment and the CONSULTANT shall not commence work on any such change until such written amendment is signed by the CONSULTANT and approved and executed by the CRA.

ARTICLE 27 – NOTICE

All notices required in this Contract shall be sent by certified mail, return receipt requested, and if sent to the CRA shall be mailed to:

Executive Director
Riviera Beach Community Redevelopment Agency
2001 Broadway, Suite 300
Riviera Beach, FL 33404

and if sent to the CONSULTANT shall be mailed to:

Catalyst Consulting, LLC (an Ohio Limited Liability Company)
1638 Minturn Dr.
New Albany, OH 43054
Attn: Keena M. Smith

ARTICLE 28 – ENTIRETY OF CONTRACTUAL AGREEMENT

The CRA and the CONSULTANT agree that this Contract sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Contract may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto in accordance with Article 26 – Modifications of Work.

IN WITNESS WHEREOF, the RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY has made and executed this Contract and the CONSULTANT has hereunto set its hand the day and year above written.

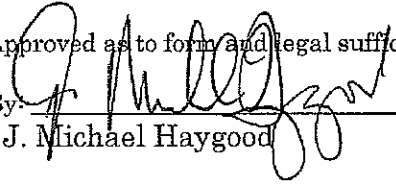
[Signatures on following page]

RIVIERA BEACH COMMUNITY
REDEVELOPMENT AGENCY

ATTEST:

By: _____
BILLIE E. BROOKS, CHAIR

Approved as to form and legal sufficiency:


By: _____
J. Michael Haygood

CONSULTANT

CATALYST CONSULTING, LLC

By: _____

Name: _____

Title: _____

Contract Exhibit “A”

Summary

Catalyst Consulting (Catalyst) shall provide project advisory services related to New Market Tax Credits Program and the Riviera Beach Community Redevelopment Agency’s desire to participate in the program. Services will include completion of an application for a minimum of \$50 million in New Markets Tax Credit (NMTC) authority. The successful funding of NMTC authority will be applied towards a business strategy for the Riviera Beach CRA.

The Services provided by Catalyst will help the CRA maximize tax increment revenues and the investments of its master developer, Viking Developers, LLC to improve the Community Redevelopment Area by using tax credits to attract additional sources of privately funded capital. The Financial Advisor shall provide the following:

Task 1 – Complete NMTC Application:

Assist the CRA staff complete an application for NMTCs for a minimum of \$50 million in NMTC authority. The application is to be completed in four parts: Business Strategy, Community Impact, Management Capacity and Capitalization Strategy.

Fee

Compensation shall be provided in three stages:

NMTC Application: Catalyst shall charge a flat fee of up to \$25,000 to direct and assist staff and sub-contractors in completing an application for an allocation of a minimum of \$50 million in NMTC authority. The CRA will be billed as first drafts of the applications are completed and reviewed:

Business Strategy:	\$10,000.00 (Payable upon completion and review of draft questions)
Community Impact:	\$12,500.00 (Payable upon completion and review of draft questions)
Management Capacity:	\$ 2,500.00 (Payable upon completion and review of draft questions)

The fees during each stage will be assessed based on an hourly rate as follows:

Keena Smith, Project Manager	\$175. Per hour
Dr. William Stronge, Community Impact Consultant	\$175. Per hour
Various Reviewers	\$70-\$125. Per hour

The consultant may apply up to \$2,500 of the flat fee for travel related costs, subject to prior approval of the Executive Director of the RBCRA.

- ▶ Organization Home
- ▶ Organization Profile
- ▶ Applications
- ▼ Debriefings
- ▶ Mapping

Riviera Beach CDE, INC

**2011 NEW MARKETS TAX CREDIT (NMTC) PROGRAM
ALLOCATION APPLICATION
DEBRIEFING DOCUMENT**

Riviera Beach CDE, INC
11NMA005776

Part I: Overview of the Review Process
Part II: Characteristics of an "Excellent" Application
Part III: Your Application Ratings

NOTE: Part I and Part II below describe the review policies and procedures that were utilized by the Community Development Financial Institutions (CDFI) Fund under the 2011 NMTC Program Allocation round. In this round, the CDFI Fund made available a total of \$3.5 billion in NMTC Allocation Authority authorized by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 and approximately \$123 million of unused, rescinded or surrendered Allocation Authority from prior rounds.

