

New Markets Tax Credit

50 Projects – 50 States

A Report by the New Markets Tax Credit Coalition

December 2008

50 Projects - 50 States:

New Markets Tax Credits at Work in Communities across America

Introduction

The purpose of this report is to highlight the many revitalization success stories in urban and rural communities made possible by the New Markets Tax Credit (NMTC). The New Markets Tax Credit is fostering a wave of private sector investment in economically distressed communities across America.

The case studies here represent the true nature of this program and showcase the innovative ways that community development entities use the NMTC to address fundamental needs in the neighborhoods where they live and work. You will read about the diverse set of community needs, local solutions and investor profiles that put the NMTC to work in adaptive and effective ways. This community development financing program revitalizes weak market areas by renovating distressed buildings or constructing new facilities; it creates business opportunities and jobs where they are most needed; and it stimulates additional, lasting investment in places where it is put to use.

These investments include a newly built hospital in rural Dumas, Arkansas; Street Squash, a new facility for an innovative youth enrichment program in the Harlem neighborhood of New York City; Bethel Center, formerly a vacant Brownfield site and now a LEED Gold certified, transit oriented community facility in a distressed Chicago, Illinois neighborhood; and, FareStart Adult Culinary Academy, a culinary school for the homeless plus child care center that also provides meals to a low-income children and families in Seattle, Washington.

About the New Markets Tax Credit

The New Markets Tax Credit program was enacted in 2000 in order to bring private capital to our country's traditionally underserved, low-income communities. The New Markets Tax Credit provides an incentive to taxpayers to invest in businesses and projects in economically distressed communities. Taxpayers invest in Community Development Entities (CDEs). An example of a CDE is a community development loan fund, a community development corporation or a private financial institution. CDEs compete for Credits allocated by the Community Development Financial Institutions (CDFI) Fund of the Treasury Department. CDEs use the proceeds from NMTC investments to provide financing to businesses operating in low-income communities.

The idea behind the New Markets Tax Credit is that there are good business opportunities in low-income communities and that a modest federal incentive could spur the flow of private sector capital in urban and rural communities that sorely lack access to capital. Since its inception the NMTC program has directed billions of dollars into low-income communities and boosted investor confidence by filling the gap in business and real estate transactions. There is substantial evidence that the NMTC is an effective incentive to encourage private sector investment in low-income areas. A recent GAO report indicated that 88 percent of investors surveyed would not have made the investment in

the low-income community without the Credit. A total of 69 percent of the investors indicated that they had not made an investment in a low-income community project prior to working with NMTC.

According to a recent statement by U.S. Treasury Deputy Secretary Robert Kimmit, thanks to New Markets, some \$12 billion of private-sector capital has been invested in distressed urban and rural communities throughout the country. Through 2007, \$9 billion of capital derived through NMTC has been invested into approximately 2,000 businesses and real estate developments - helping to develop or rehabilitate over 68 million square feet of real estate, create 210,000 construction jobs, and create or maintain 45,000 full time equivalent jobs at businesses in low-income communities.

During this time of changing market conditions and tightening credit, the strength of the NMTC is most pronounced. The program's flexibility ensures favorable financing terms designed to meet the diverse needs of client communities where traditional forms of lending and credit availability would otherwise be scarce. Even in these uncertain times, NMTC continues to leverage private sector investments. During September and October some \$250 million in new qualified investments has been raised through the Credit.

In October, the U.S. Department of Treasury announced 71 recipients of the \$3.5 billion in NMTC that was awarded for 2008. The application for the 2009 Round of NMTC will be released by the CDFI Fund in December. The NMTC Coalition is working to add volume to the 2009 Round in order to keep pace with the demand that far exceeds present credit authority, and to help spur investment in our nation's most distressed communities.

