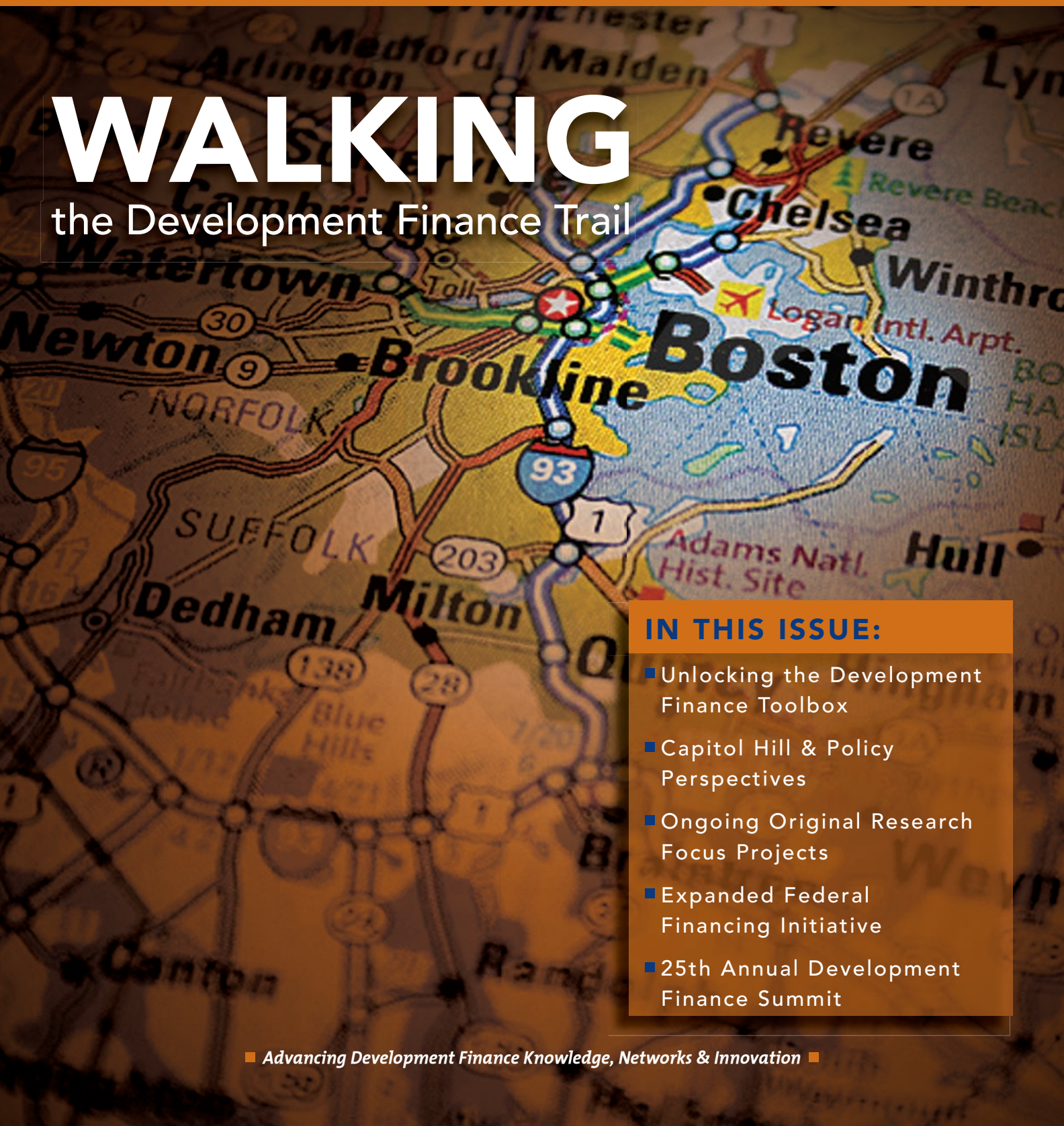




WALKING

the Development Finance Trail



IN THIS ISSUE:

- Unlocking the Development Finance Toolbox
- Capitol Hill & Policy Perspectives
- Ongoing Original Research Focus Projects
- Expanded Federal Financing Initiative
- 25th Annual Development Finance Summit

25th Annual Development Finance Summit

Advancing Development Finance Knowledge, Networks & Innovation



May 9-12, 2011
Boston Park Plaza Hotel & Towers



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MASSDEVELOPMENT
Build. Create. Innovate.



Highlights

25 Development Finance Concepts
New format for concurrent sessions designed to spark informal discussion and debate, covering such topics as bonds, tax credits, TIF, energy finance, capital markets, access to capital, and more.

Municipal Finance Under the Microscope
An interactive audience experience that will measure finance tool use, identify trends in the industry, and pose questions to our distinguished panel.

Federal Perspective: What is the Federal Government's Role in Development Finance?
Top federal officials will present the government's vision and role in job creation, development, investment, and regulation within the development finance industry.

Innovation Finance Course
The CDFA Training Institute's newest course, offered as a special 2-day event in advance of the Annual Summit. (Optional Extra Fee Event)

Federal & Legislative Engagement
Targeted sessions focused on catalyzing the financing programs offered by federal agencies and understanding congressional perspectives on development finance.

Project Marketplace
A special forum for attendees to interact one-on-one with development finance professionals. Come with your project ideas and questions and leave with connections and a plan of action.

Historic Freedom Trail at Night
Join CDFA for a unique nighttime adventure exploring the historic Freedom Trail. Tours will depart from the Boston Common throughout the evening and will be hosted by Freedom Trail guides. (Included with Registration)

Historic New England Coast Line Bus Tour
Enjoy the scenic and Historic New England Coast Line and beautiful seaside villages during this special tour. (Optional Extra Fee Event)

Premier Gathering of Leaders & Innovators
The Annual Summit brings together the largest collection of issuing authorities, economic developers, and financing agencies in the nation, making it the ideal environment for networking and outreach.

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Register Online at www.cdfa.net
Before April 8, 2011 for Early Bird Rates

Location

The 2011 Annual Development Finance Summit will be held in the heart of downtown Boston at the Boston Park Plaza, just steps away from the historic Boston Common and Freedom Trail.