Please note that the CDFI Fund reserves the right to modify these policies and procedures in future Allocation rounds, consistent with requirements specified in the applicable Notice of Allocation Availability (NOAA) and related application materials.

Part I. Overview of Review Process

A. Step 1: Application Review and Scoring

- The CDFI Fund's review process required three reviewers to independently review and evaluate each application. The reviewers included private sector professionals with strong credentials in community development finance and Federal employees. Reviewers were selected based on factors such as their knowledge of community and economic development finance and experience in business or real estate finance, business counseling, secondary market transactions, or financing of community-based organizations.
- The CDFI Fund screened each reviewer to identify any potential conflicts of interest with Applicants. The CDFI Fund provided each reviewer with detailed descriptions of what constituted a conflict of interest, and each reviewer was required to sign a certification that he or she had disclosed all conflicts of interest to the CDFI Fund. Reviewers were further required to sign a confidentiality agreement stating that they would not reveal any information obtained from the CDFI Fund during the review process.
- Once selected, the NMTC Program trained the reviewers to prepare them for the review process, including instructions on how to evaluate and score applications. Reviewers were required to evaluate and score each application independently from the other reviewers assessing the same application.
- In scoring each application, reviewers rated each of the four evaluation sections (Business Strategy, Community Impact, Management Capacity, and Capitalization Strategy) as follows: Excellent (21-25 points); Good (16-20 points); Average (11-15 points); Limited (6-10 points); and Weak (0-5 points).
- In addition, reviewers rated Applicants with respect to two statutory priorities: (i) up to 5 points for demonstrating a track record of serving disadvantaged businesses or communities; and (ii) 5 points for committing to invest substantially all of the proceeds from its qualified equity investments in unrelated entities (i.e., entities that are generally not principally owned by the Allocatee).
- To help ensure consistency with CDFI Fund review and scoring guidelines, each reviewer evaluation form was reviewed by a team leader before final submission. In addition to CDFI Fund staff, team leaders included Federal employees from other agencies. The NMTC Program provided oversight of team leaders throughout the process.
- A statistical review was conducted to identify anomalous scores. An anomalous base score was deemed to have occurred for an application whenever one of the three reviewers' base scores (total score minus priority points) varied significantly from the median of the three reviewers' base scores. An anomalous section score was deemed to have occurred for an application whenever one of the three reviewers' section scores, in one or more of the four sections, varied significantly from the median of the three reviewers' section scores. In cases where there was an anomalous first phase reviewer score that would have negatively impacted the ability of that Applicant (or, in the case of a high score anomaly, any other Applicant that scored below it) to receive an Allocation, the comments and recommendations of a fourth independent reviewer were used to determine whether the anomalous score should be replaced.

B. Step 2: Panel Consideration and Recommendations:

- An Allocation Recommendation Panel comprised of CDFI Fund staff reviewed highly-ranked, "highly-qualified" applications and the evaluations and recommendations made by reviewers in Step 1.
- In order to be considered "highly-qualified" and eligible for an Allocation, an application had to achieve: 1) an aggregate base score (without including priority points) of at least 216 points, which approximates the middle of the "good" range based on a scoring scale of weak, limited, average, good and excellent; and 2) an aggregate base score of at least 48 points in each of the four application evaluation criterion, which approximates the low end of the "good" range. Thus, for example, an application with scores in the "good" range in three of the four criteria, but an "average" score in the fourth criterion, would not be considered "highly-qualified" and eligible for an Allocation.

