

Executive Financial Summary:



Located in Harrisburg, Pa., the landmark, 127,000 sq. ft. Bishop McDevitt Catholic high school, will become The McDevitt Village Center. Its new uses are: offices and food service.

The Harrisburg office occupancy rate is now over 90% and this is the only “new” office project in the City with unique large interior spaces, tall ceilings, free on-site parking and tax abatement/reduction.

We will place the building on the National Historic Register which creates historic tax credits (20% in tax credits) plus apply to the newly passed PA. State Historic Tax Credit program (25% in tax credits) for a total of 45% in Historic Tax credits = approx. \$1 million in total.

To acquire and adapt the building, \$5 million dollars will be assembled: \$2 million for acquisition and \$3 million for upgrades = only \$40 per sq. ft. total. Settlement is scheduled in February 2013 by which time the new school will be completed.

Next door is the \$32 million dollar “National Civil War Museum”. Annual attendance is 45,000 and no food service is provided. The McDevitt Village

Center will provide the food needs for this market.

Equity Investors: As per IRS regulations and in order to transfer the Historic Tax Credits to the equity investors, for a 5 year period they will initially own a 99% interest in the sub LLC. \$5 million will be assembled earning an annual 8% return for up to 5 years. For providing these funds, the investors will receive, on a pro-rata basis, ALL of the generated Federal and State Historic Tax Credits, potentially valued at \$1 million dollars. Typically, Historic Tax Credits sell for 80+ cents on the dollar, but in this project, for providing these funds, they will be transferred to the equity investors for a payment of \$1 dollar.

The equity investor's involvement in the project is terminated when their principle and interest are repaid, in full, by the 5th year of the project. To avoid recapture, IRS regulations on Historic Tax Credits require a 5 year participation in the project. After full repayments, their 99% interest is returned to the Managing Member of the LLC and they have no further involvement in the project.

This will be the 3rd school adaptation by the developer. For information, contact: Philip G. Crifasi, Jr., Managing Member, at [REDACTED] or [REDACTED].