New Markets Tax Credit and the Economic Stimulus

On October 21, Federal Reserve Chairman Bernanke testified before the House Budget Committee. According to the *Washington Post*, Mr. Bernanke suggested that Congress consider a stimulus package to make it easier for Americans to get credit. Congress "should consider including measures to help improve access to credit by consumers, home buyers, businesses and other borrowers," Bernanke said. "Such actions might be particularly effective at promoting economic growth and job creation ... *it (the government) could offer tax credits to encourage lending.*" (Emphasis added)

In keeping with Mr. Bernanke's suggestions, the NMTC Coalition believes the time is right for Congress to include additional volume for the New Markets Tax Credit in any new legislation in order to stimulate the economy and alleviate the credit crunch. Specifically, the New Markets Tax Credit Coalition urges Congress to provide an additional billion dollars in NMTC volume for 2008 qualified applications on hand and to increase the NMTC volume for 2009 with \$5 billion in credit authority. This will allow Treasury to make Credits available to qualified applications from the 2008 Round, thereby providing immediate, additional stimulus. Extending the Credit beyond 2009 with additional credit authority will facilitate a continuing flow of loans and investments to communities across the country that are hard hit by the current lack of credit.

50 Projects – 50 States: Alabama

NMTC Allocatee

**Wachovia Community
Development Enterprises
Charlotte, NC
Wanda Clark: 214.624.1776**

**An Affiliate of
Wachovia Corporation**

Community Profile

- 59.8% poverty rate
- Median income 22.4% of area median income
- City Designated Entrepreneurial District / TIF District



Project Highlights

- Real Estate: rehab mixed use
- Total Project Cost: \$17.8 million
- NMTC: \$14 million debt
- Other Financing: City of Birmingham, Borrower
- 100+ companies have graduated from the two business incubation programs
- \$1 billion economic impact for the Birmingham region

Entrepreneurial Center, Inc Birmingham, AL

An old Sears store that lay vacant for over 20 years is the new site of the Entrepreneurial Center located in the heart of Birmingham's Downtown West Urban Redevelopment District. The \$17.8 million renovation project includes the redevelopment of an entire city block in a run down section of downtown Birmingham. The Sears building has become the consolidated space for the Business Incubator for the Entrepreneurial Center (EC) and the University of Alabama at Birmingham's (UAB) Biotechnology / Life Sciences Incubator (OADI). The combined effort was renamed The Innovation Depot. The CDE, Wachovia Community Development Enterprises, (WCDE) offered New Markets Tax Credit (NMTC) financing of \$14 million from its 2005 allocation.

The EC is a public/private, not-for-profit economic development organization and its purpose is to provide an environment in which emerging businesses can develop, grow and succeed. The EC received cash and multi-year funding commitments from the City of Birmingham, UAB, and Jefferson County. The EC currently houses the Birmingham Business Resources Center and works closely with the UAB Research Foundation and various UAB departments. Some 60-80 prospective entrepreneurs that were located in the two prior facilities were consolidated and re-located to the new building. It is estimated that approximately 755 individuals will benefit from the Entrepreneurial Center and the facilities will employ workers who are low income residents in the community. Additionally, the project has provided a greater demand for local goods and services, resulting in indirect job creation for residents of the low income community.

As a non-profit endeavor, the EC generated enough revenues to cover its cost of operation but could not attract private capital sufficient to accomplish the substantial \$17.8 million acquisition and renovation project. Wachovia Community Development Enterprise's NMTC loan of \$14 million was the key ingredient that made this project viable. It is having an enormous impact on revitalizing downtown Birmingham while fostering the growth of new entrepreneurs that in turn will provide new economic stimulus to the area.

50 Projects – 50 States: Alaska

NMTC Allocatee

**Alaska Growth Capital
Anchorage, AK
Hugh Short: 907.339.6784**

Community Profile

- 27.3% unemployment rate
- Native American population



Project Highlights

- Non real estate rural project
- Total Project Cost: \$1million
- NMTC: \$1million
- Investor: Wells Fargo
- 4-fold increase in workforce to 12 people

Envirotech

Tyonek, AK

The Village of Tyonek is a Deen'ina Athabascan Indian village of 193 residents located on a bluff overlooking Cook inlet, 43 miles southwest of Anchorage. The village is only accessible by sea or air and its residents maintain a subsistence diet primarily of salmon, moose, beluga whale and waterfowl. The village residents have a rich culture of subsistence, song, dance, story telling, and religion that date back more than a thousand years. The Tyonek Native Corporation was created by Alaska law for aboriginal claims to Alaskan lands. Through the New Markets Tax Credit (NMTC), the CDE, Alaska Growth Capital (AGC) used its 2003 allocation to join with the Tyonek Native Corporation (TNC) and provide a \$1 million loan for this project with Envirotech.