- In accordance with the policies set forth in the NOAA, the applications were ranked and forwarded to the Allocation Recommendation Panel in descending order of their aggregate scores under the Business Strategy and Community Impact application sections, inclusive of priority points (which were divided in half to retain the same relative weight in Applicant scores as in Step 1). For each highly-ranked, highly qualified application, panelists reviewed the applications and comments provided by each of the first phase reviewers and provided recommended award amounts. Due to the large number of applications that were "highly-qualified" and given the CDFI Fund's desire to expedite the flow of capital into Low-Income Communities, panelists were instructed to determine an Allocation amount for each Applicant that reflected the amount that the Applicant could reasonably raise and deploy over a 2-3 year period, as opposed to a 5-year period. This 2-year Allocation amount was then used as the basis for the final Award amount. The CDFI Fund determined that awarding Allocations based upon the 2-year recommended Allocation amounts would be the most effective way to ensure wider distribution of Allocations to as many of the most "highly-qualified" candidates as possible.
- The CDFI Fund also reviewed a variety of compliance, eligibility, due diligence and regulatory matters. Included in this review were, among other things: (i) checks to determine whether any Applicants that have been awarded funds through other CDFI Fund programs were compliant with the Award requirements and disbursement eligibility requirements; (ii) checks to determine whether prior-year Allocatees successfully issued the minimum requisite amount of Qualified Equity Investments from prior NMTC Program Awards, as specified in the NOAA; (iii) in the case of prior-year Allocatees, an analysis of the use of those prior Allocations; and (iv) for regulated financial institutions, consideration of information from the Applicant's primary federal regulator. As specified in the NOAA, point deductions were applied in the case of prior CDFI Fund Awardees and Allocatees that failed to meet reporting deadlines in either of the past two fiscal years.
- In order to achieve a high Allocation Award recommendation from the Panel, Applicants had to demonstrate that they would be able to: a) raise investor capital within two years; b) deploy the capital within three years; and c) utilize the credits to provide highly innovative products with particularly flexible and/or non-traditional features and/or achieve significant community impacts, such as a very significant commitment to deployment of capital in Non-Metropolitan Counties.

C. Step 3: Initial Award Determinations

- After Step 2 of the review process was completed and all scoring anomalies resolved, the rank order list of Applicants and the recommended 2-year Allocation amounts for all reviewed applications were forwarded to the Selecting Official for an Allocation determination. For each application, the Selecting Official reviewed the recommendations of the panel members and made an Award determination.
- The Selecting Official made Award determinations based on the \$3.5 billion in Allocation Authority available for the NMTC Program for CY 2011, consistent with the 2011 Notice of Allocation Availability (NOAA) published in the Federal Register on June 6, 2011, and \$123 million of unused, rescinded or surrendered Allocation authority from prior rounds.
- Applicants that did not receive Award recommendations also included those deemed to be ineligible based on the NOAA and NMTC Program policies and procedures (e.g., prior-year Allocatees that were unable to meet their minimum QEI issuance requirements).
- In the event that the Selecting Official's decision reversed the Panel's recommendation or varied considerably from the Panel's recommended Allocation amount, the Reviewing Official reviewed the application file and made the Award determination.

D. Step 4: Non-Metropolitan Counties

As provided for in the 2011 NOAA, the CDFI Fund then reviewed these preliminary Award determinations to ensure that:

- the proportion of Allocatees that were "Rural CDEs" (i.e., CDEs that have historically dedicated at least 50 percent of their activities to Non-Metropolitan Counties and have committed that at least 50 percent of their projected NMTC activities will target Non-Metropolitan Counties) was, at a minimum, equal to the proportion of Applicants deemed eligible for Phase II review that were Rural CDEs; and
- at least 20% of all Qualified Low-Income Community Investments (QLICs) made by Allocatees under the 2011 Allocation round would be invested in Non-Metropolitan Counties, based upon commitments made in the applications.

