



**Project Description:** The project is situated on an irregularly shaped 3 acre parcel. The building is industrial grade with approximately 14,000 square feet. As stated, the project will generate approximately 40 full-time jobs, 10 of which will be from the Renewal Community.

**Project Financing**

Estimated Total Project Cost: **\$1,067,998** Construction Cost Per Sq. Ft.: \$76

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Bank of the Sierra	\$848,145	Bank of the Sierra	\$500,000
John Daniel Gonzalez	\$131,156	U.S. SBA	\$413,000
		Owner Equity	\$154,998
		<b>TOTAL</b>	<b>\$1,067,998</b>

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$786,217
Applicable Fraction:	100%
Qualified Eligible Basis:	\$786,217
Maximum 10-year Annual Federal Tax Deduction:	NA
Maximum Allowable 50% Tax Deduction:	\$393,108

Applicant requests and staff recommends a one-time 50% annual federal tax deduction of \$393,108 based upon an eligible basis of \$786,217.

**Special Issues/Other Significant Information:** None

**Recommendation:** Staff recommends that the Committee make a reservation of tax deductions in the following amount(s) contingent upon standard conditions and any additional conditions imposed by the Committee:

**\$NA Annual**

**\$393,108 50%**

**Standard Conditions**

TCAC makes the reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project will be permitted without the express approval of TCAC.

The applicant must pay TCAC an allocation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are anticipated to be the final project costs, staff recommends that a reservation be made in the amount and manner of federal tax deductions shown above on condition that the final placed-in-service project costs be supported by itemized lender approved costs and a certification of costs by a certified public accountant as required by the qualified allocation plan of the buildings at completion.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of tax deductions when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in the qualified allocation plan through the final placed-in-service analysis performed by TCAC.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified eligible basis and tax deduction amount determined by TCAC in its final placed-in-service analysis.

**Additional Information:** None

*Project Analyst: Gene Boyd*