



The BUILD Fund

Overview

The BUILD Fund of America is an open-end commingled real estate fund that invests in institutional quality to-be-built or significant rehabilitation real estate projects.

Benefits

- The BUILD Fund provides primarily equity financing, occasionally providing debt and mezzanine debt, all at market rate terms.
- The BUILD Fund finances a wide range of institutional quality real estate projects, including retail centers, multi-family projects, office buildings, and industrial buildings.

Eligibility

The BUILD Fund generally provides equity financing for real estate development. BUILD's equity is combined with a local developer's bank loan to provide the necessary capital to construct a project. For example, a \$20 million dollar manufacturing plant would be constructed using \$5 million from the BUILD Fund and \$15 million from the developer's financial institution.

- The BUILD Fund invests in projects, which are constructed with union labor.
- The BUILD Fund is looking to invest in local projects with total costs ranging from \$5,000,000 to \$25,000,000.

Rates/Terms

The BUILD Fund typically provides most of the equity financing required for a real estate project. (Usually about 25% of Total Project Cost.) A special purpose Limited Liability Company would be created as the investment vehicle to build, own, and manage the project. BUILD would invest in that new LLC and, typically, ownership would be 50/50 between the developer and BUILD. The developer would be the Managing Member of the LLC. BUILD would receive a preferred return on its equity that would range from 8% to 12% (depending on the risk of the project). BUILD and the developer would then share the free (after debt service and preferred returns) cash flow 50/50, with BUILD's share of free cash flow being applied as a return of its invested capital. If the developer contributes equity, its cash flow distribution would also be treated as a return of invested capital. BUILD's capital is non-recourse to the developer. The BUILD Fund offers financial incentives to encourage development partners to refinance BUILD out of the transaction within five to ten years.

Contact

The Youngstown/Warren Regional Chamber 330-392-6140
Development@RegionalChamber.com www.RegionalChamber.com

The Build Fund - Labor Management Fund Advisors
419-381-0718 (attn: Philip Couture) coutture@lmfallc.com www.LMFA.com

This is only a summary of the program, and should not be misconstrued as the actual law, but used as a convenient reference. Inquiries to the program can be made at the contact numbers listed above or the Youngstown/Warren Regional Chamber.

Youngstown/Warren Regional Chamber
Mahoning County Office
Trumbull County Office
www.regionalchamber.com

Economic Development Action Team
11 Federal Plaza Central, Suite 1600, Youngstown, OH 44503-4592 330-744.2131 330-746-0330 fax
197 West Market Street, 7th Floor, Warren, OH 44481-1024 330.392.6140 330-746-0330 fax
development@regionalchamber.com

Youngstown-Warren, Ohio is JUST IN TIME, USA