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Date: 4/29/2014 4:49:59 PM
Subject: FW: Follow up on H5024

FYI

From: Lawrence Flynn [mailto:lflynn@popezeigler.com]
Sent: Tuesday, April 29, 2014 3:58 PM
To: Patel, Swati
Cc: Bakari T. Sellers (bsellers@stromlaw.com)
Subject: Follow up on H5024

Swati,

Thanks for taking the time to sit down with us again to discuss plans for Bamberg 2. As you, Christian and/or Katherine sit down with the Governor to further discuss this bill, I thought it would be helpful to provide you with a quick summary of our thoughts.

The legislation does not impose taxes and there is no tax increase planned or otherwise due for implementation. The main point of the legislation is to provide a method for the school district to use a public-private partnership (P3) to get much needed facilities. At present, their only available method is by the issuance of general obligation bonds.

A P3 opens up the possibility of private ownership, which enables the use of new markets tax credits, EB-5 and several other tax credit provisions (each of which provide much needed equity to the project and reduce costs to the District). Importantly, these tax credit programs require the asset not to be owned by a governmental entity.

By augmenting the traditional the ownership structure, we hope to obtain other funding sources that will help keep costs down and reduce the overall costs of construction. The goal is to maximize available tax credits and reduce operating costs, particularly costs for energy. At the moment, there is nothing for the school district to consider. This legislation gives the school district the opportunity to be rebranded as "the corridor of hope." If the test works, then the State can consider creating a broader program and further extend the corridor of hope.

Please call me if you have any questions or need anything else. Best, LEF

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