Boston Park Plaza Hotel & Towers

\$199 per night

Reserve your room online at
www.cdfa.net



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FINDING OPPORTUNITY IN OUR ECONOMIC STRUGGLE



TOBY RITNER,
PRESIDENT & CEO

Even as you read this, the development finance industry continues to experience an unprecedented transformation in philosophical and practical application. Just ten years ago, communities

throughout the county were cash strong and looking to invest in business, industry, redevelopment, and speculative new development. In the late 1990's, a community with a strong balance sheet was able to access bond financing with relatively easy terms and use a solid, though sometimes flawed, rationale for supporting public investment. Today, our once predictable development finance world has been turned upside down, but not necessarily in a bad way.

We are now facing a new paradigm with the end of stimulus support for the development finance industry. Build America Bonds and Recovery Zone Bonds are a thing of the past. The federal government has moved on, and many states and local communities are in a much healthier state of affairs. Post-stimulus, we see even more opportunity than ever before. States finally have the practical and philosophical framework in place to support long-sought financial reforms and public policy decisions. The days of unabashed subsidies and unmetered bond financing are gone. We are faced with a new reality that will force our governments to be more efficient, effective, and accountable. These

are all good outcomes of the economic downturn.

Development finance has certainly seen ups and downs over the past three years, but the opportunities that have emerged from the economic downturn show great promise. Several states have begun to look closely at their bond financing practices and are actively examining, with a far more critical eye, their use of these precious resources. Other states have slashed spending on development finance programs that do not work and have started to create innovative programs that address the new economy and emphasize performance measures. Tools like state-sponsored venture capital programs, combined state/federal tax credit programs, and creative capital access programs are emerging as the new financing future.

The development finance industry should come together to develop practical solutions that will increase investment and support job creation.

What a difference a fresh perspective makes. With an economy that is coming back to life—in part because Congress intervened at a critical time in our nation's history—we are starting to see more investment from financial institutions, better communication between Main Street and Wall Street, and a growing confidence in state and local development efforts. The Obama Administration made tough decisions that have unquestionably

improved our national economy, giving the development finance industry a boost and a firm foundation going forward. It is easy to sit back and criticize these actions during the process, but it has become much more difficult to find major fault in the measures that have solidified the financial markets.

CDDFA, along with dozens of other organizations, is taking a long, hard look at the tools that work and those that need improvement. We are standing beside Congress and the Administration to support policies that drive not only best practices and innovation, but also sound fiscal control. The Obama Administration has targeted consolidation of the economic development delivery system as a primary policy change. This reform is long overdue, and our industry should come together to develop practical solutions that will increase investment and support job creation so that our economy continues to build on the foundation that the stimulus programs created.

Faced with a new reality, we are seeing real fiscal control from all levels of government and improved cooperation between the development finance industry and our national leaders. This cooperation, among public, private and non-profit, is being led by the organizations and individuals that know this industry and support these causes. The future of development finance will be born out of the opportunity created during the economic downturn. I find this to be one of the most exciting times in our industry's history, and CDDFA looks forward to continuing this important conversation. ■

About CDFA

The Council of Development Finance Agencies is a national association dedicated to the advancement of development finance concern and interests. CDFA represents the nation's leading and most knowledgeable members of the development finance community from the public, private and non-profit sectors.

The Council was established in 1982 to strengthen the efforts of states and local development finance agencies using development bonds and other public-private finance programs for job creation and economic growth. CDFA has since expanded its mandate to reflect the broader needs of economic development finance professionals.

Today CDFA is a leader in the development finance industry, offering nationally acclaimed training courses, legislative representation on Capitol Hill, a weekly e-newsletter, a comprehensive Online Resource Database, and the Annual Development Finance Summit – the premier gathering of leaders and innovators in the profession.

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They're discussing the DFCEP Program.
Are you?

Darnell Moses, *CDFA Member*
Allegheny County Economic Development

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CDFA's Development Finance Certified Professional (DFCEP) Program is the industry's only comprehensive development finance professional certification program. Graduates of the DFCEP Program gain valuable knowledge and experience within the complex development finance industry and achieve a level of understanding unmatched by any other professional certification program. Getting started is easy:

1. Visit www.cdfa.net to see the current list of course offerings.
2. Register for an upcoming CDFA Training Institute course.
3. Pick 5 other courses to take over the next three (or more) years.
4. Start down the road to personal and professional advancement!

Learn more at www.cdfa.net and jumpstart your career today.

Sample Course Sequence

Year 1	Fundamentals Course Intro Bond Finance Course
Year 2	Intro Tax Increment Finance Course Intro Tax Credit Finance Course
Year 3	Advanced Tax Increment Finance Course Advanced Bond Finance Course
Completion	Comprehensive Exam & Graduation





CDFA Training Institute

Upcoming Educational Opportunities

Spring & Summer 2011



**Advanced
Tax Increment
Finance WebCourse**



April 5-7, 2011
Daily 1-5pm (EDT)

CDFA's Advanced Tax Increment Finance WebCourse builds upon CDFA's Intro TIF Course by focusing more concretely on structuring the deal and developing short- and long-term policies. You will also learn about performance monitoring, feasibility analysis and using TIF in conjunction with other development finance tools.

Early Bird Registration Deadline: March 18, 2011



**Innovation
Finance Course**



May 9-10, 2011
Boston, MA

CDFA's new Innovation Finance Course explores the growing seed, venture capital and angel investment industry and provides clear direction for designing and implementing capital formation models at the local, regional, and state levels. This course differs from other capital formation curriculums in that it focuses more concretely on designing a program that uses public-sector connections, resources and coordination to drive long-term and sustainable private-sector investment.

Early Bird Registration Deadline: April 8, 2011



**Intro Energy
Finance WebCourse**



July 12-14, 2011
Daily: 1-5pm (EDT)

CDFA's Intro Energy Finance WebCourse explores the wide range of tools available for financing energy projects, including bonds, tax credits, revolving loan funds, grant programs, and more. This course will cover how new energy production/generation, energy efficiency, retrofitting and support programs are used throughout the country to encourage investment in large and small projects alike.

Early Bird Registration Deadline: June 24, 2011



**Intro Tax Credit
Finance Course**



August 11-12, 2011
Washington, DC

The Intro Tax Credit Finance Course examines the application of tax credit programs in greater economic development finance efforts. This course will discuss the practical application of tax credit programs including brownfields, new markets, low income housing, historic preservation, and state-specific programs. This course differs significantly from other tax credit training events offered in our industry because participants will learn how to effectively apply tax credits to development opportunities, rather than just be taught the facts and figures of each program.