As part of the Alaska Native Claims Settlement Act of 1971, which established a series of village and regional Native corporations in a settlement of aboriginal claims to Alaskan lands, the Tyonek Native Corporation was formed. TNC has branched into many successful business ventures such as contracting for the government, construction, and tourism and continues to grow. Further, the Tyonek Native Corporation is the parent company to a wide range of subsidiary businesses, one of which attracted AGC's attention for the NMTC.

The AGC NMTC loan financed equipment purchases for Envirotech, a company that removes toxic elements from oilfield mud through an environmentally safe chemical process that also requires vacuums, conveyor belts and other equipment. In a span of 6 months, Envirotech's workforce increased four-fold from 3 to 12 people. The company's CEO was quoted in *Forbes Magazine* saying that the expansion would not have been possible without the NMTC investment.

50 Projects – 50 States: Arizona

Flores Harding Project Phoenix, AZ

The Flores Harding project involved two locations in the central business district of Phoenix that have poverty rates of 30 percent with a growing contingent of immigrant residents and native Latino families. The area is adjacent to higher income neighborhoods. Business services in the areas surrounding both sites reflect the overriding Latino cultural needs with a large number of small retailers and Class B office strata of economic development. The existing structure of the local Phoenix funeral services industry had created a higher cost threshold for basic funeral service packages, that were not affordable for the vast number of resident Latino families. The CDE, Prestamos CDFI, LLC. provided a \$1.7 million New Markets Tax Credit (NMTC) loan to purchase and retrofit two funeral facilities.

The NMTC loan was critical to the purchase of two separate sites for continuation of full service 9,076 square foot facilities, including processing facilities and a chapel and a reception area for services including Forwarding of Remains, Immediate Burial, Direction Cremation with Services and Viewing, pre-need insurance and other related products and services.

The Flores Harding facilities provide discounted service packages at prices less than 50 percent or more over competing providers in the surrounding area; thus preserving a family's financial integrity during a vulnerable time. In addition, the business referral network fostered by Flores Harding operations for cemetery, church, and other related services including flowers, transportation and catering have contributed to the economic vitality for employment and services serving the local Latino community.

The purchase price for the combined acquisition was financed with the assistance of a \$1.7 million NMTC advance by Chicanos Por Las Causa, Inc's financing entity, Comercio Arizona Real Estate I CDE, LLC. Non-standard terms were incorporated at an 8.5 percent interest rate.

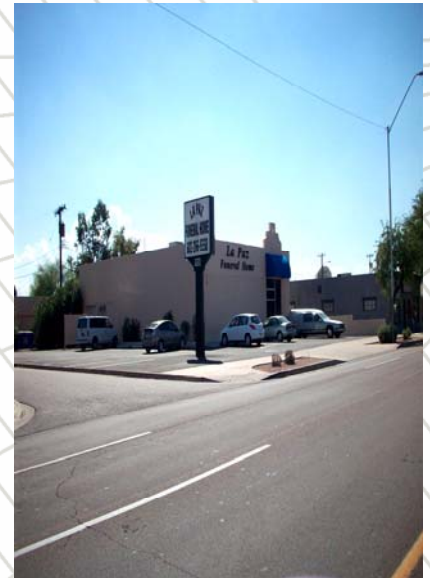
NMTC Allocatee

**Prestamos CDFI, LLC
Phoenix, AZ
Joe Martinez: 602.258.9911**

**An Affiliate of
Chicanos Por La Causa, Inc.**

Community Profile

- 30% poverty rate
- Latino Population



Project Highlights

- Real Estate: 2 buildings for funeral services
- Total Project Cost: \$1.7 million
- NMTC: \$1.6 million loan
- Financing Entity: Comercio Arizona Real Estate I CDE, LLC

