EB-5 Financing Overview: NYLO South Dallas Hotel

Civitas Capital Management, LLC

2012 ULI Fall Meeting
October 2012
EB-5 Program Overview

**EB-5 Program**

A U.S. Government program whereby foreign investors invest $500,000 into a business or development through an EB-5 Regional Center

That business or development creates at least 10 local jobs per investor within a two-year job creation window

If the 10 jobs per investor are indeed created, then the investor, spouse and any unmarried children under 21 receive permanent U.S. green cards

**Civitas Capital Management, LLC**

Civitas Capital Management, LLC ("Civitas") sources job-creating businesses and developments, and structures investments to comply with the EB-5 Program requirements

Once the transaction is structured, Civitas sources and pools foreign investor capital to fund the transaction

Civitas manages all aspects of immigration compliance related to the EB-5 Program and asset manages the investment throughout the hold period
City of Dallas Regional Center

- CDRC approved in September 2009 by USCIS.
- Civitas selected by City of Dallas to manage CDRC.
- The CDRC is the official EB-5 Regional Center of the City of Dallas.
Key Takeaway:
EB-5 capital has become a realistic and viable financing alternative for local businesses and developers across the U.S.

The EB-5 Program has grown rapidly over the last five years. In 2011, 1,563 investors were approved for investment throughout the U.S., resulting in more than $781.5 million in capital provided to job-creating projects.
A Unique Economic Development Partnership

Civitas provides independent investment analysis, a proprietary transaction pipeline and unrivaled immigration expertise.

City provides transaction pipeline, and often co-invests in projects that align with the City’s economic development goals.
**Key Takeaway:**
EB-5 capital is a flexible funding source, and proceeds can be invested in any position in the capital stack with an acceptable structure.

- Discount to market rate capital
- Terms and Conditions can be more accommodating
- Visa and capital preservation are the Investor’s Primary Goals
- Execution risk increases as you climb the capital structure
- Terms can vary across regional centers
Civitas Transaction Summary

- 8 Projects
- Over $165MM in Committed Investments
- 330 Investors
- 3,300 Jobs Required
- Over 4,800 Jobs Projected
Low-leverage preferred equity investment to redevelop a historic building south of downtown Dallas into a 76-room boutique hotel.

Quality location. Financially strong developer with significant experience. Property owner is a joint venture with local municipal pension fund.

35% of project budget subsidized through a combination of New Markets Tax Credits via an allocation from a City of Dallas-sponsored CDE, and Historic Tax Credits.

### Investment Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
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<tbody>
<tr>
<td><strong>Total Project Cost</strong></td>
<td>$19.8 million</td>
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<tr>
<td><strong>Total CDRC Investment</strong></td>
<td>$5.5 million</td>
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<tr>
<td><strong>EB-5 Investors</strong></td>
<td>11</td>
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<tr>
<td><strong>EB-5 Job Creation Requirement</strong></td>
<td>110 jobs</td>
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<tr>
<td><strong>Job Creation</strong></td>
<td>161 jobs created</td>
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