Early Bird Registration Deadline: July 22, 2011

Fall & Winter 2011

Tentative course offerings for Fall & Winter 2011 include:

Advanced Bond Finance Course ▪ Intro Tax Increment Finance Course ▪ Intro Revolving Loan Fund Course

All of these courses qualify for the CDFA Training Institute's Development Finance Certified Professional (DFCP) Program. Start down the road to personal and professional advancement today.

Register online today at www.cdfa.net

2011 POLICY AGENDA



ERIN TEHAN,
LEGISLATIVE &
FEDERAL AFFAIRS
COORDINATOR

CDFA has one of the strongest voices in the development finance industry and regularly communicates with Capitol Hill, state and local government leaders, and the Federal Administration. Each year, we review our policy agenda to ensure we are working

towards the most beneficial legislation for our members. The following is CDFA's 2011 Policy Agenda:

Policy Area 1: Improving the Use of Private Activity Bonds

Private Activity Bonds (PABs) represent the single most effective financing tool used by state and local governments to support capital improvements and encourage private investment. CDFA continuously works to improve the use of PABs through legislative improvements to the laws governing this important financing tool.

To address outdated provisions related to Industrial Development Bonds (IDBs), CDFA has outlined the following priorities:

1. Renew the expanded definition of "manufacturing" to include tangible and intangible production.
2. Renew the allowance for "functionally related and subordinate" components eligible for IDB financing.
3. Expand 2% de minimus rule to financial institutions in relationship to IDBs.
4. Raise the small issuer limit for bank deductibility to \$30 million from \$10 million and allow the limit to be applied to the borrower instead of the conduit issuer.
5. Increase the capital expenditure limitation from \$20 million to \$40 million.
6. Eliminate the restriction on the use of accelerated depreciation by companies using IDB financing.

7. Increase the maximum IDB bond size limitation from \$10 million to \$20 million.
8. Permanently authorize the elimination of the AMT for tax-exempt bonds.
9. Permanently reauthorize the FHLB letter of credit provisions for IDBs and 501(c)(3) bonds.

To address regulatory issues related to general Private Activity Bond (PAB) use, CDFA has outlined the following priorities:

1. Establish a strong working relationship with the Municipal Securities Rulemaking Board (MSRB) to enhance issuer and underwriter understanding of municipal bond financing.
2. Establish a strong working relationship with the Internal Revenue Service Tax Exempt Bond (TEB) division to enhance issuer and underwriter understanding of municipal bond financing.
3. Establish a strong working relationship with the U.S. Securities and Exchange Commission (SEC) to enhance issuer and underwriter understanding of municipal bond financing.

Policy Area 2: Advocate for Energy and Green Financing Programs

The continued development of financing tools supporting renewable energy production and green infrastructure is an important direction for our industry. CDFA will support this policy area by pursuing the following legislative items aimed at expanding these types of financing programs:

1. Create a new exempt facilities category under the PAB volume cap for renewable energy projects.
2. Support reauthorization and increased funding for federal Brownfield programs.
3. Expand municipal and other development finance tools for energy infrastructure projects.

Policy Area 3: Advocate for Sound Practices in the Use of Tax Increment Finance (TIF)

CDFA established the national Tax Increment Finance Coalition, which has become the leading advocate for the sound use of TIF. The TIFC will continue to:

1. Provide a national forum for tax increment finance users, service providers and industry experts to share ideas, provide education, exchange knowledge and promulgate best practices for this tool.
2. Continue to develop and enhance CDFA's resource collection related to TIF, which provides a singular

clearinghouse of resources, publications, research, documentation, state statutes, etc. on this topic.

Policy Area 4: Supporting Federal Financing Programs

In 2010, CDFA created the Federal Economic Development Finance Working Group to support the federal government's economic development finance efforts. CDFA is committed to evolving this important working group through the following action items:

1. Firmly establish the Federal Economic Development Finance Working Group as a collaborative initiative

between public, private and non-profit institutions in the development finance industry.

2. Publish a Federal Financing Reference Guide and launch a Federal Financing Clearinghouse.
3. Support increases in funding for DOE, HUD, EDA, USDA, SBA, DOL, EPA and other federal agencies.

CDFA has a rich history of impacting change at the federal level and encourages those interested in assisting with this agenda to contact us today. Please reach out to Erin Tehan at etehan@cdfa.net to get involved.

Federal Affairs Update

Federal Financing Reference Guide

The new *Federal Financing Reference Guide* will provide the industry with the most comprehensive resource for assessing federal resources and financing programs. This printed guide will enable our members to go to one place for all the information they need on federal economic development financing programs. The guide will include agency information, program descriptions, and application details, among other helpful information. This guide is generously sponsored by Stifel Nicolaus, with additional support from Business Oregon and the City of Minneapolis.

Federal Financing Clearinghouse

The Clearinghouse will hold the same information as our *Federal Financing Reference Guide*, but as an online resource, the Clearinghouse will be kept up-to-date to ensure real-time accuracy. When Agencies change their programs, we will change our listings. Access will be for members only.

Federal Financing Training Course

In 2011, the CDFA Training Institute is working to develop a special Federal Financing Course aimed at delivering critical education to the industry on the various federal financing programs available. The training course is scheduled to launch in early 2012 in partnership with the Federal ED Finance Working Group.

Federal Economic Development Finance Working Group

The Working Group consists of members from every federal agency that offers economic development finance programs. This group was formed in 2010 and will begin its important and innovative work in earnest in 2011. The Working Group will also help ensure CDFA has accurate and current information in the Federal Financing Guide and Clearinghouse.

Project Marketplace

We are planning a special session called Project Marketplace for our 2011 Annual Development Finance Summit. Attendees will have the chance to share their projects, questions, and ideas with representatives from federal agencies. Our goal is to provide an excellent opportunity for our attendees to learn about available federal financing straight from the agencies themselves.

CDFA is a strong voice within the Federal Administration, and we have substantially improved our interactions with federal agencies in recent years. 2011 will be no different. With several new or expanded projects rolling out over the next few months, CDFA will be offering our industry the best possible federal administration resources, connections, and education related to development finance.

STIFEL
NICOLAUS



25th Annual Development Finance Summit

Development Finance Trail Leads to Boston

Proud 25 Year History

For over 25 years, CDFA has offered the nation's largest annual event solely dedicated to development finance. In CDFA's early days, the annual meetings focused primarily on bond finance—namely Industrial Development Bonds (IDBs)—and the conference agenda presented a strong legislative focus. Over the years, the Council has evolved and so has the message of the annual meeting. At this year's Annual Development Finance Summit, CDFA will celebrate 25 years of development finance and take an in-depth look at the future of financing in the United States. This special program will provide more opportunities than ever before for attendees to engage a diverse cross-section of development finance topics.

