

Public Economic Development Program™ (PEDP)

Municipal Model for Public Private Partnership Projects \$40 Million Fully Developed City Hall Lease Example

Traditional Capital Stack and Financing Model for Developer

- Typical mortgage rate for Developer +/-6%
- Assume Best Case 6%
- \$40MM x 60% Debt = \$24MM - 30 Years
- \$1.73 MM Mortgage payment
- Developer Equity ROI Expectations 12% to 25%
- Assuming Best Case At 12%
- \$40MM x 40% Equity = \$16MM
- ROI needed \$1.92 MM



Normal Developer Capital Stack
Blended lease rate to pay mortgage and achieve lowest stated ROI
\$36.46 SF Triple Net Lease + Actual CPI Adjustment

Capital Group P3 Specific Financing Model for Public Private Partnership Projects

- 0% Equity ROI Required
- 100% Project Cost Financed
- 100% a 2.66% Amortized
- Amortized over 30 Years



Capital Group Capital Stack
P3 Specific Public Lease Program
\$19.36 SF Triple Net Lease + 2.25% Fixed Equivalent CPI Adjustment

Capital Group P3 Development Advantage

No equity/ capital Investment required by the public or private entities at high rates of expected returns.

Depending on credit rating of the agency or municipalities debt interest rates can be over half interest rates developers can traditional provide.

Projects can close in less than 90 days rather than months associated with tradition financing models or sale of bonds.

Affective Lease rates is 47% cheaper than traditional financing model.