

## Fund of Fund Programs in Selected States, with Start-Up Costs

	<b>Fund Size</b>	<b>Start-up funding</b>	<b>Actual costs</b>	<b>Manager's Advance</b>	<b>Fund Manager</b>
Arkansas	\$70 million	Used implementing agency's budget plus fund manager's assistance "on spec"	\$700,000	\$100,000	Cimarron Capital Partners, LLC
Iowa	\$95 million	None. "On spec" assistance provided, in anticipation of contractor's success	\$1 million	\$200,000*	Cimarron Capital Partners, LLC
Michigan	\$150 million	\$100,000 loan **	\$30,000 in D&O Insurance + approximately \$60,000 to \$70,000 in legal costs		CSFB
Oklahoma	\$100 million	Oklahoma Dept. of Commerce covered costs.	\$600,000 (but some costs were not listed as this was a pilot project)	\$0	Cimarron Capital Partners, LLC
Utah***	\$100 million	\$700,000 loan to the corporate board from an industrial assistance fund	\$350,000, which includes \$150,000 for legal costs for constitutional challenge. Rest is staff, incidental expenses.		Fort Washington Capital (pending)

\* Cimarron Capital Partners says most of the Iowa startup costs were incurred before the firm was hired. Had they been involved from inception, the advance would have been close to \$300,000. This is the estimated cost for Montana. (Costs cover legal work to draft administrative rules, develop structural and funding documents and draft financing and tax credit transfer agreements. Cimarron says: "Our team would expect to incur one-time startup costs of not more than \$200,000 if we are involved from inception of the design phase of the program. We would undertake to perform this startup work and be reimbursed at the time of first funding. We do not expect aggregate costs to exceed the total noted unless there is a serious legislative or constitutional defect in the statute." – Steve Ringlee per 9/27/05 email to Karen Powell)

\*\* The Michigan Economic Development Corporation, a "public body corporate created under section 28 of article VII of the state constitution of 1963" provided the \$100,000 loan for start-up costs. The Michigan EDC is a nonprofit.

\*\*\*The Utah state board has cost less than \$250/year. For the corporate board – a nonprofit, quasi-public board – no claims have been filed, although costs have been incurred, according to project director Jeremy Neilsen. Utah's State Auditor had said the tax credits were unconstitutional because of a guarantee by a third-party of state debt. State Auditor also had said it was unconstitutional to create private party (this concept included Utah's state work comp group, but the Utah Supreme Court found the private party state fund constitutional). District court ruling OK'd the use of contingent tax credits to entice investment in the state. \$100 million raised by corporate board. Utah won't be using fund-raising services offered by the fund manager. Utah feels it has expertise on corporate board, which is doing legwork for fundraising. The corporate board hires the fund manager. State board does documentation and gets tax credits in order.