Hosted by MassDevelopment, and supported by over 25 of the best sponsors in the development finance industry, the 25th Annual Development Finance Summit will be CDFA's proudest moment

in a long history. The CDFA Annual Summit is designed to educate both novices and seasoned development finance professionals alike, and this year's event will touch on over 20 different financing topics, concepts, tools, programs, strategies, and solutions to the challenges facing our communities. General sessions will be unique with an interactive group discussion, a defining issues luncheon, a dedicated federal government viewpoints discussion, and other group networking experiences.

Distinguished Speakers

CDFA is pulling out all the stops for the 25th Annual Summit with over 40 distinguished speakers already confirmed. Sessions will feature key leaders in capital markets and bond finance and include influential stakeholders from the tax increment, tax credit, and access to capital disciplines. Stakeholders from both the public and private sector will present, offering access to the best financing expertise in the industry.

The program will also include speakers from over ten federal agencies including HUD, EDA, EPA, USDA, IRS, SEC, MSRB, Treasury, SBA, DOE, OPIC, and Ex-Im. CDFA has invited representatives from the Obama Administration to participate. Leaders from the Commonwealth of Massachusetts and the United States Congress have also been invited to help engage all levels of government in this important event.

The CDFA Annual Summit is recognized as the nation's largest gathering of issuing authorities, economic developers, and financing agencies.

Special Interactive Opportunities

The 2011 CDFA Annual Summit will include several very special and interactive opportunities. One important session, called Project Marketplace, will be a special event where attendees can bring project



ideas and development challenges to a panel of experts from both the public and private sectors. These panels will brainstorm with attendees to explore solutions and potential collaborations to address project needs.

During “Municipal Finance under the Microscope,” the Annual Summit’s opening general session, CDFA will bring together top development finance leaders to explore the industry’s most pressing issues. This session will feature an interactive audience experience to measure finance tool use, identify trends in the industry, and pose questions to our distinguished panel.

CDFA’s Tax Increment Finance Coalition will also host a live national webcast session to allow those who are unable to attend to listen to an important session focused on offensive TIFs and tax districts. This session continues CDFA’s strong focus on promoting best practices and inclusion throughout the organization.

Don't forget: the early bird registration deadline is April 8!
Register now at www.cdfa.net for the best rates.

CDFA’s leadership will also hold a special legislative breakfast to brief the industry on the legislative policy agenda being supported by the organization. Speakers will discuss the opportunities presented by the 112th Congress and areas where the Council is making strides in support of federal economic development finance programs.

More Topics, Fewer Talking Heads

For 2011, CDFA has a more financing tool drilldown sessions to maximize the opportunity for attendees to learn and engage speakers. Concurrent sessions will be designed for a less formal discussion and debate format to allow for maximum attendee interaction and networking. Sessions will touch on some of the most important topics of the day, including energy finance, capital markets, tax increment finance, tax credits, bond finance, credit enhancement, enforcement and regulatory updates, federal financing programs, access to capital, community development finance institutions, and many more topic areas.

The 25th Annual Summit will also include the launch of the Council’s new Innovation Finance Course, which is focused on seed, venture, and angel capital finance. This new and creative course will explore early stage financing for small businesses, entrepreneurs, and microenterprises and will demonstrate successful strategies for building local networks of venture and angel capital providers.

The goal of this year’s program is to focus more on providing solutions to the financing needs of each attendee and helping them make connections that will drive project success in their own communities and across the country.

Special Initiatives

CDFA will unveil some special initiatives at the 25th Annual Summit including the release of the highly anticipated Federal Financing Reference Guide and Federal Financing Clearinghouse. These new resources will provide unprecedented access to the federal programs for supporting economic development finance and will be made available to Annual Summit attendees.

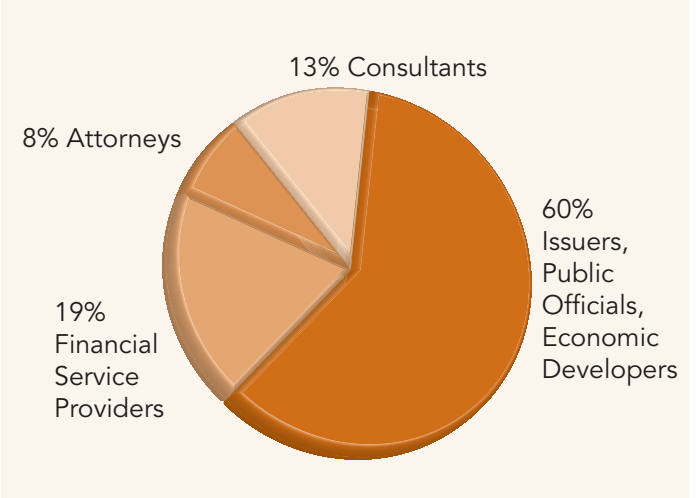
Having Fun in Boston

CDFA will also have some adventures in Boston this year with a special Freedom Trail at Night walking tour hosted by tour guides in period costumes and an optional Post-Summit Historic New England Coast Line Tour. On top of these great activities, the Annual Summit will be housed at the historic Boston Park Plaza Hotel in the heart of downtown, directly across from the Boston Common. This historic setting provides the perfect backdrop for CDFA’s proudest moment.

The CDFA team, partners, Board of Directors, and local host committee are all working meticulously to build this historic event. This year, the development finance trail will lead to Boston for the 25th Annual Development Finance Summit. We hope to see you there!

Who Attends

With a broad cross-section of participants, the Annual Summit is an ideal environment for networking and outreach.



Unlocking the Development Finance Toolbox

By TOBY RITTNER, CDFA PRESIDENT & CEO
trittner@cdfa.net

As the United States economy begins to pick up steam, state and local recovery efforts will be critical to encouraging the next round of investment, redevelopment, job growth, and sustained economic strength. Paramount to these efforts will be the full utilization of the development finance toolbox to encourage a wide variety of development opportunities. Employing a sound and comprehensive development finance toolbox will ensure that state and local leaders are providing the best resources to address the challenges we are facing today.

What is Development Finance?