50 Projects – 50 States: Arkansas

NMTC Allocatee

**Enterprise Corporation of the Delta
Jackson, MS
Bill Bynum: 601.944.1100**

Community Profile

- 12.5% unemployment rate
- 23% poverty rate



Project Highlights

- Real Estate: Hospital
- Total Project Cost: \$12.9 million
- NMTC: \$2.25 million
- Other Financing: M&F Bank, Simmons Bank, Union Bank, and Partners for the Common Good
- Jobs: 141 retained, 9 new

Delta Memorial Hospital Dumas, AR

In the Arkansas Delta, the Delta Memorial Hospital in Dumas has a long history of providing quality health care services to rural, low-income, and uninsured patients. Over time, local leaders recognized the challenges facing their small, not-for-profit hospital. Facilities were outdated, cutting-edge equipment was lacking, and patient capacity needed to be increased or the hospital would have to close.

Since the next nearest medical facility is more than 45 miles away, closing the hospital would have been devastating to the people of Desha County and the surrounding region. Despite the area's economic hardships, the community rallied behind their hospital, passing a \$9.9 million bond measure to pay for a new building and upgraded medical equipment.

Construction began, but the \$9.9 million was not enough to finish the job. That's when community leaders and local bankers called on Enterprise Corporation of the Delta (ECD) and Hope Community Credit Union (HOPE). In order to complete financing, ECD, the CDE, offered a NMTC initial loan of \$2.25 million. Working with Merchants & Farmers Bank, Simmons National Bank, and Union Bank & Trust, ECD/HOPE closed a \$1.69 million loan for the completion of the new hospital.

When the new Delta Memorial opened its doors in 2006, patients had new access to the latest in radiology and gastrology equipment, plus much-improved specialty clinics for urology, oncology, pulmonology, and sleep disorders. A testament to the importance of Delta Memorial Hospital came soon after its re-opening, when a fierce tornado ripped through Dumas, laying waste to much of the town. Dozens of injured residents were rushed to Delta Memorial's new emergency room for treatment. While much of the county suffered power outages, Delta Memorial remained in full operation thanks to new back-up generators. The Hospital also provided critical communication links when other communications systems failed.

Says James "Jim" Fairchild, CEO of Delta Memorial, "But I can also tell you beyond a shadow of a doubt, if it were not for the new medical facilities and equipment at Delta Memorial Hospital, we would have had a much greater tragedy that day."

50 Projects – 50 States: California

Azusa Commons

Azusa, CA

The Azusa Commons Retail Center is located in the city of Azusa, in the northeast part of Los Angeles County. The project is located in a designated redevelopment area, with an unemployment rate of 1.7 times the national average and where the per capita annual income is \$15,756, or 65.6 percent of the national average. The project serves a predominantly Latino population, which represents 67 percent of the population in Azusa.

The Azusa Commons Retail Center is the renovation of an existing shopping center containing approximately 202,000 square feet of commercial space, situated on a 22.7 acres site in the city of Azusa. The CDE, New Markets Community Capital LLC (NMCC), a subsidiary of the Los Angeles based TELACU, provided a \$7 million below interest loan using its New Markets Tax Credit (NMTC) allocation. Another CDE, Capmark, provided \$17.8 million from its NMTC allocation to the project.

The shopping center was originally built in the 1950's and was configured as an island with parking surrounding the center. The redevelopment plan reconfigures the center as a horizontal mixed-use project containing approximately 171,500 square feet of retail space and 102 attached town homes. Separate legal parcels have been established for the retail component and the residential component, with the residential site under contract to a third party developer. The redeveloped shopping center known as Azusa Commons, required demolition of some existing buildings, which were replaced with new buildings, and the renovation of the Cinema and the exterior renovation of Ross Dress for Less, CVS Pharmacy, and 99 Cents Only. An adjacent parcel will be the site of 102 affordable for sale homes, which will generate an additional 400 construction jobs. The renovated center will continue to provide targeted products and services to the local, low-income community.

TELACU and NMCC have an ongoing working relationship with the city of Azusa and works closely with the City on a number of its redevelopment projects. Working with its investors, NMCC was able to identify this high priority project in Azusa. The project is a direct result of the City's efforts to redevelop the area while maintaining and improving the level of services provided to the local community.