The CDFI Fund reserved the right to make adjustments to the Allocatee pool to ensure these two objectives were met. With respect to the first objective, the CDFI Fund reserved the right to add additional Rural CDEs to the final Allocatee pool. It was not necessary to add any additional Rural CDEs to the Allocatee pool under the 2011 Allocation round, since the percentage of Allocatees that were Rural CDEs (12.9%) was greater than the percentage of Phase 2 eligible Applicants that were Rural CDEs (8.9%).

With respect to the second objective, the CDFI Fund reserved the right to require Applicants to achieve up to their stated "maximum," as opposed to their stated "minimum," investment targets in Non-Metropolitan Counties. For the 2011 allocation round, the CDFI Fund will hold Allocatees to the larger of either their minimum commitment or 81% of their maximum commitment in order to achieve the 20% goal.

Part II. Characteristics of an "Excellent" Application

In order to receive a score in the "excellent" range in each of the four evaluation criteria, applicants generally needed to demonstrate the following characteristics:

A. Business Strategy

1. **Products, Services and Investment Criteria (Question 14-17).** The Applicant must demonstrate that its products will be significantly more flexible or non-traditional than industry standards. For all Applicants, except those solely offering Financial Counseling and Other Services (FCOS) or purchasing loans from other CDEs, the Applicant must indicate (in Q. 15) that 100 percent of its QLICs will be provided in the form of equity; equity-equivalent financing; debt with interest rates at least 50% below-market; or debt that otherwise satisfies at least 5 indicia of flexible or non-traditional rates and terms, as specified under Q. 14. Applicants investing in other CDEs must demonstrate a high likelihood that they will pass these favorable rates and terms along to the ultimate borrowers; and Applicants purchasing loans from other CDEs must commit to requiring the selling CDE to re-invest at least 90% of these proceeds as QLICs.
2. **Prior Performance (Questions 18-19, Exhibit A).** The Applicant must demonstrate an excellent track record of directly providing, during each of the past 5 years, products and services similar to those it intends to deploy with the QEI proceeds. Applicants with a relatively limited track-record of QLICI type activities can also score highly if they have a very strong five year or longer track record of non-QLICI type investments that is clearly relevant to the business strategy. Activities in which the Applicant has placed its own capital at risk is given greater weight over ancillary activities such as loan packaging or facilitation of transactions.
3. **Projected Business Activities (Questions 18-22, Exhibits A and B).** The Applicant must demonstrate, based upon the degree of similarity between the prior and the projected activities, the degree of similarity between the prior and projected markets served, and the projected volume of activity versus historic activity, that it is highly likely to achieve the 2012-2016 projections outlined in Exhibit B. If the Applicant proposed to fund a general pipeline in Q. 20, the Applicant must demonstrate that, based upon its progress-to-date in identifying deals and the credibility and reliability of its projections, at least 80 percent of its QLICI activities are likely to close by 2014. If the Applicant proposed to fund a single or discrete number of projects, the Applicant must demonstrate that it is highly likely that its proposed project investment(s) will close as planned, that the risks to timely closing are limited and clearly identified, and a superior risk mitigation plan is presented.
4. **Value Added (Questions 21 and 24).** The Applicant must demonstrate that NMTCs will add value to the Applicant's products and services, by significantly increasing the volume of the Applicant's overall activities and/or by enabling the Applicant to undertake activities with significantly greater financial risk than without NMTCs. To the extent the Applicant has financial or other notable relationships with the QALICBs that it finances (e.g., as an owner; as a project developer; as a lessee of a commercial property), the Applicant must demonstrate that it will finance projects that result in significant added value (e.g. cost savings, lower lease rates or fees) to non-affiliated end-users (e.g., businesses, residents) in Low-income Communities (LICs).