Development finance is the effort of communities to support, encourage, and catalyze economic growth. It is a tool to help make a project successful and, in turn, to create an economic benefit for the long-term health of a community's infrastructure, business, and industry. Development finance offers a potential solution to the challenges of the local economic environment. To use development finance tools effectively, practitioners must possess an understanding of the myriad programs, resources, and terminologies that exist in this field. Economic development professionals play an important role as the bridge between government and business. They direct the use of precious public resources, inform policy decisions about how resources are allocated, and act as catalysts for important projects.

What Does Development Finance Include?

Development finance comes in a variety of forms, including loans, equity, tax abatements, and tax credits. It also includes the offer of a guarantee, collateral, or some other form of credit enhancement. Development finance may include gap financing, the remediation of environmental concerns, as well as incentives, grants, or other resources for businesses and entrepreneurs.

Development finance is a proactive approach towards finance intended to assist economic development projects. It leverages valuable public resources to support significant private sector investment. In doing so, development finance helps solve the needs of business, industry, developers, and investors, while also contributing to a community's long-term health and goals.

What Does Development Finance Not Include?

Development finance is not a 'free ride' for businesses in need of assistance. The use of public resources should be tied to accountability measures and project achievements. Unabashed subsidies that provide public contribution while requiring too little private commitment are not considered good practice by professionals.

Development finance tools are not to be applied hastily. Development finance

should be a rational, thoughtful, and strategic response to economic needs and challenges. Community leaders are often placed under considerable pressure to address economic challenges quickly, but a poor development plan may only exacerbate the situation. Insufficient foresight may also lead to unwanted and counter-productive competition with economic development programs in the private sector. Development finance must instead include long-term, strategic thinking.

Why is Development Finance Important?

Development finance is critical to economic development, because financing has the potential to make or break a project. Businesses need access to financial resources to complete a deal. Whether the funds are used for site acquisition or start-up capital, nearly all projects hinge on the borrower's ability to leverage convenient sources of financing. Development finance may offer a type of financing that is less expensive than conventional, private financing.

Development finance is also important because it can benefit all stakeholders. Businesses can use it to generate working capital and invest in their ideas. Developers can use it to achieve an acceptable return on investment (ROI) in a given project. Communities can use it to develop infrastructure, jobs, and amenities.



A well-crafted development finance strategy can balance the needs of industry with the needs of the community.

Why Learn About Development Finance?

Development finance is a complex undertaking. These tools require a considerable amount of knowledge and training, and in many communities, the resources to educate all of the parties involved do not exist. Lack of education and training is a major hindrance to the development finance process, and it can create project obstacles and cause legal problems in the long run. Education is the most critical strategy to make these tools easier to use and understand.

According to CDFA research, 50% of all finance agencies allocate less than 20% of their actual budget to financing development. There are a variety of reasons for this inefficiency, including resources and politics, but education is a significant hurdle for agencies to overcome.

Successful agencies build their programs by educating staff and leadership. Because education requires an investment of resources, development finance agencies must be mindful of allocating funds for this purpose.

The Financing Spectrum

Every economic development transaction presents different challenges. For instance, large-scale industrial development requires a different financing approach when compared to small business development. Typically, development finance is broken down into a spectrum of approaches. Having an understanding of this spectrum will allow development finance agencies to address the needs of established industries, large real estate development projects, small businesses, and individual entrepreneurs.

Some financing options, such as a revolving loan fund, may address a variety of needs and clients. To be effective, however, most development finance efforts must be tailored to a specific need or project. For instance, real estate development does not require the use of start-up capital such as seed or venture capital funding. On the other hand, an early stage entrepreneur is not

likely to benefit from bond financing. Understanding this spectrum is critical to maximizing the development finance resources available in a community.

The Toolbox Approach

Economic development professionals have one of the most difficult jobs in local government: to catalyze investment, to promote opportunity for new and expanding businesses, and to create jobs. This task is further complicated by the fact that although hundreds of programs exist, no one program is a silver bullet solution to economic development challenges. The toolbox approach recognizes the financing challenges facing development projects and seeks to provide realistic and comprehensive solutions.

The toolbox pulls together a variety of programs and offers different tools for the full spectrum of users and projects.

The toolbox approach allows economic development professionals to take a comprehensive approach to development finance by bringing together the best financing concepts and techniques.

The toolbox pulls together a variety of programs and offers different tools for the full spectrum of users and projects. Whether assisting large-scale industrial or micro-enterprise business development, employing the toolbox approach means that an agency will be equipped to act and maximize opportunities for growth in the local economy. The approach also enables a single agency to collect funding at the federal, state, and local government level, as well as from the private sector, all in one place. This comprehensive approach towards the use of public resources is one that is more likely to attract business, investment and growth to a community.

Bringing it Together

Understanding the development finance spectrum is critical to maximizing the resources available in a community. The toolbox approach addresses this spectrum by breaking down dozens of financing options into five practice areas:

- **Practice Area 1: Bedrock Tools**
Bonds and the Basics of Public Finance
- **Practice Area 2: Targeted Tools**
Tax Increment Finance, Special Assessment Districts, Government Districts and Project Specific District Financing
- **Practice Area 3: Investment Tools**
Tax Credits, Seed & Venture Capital and Angel Funds
- **Practice Area 4: Access to Capital Lending Tools**
Revolving Loan Funds, Mezzanine Funds, Loan Guarantees and Microenterprise Finance
- **Practice Area 5: Support Tools**
Federal Economic Development Programs and Tax Abatements

Though not all financing programs fall neatly within these five categories, the toolbox approach is designed to provide a more efficient and effective process for addressing financing needs. The toolbox approach also allows economic development professionals the opportunity to test a variety of strategies on a given project, and to combine programs in order to address financing needs.

Applying the Toolbox

The programs in the toolbox must both adhere to broader public policy goals and allocate precious public resources efficiently. By making programs available to businesses and individuals, a development agency is indicating that these tools have been fully vetted, developed and prepared for use, and that they comply with the guidelines and goals of the agency. Development entities should further consider that when public resources are used to finance projects, the success of these projects is likely to drive future public financing and policy considerations. By bringing together a variety of parties—including banks, thrifts, educational providers, investors, angels and developers—the toolbox approach should help a community reach its ultimate development goal: an expanded capacity to take on new economic development projects.



KATIE KRAMER,
DIRECTOR, EDUCATION
& PROGRAMS

I have a new office. Same desk, same computer, but a new space, and that means a new view. Through the two windows in my new office, I look north over downtown Columbus, past the convention center and the university, and, on

a clear day, I can see the very edges of the still-vibrant farms in central Ohio.