NMTC Allocatee

**New Markets Community
Capital, LLC
Los Angeles, CA
Jose Villalobos: 323.721.1655**

**An Affiliate of
The East Los Angeles
Community Union (TELACU)**

Community Profile

- City designated redevelopment area
- 22% poverty rate
- Median income 76%



Project Highlights

- Real Estate: mall renovation into mixed-use
- Total Project Cost: \$37.2 million
- NMTC: \$7 million from NMCC, \$17.8 million from Capmark
- Other Financing: City of Azusa
- Jobs: 154 construction and 213 permanent

50 Projects – 50 States: California

NMTC Allocatee

NCB Capital Impact
Arlington, VA
Annie Donovan: 202.336.7700

Community Profile

- 26.2% poverty rate
- Median income of 49.4% of area median income
- 24% Native American population
- 35% Hispanic patient population



Project Highlights

- Real Estate: mixed use
- Total Project Cost: \$12.2 million
- NMTC: \$10 million
- Jobs: 5-10 new

Native American Health Center **Oakland, CA**

Since 1972, the Native American Health Center has worked to provide critical health care services to one of the largest urban concentrations of Native American Indians in the country. The organization faces mounting challenges including diminishing resources, increasing costs, and growing numbers of uninsured or underinsured, low-income residents in the community. The CDE, NCB Capital Impact, used its New Markets Tax Credit (NMTC) allocation to provide \$10 million in debt and equity towards financing an expansion of the health center and additional uses.

The new 26,000 square foot “Seven Directions” mixed-use facility will be an expansion of the current Native American Health Center two blocks away, and will increase access to much needed health care services including primary medical care, comprehensive dental care and mental health services for American Indians and Alaska Natives. The holistic facility will also feature an outdoor American Indian cultural ceremonial space and 38 units of affordable housing being built above the health center. Today, due to population shifts, 24 percent of the people served by the health center are Native American, 35percent are Hispanic and the remainder are African American and other ethnicities.

Since 2001, NCB Capital Impact, along with 12 private and public partners, worked to arrange \$10 million in below-market financing for the Seven Directions facility in the Fruitvale neighborhood. These organizations include state and local government agencies, foundations, faith-based groups and other nonprofit organizations. The NMTC allocation provided the ability to construct a long-term, low-cost, fixed, below-market rate. Further, the credits offer a potential added benefit of up to \$2 million in equity. The collaboration of public and private organizations made this financing possible and affordable.

“This project is a historical achievement that incorporates both housing and improved healthcare for those who need it most. It’s a remarkable accomplishment that we’ve been able to ensure that future generations will have access to healthcare.”

- Martin Waukazoo, CEO of Native American Health Center

50 Projects – 50 States: Colorado

The Commons Durango, CO

The National Development Council and its CDE affiliate HEDC New Markets LLC assembled the financing for The Commons, a project in Durango a rural community lacking space for human services providers.

The city of Durango has a population of 15,000 and La Plata County has a population of 48,000. Forty percent of the county's jobs are in service and retail sectors with average annual wages of \$15,600 - \$25,500 respectively.

A former Federal building, the Commons is a 32,500 square foot structure that was acquired and renovated using New Markets Tax Credits, philanthropic and USDA financing enabling rents to be below-market rate. HEDC New Markets LLC provided \$2.27 million in NMTC debt financing. As a result of this financing package, human services and education agencies on tight budgets had affordable rents and residents of this rural, economically distressed area had access to important services.

The tenants will include 12 nonprofit service providers that collectively serve 2,000 adults and youth per year. Tenants include the San Juan Basin Agency on Aging, the Southwest Conservation Corps, the Girl Scouts Mile Hi Council, a rape crisis center and Alzheimer's Association. In addition, this project ensures that Pueblo Community College stays in Durango and creates a life-long learning center. The facility offers low-cost childcare, the lack of which had been a barrier to community college students and low-income clients.

Other tenants include, the Southwest Institute for Education and Conservation (SIEC), a state nonprofit corporation formed as a joint effort of the Durango Adult Education Center (DAED) and the Southwest Conservation Corps (SCC). The SIEC was organized specifically for the purpose of providing office space and facilities to educational agencies and nonprofit organizations.