B. Community Impact

1. **Targeting Areas of Higher Distress (Questions 25).** In Q. 25, the Applicant must indicate that it will commit to providing at least 75% of its activities in specified areas of greater distress and/or areas characterized by multiple indices of distress. The Applicant should also demonstrate one or more specific and thorough strategies for identifying investments in highly distressed communities.
2. **Community Development Outcomes (Question 26).** The Applicant must demonstrate that significant quantitative and qualitative LIC impacts and positive outcomes, as listed in Q. 26, will result from the projected QLICI investments. In addition, the Applicant is expected to have both a track record of achieving the selected outcomes and a clear strategy for tracking and documenting outcomes as demonstrated through a clear and well-supported narrative. For Applicants that indicated that one or more projects may include using NMTCs dollars to finance projects that include a housing component, the Applicant must commit to providing a minimum of 20 percent of the developed units as affordable housing.
3. **Community Accountability and Involvement (Question 27).** The Applicant must articulate a thorough and comprehensive process for analyzing the benefits of potential NMTC investments, supported by consultation with LIC Advisory Board/Governing Board representatives and project-specific LIC representatives. In addition, the Applicant must provide a strong, well-articulated process for ensuring its investment decisions are aligned with community priorities.
4. **Additional Investment (Question 28).** The Applicant must demonstrate a high likelihood that its proposed investments will spur additional private investment in LICs beyond the initial projects receiving the NMTC investment, as supported by a significant track record of financing catalytic projects that spur additional private investment.

C. Management Capacity

1. **Experience Deploying Capital or providing FCOS (Question 30 and Table C1).** The Applicant must demonstrate that it has assembled a team of key personnel with extremely high qualifications capable of carrying out the types of activities proposed by the Applicant, particularly with respect to deployment projections (locating investment opportunities, underwriting, deploying capital and FCOS, if applicable). Key personnel are also evaluated based on the similarity of past and projected activities, and past dollar amount of capital deployed. The Applicant must also demonstrate that it is highly likely to successfully manage the addition of NMTC activities into its existing portfolio and that current staffing is appropriate to manage capital deployment.
2. **Asset and Risk Management Experience (Question 31 and Tables C1 and D1).** The Applicant must demonstrate that its key personnel have extremely high qualifications with respect to managing the Applicant's investment portfolio and controlling risk. Qualifications are evaluated based on the similarity of past and projected investments, and the past dollar amount of investments managed. It must be highly likely that the Applicant will successfully manage NMTC investments (or additional NMTC investments) into its portfolio and has adequate systems and staffing (policies and procedures) in place to manage the increased assets and risk associated with an NMTC Allocation. Finally, Applicants with existing investment portfolios must demonstrate that it is effectively managed and that historic delinquency rates and default trends are positive.
3. **Program Compliance Experience (Question 32 and Table C1).** The Applicant must demonstrate that its key personnel are highly capable of ensuring compliance with the NMTC Program requirements. Namely: a) key personnel have extremely high qualifications with respect to managing programmatic compliance requirements; and b) the Applicant is highly likely to remain in compliance with NMTC Program rules based upon its description of its systems

and procedures (e.g., portfolio monitoring, reporting, and investment/reinvestment strategies).

4. **Low-Income Community Representation and CRA Rating (Questions 33-34 and Table C2).** The Applicant must demonstrate a high likelihood that its LIC representatives will provide meaningful feedback and that such feedback will inform investment decisions, based upon: (a) the qualifications of its LIC representatives on the governing/advisory board; (b) the number and percentage of LIC representatives on its governing/advisory board; and (c) the role that LIC representatives on its governing board will have in approving investment parameters or decisions. If the Applicant or Controlling Entity is an insured financial institution and its most recent CRA rating was less than "Outstanding," the Applicant must provide a very credible case suggesting that it is highly likely to secure an "Outstanding" CRA rating in the near future.
5. **Financial Health (Question 35).** The Applicant must not have any indicators that its ability to operate successfully as a going concern is threatened. However, an Applicant with negative indicators can still score highly if it explains these indicators well and presents a strong plan for addressing any weaknesses going forward.