“So what,” you might be asking. “Thanks for sharing; I’ll stop by for a visit one day.” Well, I hope you will. But, I hope you’ll also consider how this view is the CDFA Training Institute in action: the rehab of a historic building, a promising business improvement district, large and small businesses alike taking root and growing up, new roads, new homes, and repurposed warehouses.

The more I look, the more I see the evidence of what we do every single day. Through the CDFA Training Institute, we teach people how to finance economic development projects. It’s the core of what the Institute has done for over 25 years, and we’re adding to its depth every year.

What’s New

This May, the CDFA Training Institute will launch a new component to our curriculum. Debuting at CDFA’s 25th Annual Summit in Boston, the Innovation Finance Course explores the seed, venture capital, and angel investment industry. We’re assembling the leaders in this field to discuss how development finance

agencies can implement capital formation models at the local, regional, and state levels that build thriving entrepreneurial ecosystems.

The Innovation Finance Course will give you a roadmap for building an innovation finance initiative that supports entrepreneurship, business investment, job creation, and 21st century technology development. A new reference guide from CDFA will accompany this course, serving as a companion to the full range of publications available in the CDFA Bookstore.

As with all of the courses in the CDFA Training Institute, the new Innovation Finance Course qualifies for DFCP credit.

My Desktop is Your Desktop

We’ve expanded the Training Institute in the past year to include online courses. No matter where you’re located, you’ll be able to access high quality, timely education with participants from across the country.

Recently, we held the Fundamentals WebCourse and Intro Tax Credit Finance WebCourse as online offerings. These courses were highly successful: on average 90% of participants would recommend our online training to others, and 85% intend to take another online course with CDFA in the future. With hundreds of attendees participating from almost 40 states, we’re pretty pleased with these results.

In the coming months, look for more online education from CDFA, including the Advanced Tax Increment Finance WebCourse and the Intro Energy Finance WebCourse. These courses are conducted

at the CDFA offices in Columbus from my computer and broadcasted to attendees across the nation. So, essentially, during the WebCourses, my desktop is your desktop. I encourage you to log-in, participate, and interact with us.

Becoming a DFCP Graduate

The Development Finance Certified Professional (DFCP) Program celebrates its one-year anniversary this May. Since then, hundreds of professionals, from both the public and private sectors, have started down the path towards certification.

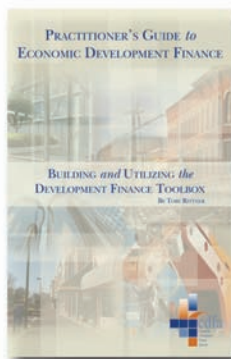
The DFCP Program is designed to be rigorous but also efficient and achievable. Our goal is to produce graduates with a comprehensive knowledge of development finance concepts, tools, and applicability as well as a deep understanding of the entire development finance spectrum.

To become a DFCP graduate, you must take six courses—the Fundamentals Course, two advanced courses, and three courses of your choosing—and a comprehensive exam. With nine courses in the Training Institute, and more to come, the DFCP Program can easily be customized to your own professional objectives.

We’re extending DFCP credit for CDFA Training Institute courses you may have taken in the past. If you’re not sure how many courses you’ve completed, I encourage you to email me at kkramer@cdfa.net to discuss which courses you need to take to become a DFCP graduate. And, if you’re interested, I’ll share with you how the view looks from my office that day.



Stop By the CDFA Bookstore

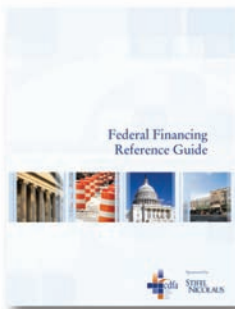


Practitioner's Guide to Economic Development Finance: Building & Utilizing the Development Finance Toolbox

By Toby Rittner

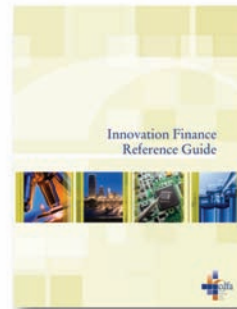
The Practitioner's Guide to Economic Development Finance is the only comprehensive resource dedicated to building and utilizing the development finance toolbox. The Practitioner's Guide provides the insight and practical information needed to critically understand how economic development is financed and the tools, strategies and techniques used to build strong communities. From bonds, tax increment finance and special districts to tax credits, seed & venture capital, revolving loan funds and much more, this Guide outlines the finance tools required for succeeding in today's competitive economic development climate.

Coming in 2011



Federal Financing Reference Guide

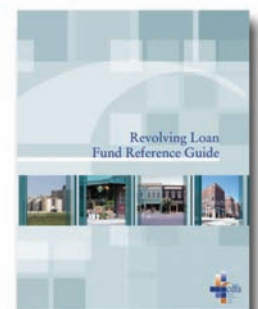
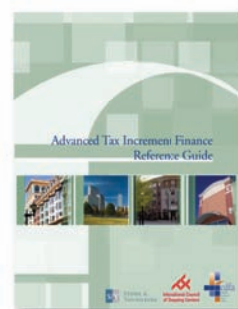
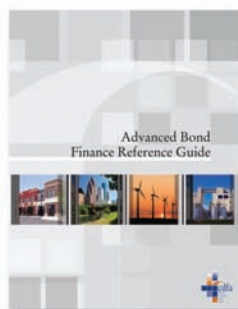
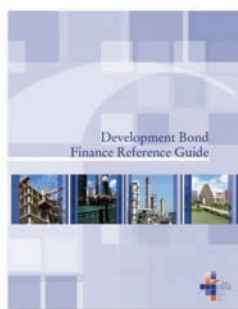
The new Federal Financing Reference Guide is the most comprehensive resource available for assessing federal resources and financing programs. This printed guide includes agency information, program descriptions, and application details, among other helpful information. This guide is generously sponsored by Stifel Nicolaus, with additional support from Business Oregon and the City of Minneapolis.



Innovation Finance Reference Guide

The Innovation Finance Reference Guide reviews the seed, venture capital and angel investment industry and provides clear direction for designing and implementing capital formation models at the local, regional, and state levels. This guide focuses on designing a program that uses public-sector connections, resources and coordination to drive long-term and sustainable private-sector investment.