NMTC Allocatee

**HEDC New Markets LLC
New York, NY
David Trevisani and Ann
Vogt: 212.682.1106**

**An affiliate of
National Development
Council (NDC)**

Community Profile

- State Enterprise Zone
- 25% poverty rate
- Local wages 32% below state average



Project Highlights

- Real Estate: community facility
- Total Project Cost: \$7.58 million
- NMTC: \$2.27 million
- Other funding: USDA Rural Development
- Jobs: 4 construction, 25 FTE and 169 permanent part-time

50 Projects – 50 States: Connecticut

NMTC Allocatee

**LISC NMTC Program
Kalamazoo, MI
Robert Poznanski: 269.343.9911**

Community Profile

- SBA Hub Zone
- 38% poverty rate
- Family income 28% of area median income



Project Highlights

- Real Estate: mixed use
- Total Project Cost: \$27 million
- NMTC: LISC \$4.9 million and National Development Council (NDC) \$12.6 million
- Other financing: US Bank
- Jobs: 210 construction, 249 permanent

Bridgeport Historic Rehabilitation

Bridgeport, CT

The Bridgeport project involves the historic rehabilitation of the two buildings in the city's downtown: the Arcade – one of only three remaining arcades in the United States – and 144 Golden Hill. Connecticut's largest city, Bridgeport, had become a symbol of significant poverty and disinvestment. The project is the second phase of a four-phase revitalization effort. The CDE, LISC, offered a way to leverage available financing and close the gap with its \$4.9 million in New Markets Tax Credit (NMTC) allocation authority featuring a mix in equity and debt.

This second phase will produce 59 market-rate rental apartments, 46,932 square feet of retail space, and 6,167 square feet of office space. By 2009, the project's four phases are expected to create approximately 500-700 housing units and 200,000 square feet of commercial space within a four-block area near the Metro-North and Amtrak railroad station. The project contains an environmentally friendly strategy for reclaiming the community's existing physical assets and will include green technology as a design element. Due to the project's location in an unproved market with high levels of economic distress, as well as the scale of investment required for the developer's multi-phase redevelopment, the project faced significant obstacles securing adequate financing. LISC's equity feature product was used to capture federal Historic Tax Credits in addition to the NMTC.

The scale of the Bridgeport project promises to make a large impact on the city's physical and economic environment while generating momentum for other efforts. Additionally, with a new city government in place, with renewed public investment from the State and other entities, and with an experienced urban developer onboard, the project will restore investor/developer confidence and affirm that Bridgeport stands on the brink of major revitalization.



50 Projects – 50 States: Delaware

Ships Tavern Row Wilmington, DE

The New Markets Tax Credit equity is an important financing source for the Ships Tavern Row redevelopment project. The equity contribution will facilitate the transformation of a source of community blight into vital and dynamic ground floor retail space and upper floor commercial offices.

CCG Community Partners assembled financing that included federal and state tax subsidies, sponsor and low interest debt. According to CCG, NMTC was a key ingredient in the package as it allowed for patient equity to finance part of the project. The rehabilitation and adaptive reuse of eleven adjacent historic buildings will provide over 55,000 square feet of street level retail space, upper floor commercial office space, and 10,600 square feet of basement storage space to a city block of vacant and underutilized buildings along Market Street in downtown Wilmington. The Ships Tavern Row redevelopment project will be instrumental in bringing additional critical residential mass to a blighted urban neighborhood by providing modern work spaces and shopping opportunities.

The vision for Ships Tavern Row is to create a distinct retail district bustling with evening and weekend traffic at street level, while offering modern commercial offices for local businesses above. Entrepreneurial retail operators will be recruited in order to create a differential retail mix that is unavailable at local shopping malls but favored by the 25-35 year-old residential target market working in downtown Wilmington. Seen as a catalyst for change by the City of Wilmington, the project is a centerpiece for the district.

The renovation and repositioning of the commercial spaces within the buildings should generate as many as 100 part-time construction related jobs, many of which will go to low or moderate income workers at wage levels that are higher than those currently being offered in the community. Once complete, the retailers within the project should create 85 or more new full-time jobs, with many going to low-moderate income persons at wage levels that are higher than what is currently available in the market.