D. Capitalization Strategy

1. **Track Record of Raising Investor Capital (Question 36 and Tables C1 & E2).** The Applicant must demonstrate that key personnel have extremely high qualifications with respect to raising capital from profit-motivated investors. Further, it must have raised capital over the past five years, equivalent to at least 70 percent of its requested Allocation amount, of which 60 percent or higher of this amount was raised as equity at market or near-market terms.
2. **Strategy for Raising Investor Capital or Alternate Investor Capital (Questions 38-39, Tables E1, F2, and attached letters from investors).** For Applicants that provided investor commitment letters and/or letters of intent/interest, the Applicant must list in Table E1 investors that will provide QEIs totaling at least 100 percent of the Applicant's requested Allocation amount. Letters of commitment or interest must be of high quality and reference specific dollar amounts, time frames for making investments, and where applicable, specific project details or conditions. Where an Applicant plans to use the "leveraged" model (requiring both debt and equity investments), the Applicant must demonstrate that both debt and equity will be raised. The Applicant is also expected to have a strong strategy for securing investments from alternative sources, should the initially identified investors fail to invest. Where an Applicant is expecting to raise capital from an Affiliate, the Applicant must offer products with more favorable rates and terms than offered by the Affiliate and/or invest in areas of greater economic distress than currently targeted by the Affiliate. Finally, in the case of an Applicant that did not provide investor commitments or letters of interest, the Applicant must demonstrate that it will likely raise 80 percent of its investments by 2013 and 100 percent by 2014.
3. **Distribution of Benefits (Question 40).** The Applicant must demonstrate a high likelihood that it will distribute the NMTC economic benefits such that borrowers and end-users will see significant benefits.
4. **Sources and Uses of Capital (Questions 41-42 and Table F1).** The Applicant must generally: (a) commit to investing at least 95% of its QEIs as QLICs; (b) demonstrate a high likelihood that it will raise sufficient resources (outside of the QEIs) to finance its costs of operations and meet its QEI investments goals; and (c) demonstrate that the fees (all inclusive) charged to investors and borrowers are significantly below market and consistent with other sources of operational support. The Applicant can still score in the "excellent" range despite not committing to the 95% threshold and/or despite charging relatively higher fees, provided that the Applicant has strongly justified a need to retain the additional subsidies (e.g. to support activities benefiting LICs).

Part III. Your Application Ratings

For each of the four primary review criteria (Business Strategy, Community Impact, Management Capacity, Capitalization Strategy), Applicants were scored by each of three first-phase reviewers as: excellent (21-25 points); good (16-20 points); average (11-15 points); limited (6-10 points); or weak (0-5 points). In order to be considered for an Allocation of tax credits, an application had to: 1) receive an aggregate section score for each of the four sections in at least the lower portion of the "good" range (48 points or above out of a cumulative maximum of 75 points); and 2) receive an overall aggregate base score (the total score prior to the addition of any priority points) in at least the middle portion of the "good" range (216 points or above out of a possible 300 points). Please note, however, that receipt of scores in the requisite "good" ranges as outlined above did not ensure that an Applicant would receive an Allocation. The CDFI Fund had the authority to issue up to \$3.623 billion in equity for which NMTCs can be claimed. Since the number of Applicants scoring in the requisite ranges for an Allocation Award exceeded the available Allocation authority, many Applicants scoring in the "good" range, and some in the "excellent" range, did not receive an Allocation.

Rating Scale	Aggregate Section Score Point Ranges	Aggregate Base Score Point Ranges
Excellent	66-75	261-300
Low Excellent	61-65	241-260
Good	48-60	216-240
Low Good	46-47	181-215
Average	37-45	145-180
Low Average	31-36	121-144
Limited	22-30	85-120
Low Limited	16-21	61-84
Weak	6-15	21-60
Low Weak	0-5	0-20

A rating of "good" or higher in the table below indicates the applicant achieved the minimum score to be considered highly qualified for the applicable section or overall score. The aggregate score ranges for Riviera Beach CDE, INC(11NMA005776) were:

Section	Rating
Business Strategy	Good
Community Impact	Good
Management Capacity	Good
Capitalization Strategy	Good
Total Base Score	Low Good