Also Available from CDFA



Order online today at www.cdfa.net

Original Research Focus



JASON RITTENBERG,
RESEARCH &
RESOURCES
COORDINATOR

Research & Resources Coordinator is a new position for the Council, and I am excited to be in this role. CDFA has a long-standing record of conducting effective research, which is a critical component of the services and resources

CDFA provides. Now, we are looking to expand and improve. As you can see in the bar on the right, we are currently running a variety of data collection projects. In the coming months and years, you can not only expect to see more of these calls, but you can also expect to see even more resources at your disposal in CDFA's Online Resource Database.

By the Numbers

Online Resources: 2,200+

News Headlines: 8,000+

Open Studies: 4

Research Highlight

IDB Project Case Study Survey

The Dacy Enterprises, LLC Project was established in Carpentersville, IL by the Upper Illinois River Valley Development Authority. The purpose of the project was to enable the company to acquire land, build a 70,000-ft² manufacturing facility, and purchase equipment. The project was financed with a \$7.7 million IDB and benefitted from a 2% de minimis exemption and the liberalized core

manufacturing requirements from the American Recovery and Reinvestment Act. Through the bond and subsequent plant opening, the project created 41 jobs.

This case study and many others will be available in the Online Resource Database once more IDB projects have been collected. You can read more about this project under Calls for Participation.

National Volume Cap Resource Center

Did you know that Indiana issued the highest volume of IDBs in 2009? Or that five states issued no IDBs in 2009 after being active in 2008? How about that South Dakota had over \$702 million in cap carryforward to 2010?

All of this information, and much, much more is available on CDFA's website at the National Volume Cap Resource Center. CDFA is the primary collector and distributor of this information for the industry, and our website not only offers the entire 2009 report, but also a state-by-state breakdown of bond finance. The 2010 data is currently being collected, so look for those numbers to appear in July.

Development Finance Review Weekly

Every day, CDFA posts the most important development finance news to its website, and every week, we collect more interesting documents for the Online Resource Database. But on one day each week—Thursday, to be specific—we take the best of all of this, and conveniently send it right to your inbox. Our newsletter, the DFRW, gives you the best headlines, resources, and legislative news, as well as CDFA's upcoming webcasts and events. If you are not already a subscriber, then sign up on our website today.

Calls for Participation

Industrial Development Bond (IDB) Project Case Studies Survey

CDFA is conducting a survey to measure the impact of the use of Industrial Development Bonds throughout the country. Participants in the survey provide information about an IDB project. Issuers, underwriters, bond counsels and others can submit project case studies. The information collected in this survey will be used to help CDFA articulate the impact that IDBs have had nationwide.

2010 State-by-State TIF Study

CDFA is collecting information about the TIF statutes in each state. Anyone who is familiar with any state's TIF statute is encouraged to participate. The information provided through this survey will be compiled into a resource on CDFA's web site that will allow for better understanding and comparison of TIF regulations across the county.

State Capital Access Program (CAP) Study

CDFA is collecting detailed information on CAPs nationwide. Anyone who has knowledge of any CAP can participate. CDFA will use the provided information to establish a program database, suggest recommended practices, and track the influence of the State Small Business Credit Initiative (SSBCI).

Tax Credit Project Case Study Survey

CDFA is conducting a survey to assess the effects of tax credit projects. Anyone with knowledge of a tax credit project is welcome to submit their information through our online survey form. CDFA will use these case studies to create a database and to improve understanding of this development finance tool's impact nationwide.

Go to the Original Research Focus page at www.cdfa.net or email jrittenberg@cdfa.net to participate in any CDFA project.



DARNELL MOSES,
CDFA CHAIRMAN,
BOARD OF DIRECTORS,
MANAGER, ALLEGHENY
COUNTY ECONOMIC
DEVELOPMENT

Hello, and welcome to the first edition of CDFA's *Development Finance Perspectives* magazine. As you can see from the meaty content of this publication, CDFA is a leader in the development finance industry. I am proud to serve as the organization's current Board Chairman and to help lead the vision and mission of this impressive organization.

CDFA has grown significantly over the past several years and today we represent the largest national association dedicated strictly to economic development finance. The Council started off as a targeted trade association in the 1980's. The main focus of the organization was centered on Industrial Development Bonds. Our thoughtful founders realized early that this single topic was just part of the vast development finance spectrum and over the years we have worked to cover a more diverse cross-section of financing topics.

Today the Council offers education, advocacy, research, resources and networking opportunities across a diverse segment of our industry. From bond finance to tax increment finance, from tax credit finance to revolving loan funds, access to capital, and now innovation finance, our programming covers it all.

Our mission and vision dictates that we continue to innovate and develop future programming. CDFA has been one of the first organizations to actively engage in distance learning, bringing our Training Institute to an online classroom that reaches across the country. We have also initiated the Development Finance Certified Professional Program (DFCP), which is the most complete program of its kind in the nation. Between our popular courses and the DFCP, the educational programs of CDFA have taken off, with thousands of professionals attending courses each year.

CDFA addresses a diverse cross-section of financing topics from bond finance to tax increment finance, from tax credit finance to revolving loan funds, access to capital and innovation finance.

We are expanding and improving our leadership in development finance research. To this end, CDFA has hired a new Research & Resources Coordinator, who will specifically oversee our original research projects and our resource databases. The National Volume Cap Resource Center is one area where we have long provided unique and important research for the industry. Now, CDFA is launching similarly-scoped projects in other areas, such as Capital Access Programs.

We are also aggressively engaging the federal government in their public education and information dissemination process. We value our federal partners, and we are making great strides in promoting and supporting their efforts to help strengthen our own local development finance activities. CDFA also plays a major role on Capitol Hill, as we have effectively lobbied Congress for nearly thirty years. Our goal is simple: to impact, in a positive way, the laws and codes that hinder the effective use of development finance tools. Congress appreciates this straight-forward approach, and we have achieved many legislative successes.

In the end, CDFA serves many stakeholders. From the smallest public finance agency to the largest state development agency, CDFA is focused on providing services across the board. We also serve the important private sector by offering opportunities for networking, education, and engagement between public and private leaders.

In a time when state and local governments are facing difficult budget decisions, becoming a member of CDFA is very worthwhile. No other organization in the economic development industry is as dedicated and committed to its members as CDFA. If you are not a member, I encourage you to join. If you are a member, thank you for your ongoing support.

I hope to see you at a future CDFA event!



