

# National Conference of Black Mayors Receives Equity Commitment of \$125 Million Dollars For Post-Hurricane Katrina Rebuilding Efforts

Thursday, September 22, 2005

WASHINGTON, Sept. 22 -- iCapital Finance has arranged equity commitments of \$125,000,000 from a major U.S. institution and expects to raise additional equity commitments to be drawn on in exchange for New Market Tax credits. iCapital Finance, a consultant to the National Conference of Black Mayors (NCBM), is working together with the group to provide monetary resources and financial engineering support to over 50 cities affected by Hurricane Katrina, as part of the Community Renewal Act of 2000 and the CDFI New Market Tax Credit Program.

"We felt the most effective way to respond to the devastation and destruction caused by Hurricane Katrina is to make a sustainable impact by preserving and rebuilding residential and commercial entities on behalf of the mayors we represent and their citizens" said Mayor Roosevelt Dorn, NCBM president and mayor of Inglewood, Calif.

"The best method for us to accomplish our goal is through our Community Development Entity (CDE) by leveraging New Market Tax Credits" added Vanessa R. Williams, NCBM executive director.

"This New Market Tax Credit allocation will be used in Louisiana and in other blighted areas of Mississippi and Alabama to rebuild infrastructure and create lost jobs" Williams concluded.

The executive board of the NCBM will meet in Washington, D.C., Sept. 22 - 24 to discuss strategies for the launch of this initiative. A press conference is scheduled for 3 p.m., Thursday Sept. 22 in the Zenger Room of the National Press Club.

The New Market Tax Credit Program (NMTC) permits taxpayers to receive a credit against Federal Income Taxes for making qualified equity investments in designated CDEs. Substantially all of the qualified Equity Investments must in turn be used by the CDE to provide investments in Low Income Communities. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period. Up to \$3.5 billion in tax credits is available under the current round of the NMTC Program, which attracts private-sector capital investment into the nation's urban and rural low-income areas.

iCapital Finance, Inc. of Irvine, Calif., is a full-service Investment Bank that has expertise in NMTC and has worked with some of the nation's largest institutional investors on other projects including NMTC initiatives in the State of New Jersey. Several major U.S. institutions have agreed to assist iCapital with its work in New Market Tax Credits and because of the need in these areas, iCapital requested the equity commitments from its clients. iCapital's recent work in this field involves helping the State of New Jersey obtain \$125,000,000 in tax credits and it will now shift much of its efforts to assisting the NCBM with its goals of providing assistance to its constituency and the many people affected by Hurricane Katrina.

Randall Letcavage, managing director of iCapital, states, "Over the past five years of the New Market Tax Credit Program there has never been a better use or opportunity for the program. The NCBM understands that for every dollar of Tax Credits given and the equity commitments we receive; these areas could see another \$4 to \$8 of additional leverage which means a potential of \$700 - 800 million in future dollars to help recover from this catastrophic damage. iCapital Finance also owns and operates a National CDE and has requested an exemption by the Treasury Dept. to submit projects in these areas for the tax credits. iCapital Development LLC will designate a significant portion of any allocation to these areas under the direction and guidance of the NCBM. iCapital is proud to act as the consultant and play a role in bringing these formidable groups together to help our country in a time of need"

**ABOUT NATIONAL CONFERENCE OF BLACK MAYORS:** Established in 1974, the National Conference of Black Mayors, Inc. (NCBM) is a private, nonpolitical, nonpartisan, nonprofit, 501(c) (3) tax-exempt organization. NCBM serves over 500 mayors, nationwide, who represent more than 30 million citizens. NCBM's mission is to enhance the executive management capacity of its members for the purpose of governing viable municipalities. NCMB is headquartered in Atlanta. --  
<http://www.ncbm.org>

**ABOUT iCAPITAL FINANCE, INC:** iCapital Finance, Inc. is a leading Investment Bank specializing in servicing Municipalities, Small Cap Public Companies and Middle Market Private Companies, offering a wide range of financial advisory services, including M&A, Equity and Debt Financing, Strategic Advisory, and Financial Consulting. iCapital's industry experience and financial resources have helped public and private companies as well as municipalities in the business and community development projects. Contact Randall Letcavage, managing director of iCapital Finance and Managing Partner of iCapital Development, LLC at 949-260-8070.

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