STEFANIE STOLLER,
DEVELOPMENT
COORDINATOR

CDFA has grown by leaps and bounds over the past few years to bring our national membership to nearly 300 organizations. In fact, we added seven new members in the first months of this year, and new organizations are joining each week. With numerous member benefits, there has never been a better time to join the Council!

Many members have already discovered one of the countless benefits of CDFA membership and taken advantage of the reduced course registration rates. We had over 60 member participants at our first training course of 2011, Fundamentals of Economic Development Finance WebCourse, making this course one of our most popular to date!

As a leader in the development finance industry, there is no better organization to be a part of than CDFA. Our dues are structured to be affordable for your organization, whether it is small, medium, or large, and whether it covers a local, state, or national area. We have a level of membership that is right for you. For a membership application, check out our website at www.cdfa.net or contact me directly at [sstoller@cdfa.net](mailto:sssteller@cdfa.net).

I look forward to working with you with you as your membership contact, and I hope to see you at the Annual Development Finance Summit in Boston, MA this May 9-12!

**Welcome CDFA's New Members
January & February, 2011**

- City of Dayton
- City of Seaside
- City of Yonkers
- EnABLE Technologies
- Great Lakes Capital Fund
- Maury Alliance
- West & Associates, LLP

Membership Dues for CDFA cover for the entire organization, meaning that everyone you work with can access member benefits. Visit www.cdfa.net to fill out a Membership Application. We look forward to welcoming you!

State Issuer, Agency, Department or Division (Financing & Non-Financing)			
Size	Dues	Financing Average Issuance per Year:	Non Financing: Services a Population:
Small	\$750	Under \$45 million	under 3 million
Medium	\$2625	\$45 to \$199 million	between 3-8 million
Large	\$4200	Over \$200 million	over 8 million
Local Issuer, Agency, Department or Division (Financing & Non-Financing)			
Size	Dues	Financing Average Issuance per Year:	Non Financing Services a Population:
Small	\$400	Under \$25 million	under 100,000
Medium	\$750	\$25 to \$74 million	between 100,000-250,000
Large	\$1575	Over \$75 million	over 250,000
Financial, Investment, Legal & Private Service Providers			
Size	Dues	Criteria	
Local	\$525	Offices in 1 state only	
Regional	\$1050	Offices in 2-5 states	
National	\$2625	Offices in 6+ states	

Member Benefits

CDFA greatly appreciates the support of our members and, in return, we offer the following benefits.

- *Discounted registration rates, bookstore savings & special offers from industry partners*
CDFA Members receive reduced rates to all CDFA events, including Training Institute courses, the Annual Development Finance Summit, and other workshops and seminars. This benefit provides the most significant financial compensation for membership and can ultimately cover the cost of annual dues.
- *Exclusive Access to the CDFA-C2ER State Business Finance & Incentives Resource Center*
The CDFA-C2ER State Business Finance & Incentives Resource Center is an exclusive database that allows CDFA and C2ER members to research business incentives and development finance programs across the country. The national database has more than 1,700 programs from all 50 states and federal agencies.
- *Individualized technical assistance services*
The Research & Technical Assistance Program provides members access

to CDFA's extensive knowledge of the development finance industry. When using these services, members receive specialized attention from a team of experts who are keenly aware of the issues and challenges facing organizations in the development finance industry.

- *Dedicated & effective legislative representation on Capitol Hill*
CDFA is the voice of development finance on Capitol Hill. Our dedicated Legislative Affairs team advocates on behalf of the industry, addressing its most pressing concerns. The Council routinely provides congressional offices advice, research, testimony and legislative language that help advance the industry. As a result, Congress has repeatedly passed CDFA-led initiatives, underscoring the organization's outstanding reputation in Washington, DC.
- *Opportunity to serve on CDFA's working committees to help build future initiatives*
Members have the opportunity to participate on the various working committees of the Council. Committees address legislative, educational, research, resource, marketing and programming activities and guide the direction of the Council's many initiatives.

No matter your location
or level of expertise, *you can*

connect with CDFA this year

CDFA Training Institute

Expand your knowledge of development finance by taking one of these courses already confirmed through August 2011:

- Advanced Tax Increment Finance WebCourse
April 5-7 | Daily 1-5pm (EDT)
- Innovation Finance Course
May 9-10 | Boston, MA
- Intro Energy Finance WebCourse
July 12-14 | Daily 1-5pm (EDT)
- Intro Tax Credit Finance Course
August 11-12 | Washington, DC
- *More courses will be announced in the coming months.*
- Looking for more? Consider the Development Finance Certified Professional (DFCP) Program to solidify your place as an expert in our industry.

Webcasts

Hear about timely development finance topics and have your questions answered during one of our free webcasts.

- CDFA-BNY Mellon Development Finance WebCast Series
Free webcasts held the third Tuesday of every month with timely discussions for the development finance industry.
- CDFA TIF Coalition Webcast Series
Free 6-part webcast series covering the emerging use of TIF as a catalyst for local economic development.

Sponsorship

Demonstrate your leadership in the development finance industry as a CDFA sponsor.

- More than 30+ organizations already sponsor CDFA!
- Become a CDFA National Sponsor and receive recognition at all CDFA events plus a complimentary membership.
- Or, sponsor the Annual Summit and receive recognition at CDFA's largest and most interactive event.

Annual Development Finance Summit

Join CDFA in Boston, MA from May 9-12, 2011.

- Participate in sessions, workshops & tours highlighting the latest in development finance.
- Be among the premier national gathering of the industry's leaders and innovators.
- Plus, network with hundreds of finance agencies.

Legislative & Federal Affairs

Follow the advocacy efforts of CDFA, the voice of development finance on Capitol Hill.

- Read timely legislative headlines.
- See the 2011 Legislative Agenda and past successes.
- Be a part of a reliable legislative team that is connected and respected in Washington, DC.
- Search CDFA's new Federal Financing Clearinghouse.
Available May 2011

Research & Resources

Stay on top of development finance trends through the CDFA Original Research Focus.

- Read daily development finance headlines.
- Subscribe to CDFA's e-newsletter, Development Finance Review Weekly.
- Participate in relevant research projects.
We're currently looking for IDB case studies!
- Search CDFA's Online Resource Database, the most comprehensive resource collection dedicated exclusively to development finance.
- Follow CDFA on Twitter @CDFA_Update.

www.cdfa.net



Advancing Development Finance Knowledge, Networks & Innovation