The properties are located in the City of Wilmington's Ships Tavern District and the National Register's Lower Market Street Historic District and are eligible for, upon completion, a 15-year real estate tax abatement/freeze at current levels. The project received significant below market financing from the Christiana Gateway Corporation and will benefit from both Federal and Maryland State Historic Tax Credit equity financing provided by a CityScape affiliate.

The NMTC equity will bridge a critical gap in the financing structure, resulting in a Project that will contribute to the revitalization of an extremely distressed community adjacent to the Central Business District of Wilmington.

NMTC Allocatee
CCG Community Partners, LLC
El Segundo, CA
Paul Hoffman: 310.335.2040

An Affiliate of
Cityscape Capital Group, LLC

Community Profile

- Unemployment 2.16 times the national average
- Median income <44% of area median income
- 21.7% below poverty line
- SBA Hub Zone



Project Highlights

- Real Estate: Historic rehab
- Total Project Cost: \$18.7 million
- NMTC: \$2.5 million equity
- Other financing: Federal and state tax credits, state and sponsor debt
- Investor: Bank of America Community Development Corp.
- Jobs: 100 construction, 85+ permanent

50 Projects – 50 States: District of Columbia

NMTC Allocatee

**LISC NMTC Program
Kalamazoo, MI
Robert Poznanski:
269.343.5472**

Community Profile

- 44% poverty rate
- Median income 32% of area median income
- CDFI Hot Zone
- SBA Hot Zone



Project Highlights

- Real estate: Retail/grocery store
- Total Project Cost: \$20.6 million
- NMTC: \$18.5 million
- Investor: Wachovia Bank
- Jobs: 175 construction, 375 permanent

Shops at Park Village Shopping Center Washington, DC

The Shops at Park Village project is a 113,718 square foot commercial development in the Congress Heights neighborhood in southeast Washington, DC. This distressed area has a 44 percent poverty rate, family income 32 percent of the area median and has been designated as an Enterprise Zone, CDFI Hot Zone, and SBA Hub Zone. The project houses a Super Giant – the first supermarket to open in the area in nearly a decade. The CDE, LISC, provided an \$18.5 million loan from its New Markets Tax Credit (NMTC) allocation.

The Giant features a grocery, a full-service pharmacy, a Staples office supply aisle, and many ancillary goods and services. The project also consists of 10,700 square feet of new retail space, 16,300 square feet of renovated retail space, and 14,300 square feet of new office space to house a combination of local and national businesses offering a range of goods and services. The Shops at Park Village project represents the commercial component of a larger mixed use initiative to reuse and redevelop 7.5 acres of a vacant former army base (Camp Simms).

William C. Smith and Co. (WCS) and East of the River Community Development (ERCDC) are the project's joint developers. WCS is a Washington, D.C. based multidisciplinary firm with over 35 years experience in designing, constructing, and financing quality housing and commercial properties. ERDC is a nonprofit committed to increasing affordable housing, attracting new businesses, developing education/training programs and creating and retaining jobs in the Ward 8 section of southeast D.C.

Located in an unproven commercial/retail market with high levels of economic distress and only one large-scale tenant, the project faced significant obstacles to securing adequate financing under viable terms. LISC's program offered a timely way to leverage available financing, close the gap, and insulate the project from near-term operational risks that otherwise might overshadow its long-term outlook and benefits. An \$18.5 million in NMTC allocation authority provided a nontraditional, below-market interest rate; a longer interest-only payment period; and a higher loan-to-value ratio.

50 Projects – 50 States: District of Columbia

International House of Pancakes (IHOP) Washington, DC

Most lenders shy away from start up businesses and restaurant start ups are even more risky. But City First Bank of DC specializes in lending to small companies, many needing to borrow less than \$1 million. One of the projects it financed using the proceeds of capital raised through the New Markets Tax Credit (NMTC) program was a new International House of Pancakes (IHOP) in Washington, DC.

The owners, the Jackson family, have long ties to the Congress Heights community of SE Washington. It is one of the most economically challenged in Washington with a 28 percent poverty rate and the median income is 64 percent lower than the region. The Jacksons wanted to make their community livable by investing in the IHOP that is the only one in D.C. and the only sit down restaurant in this low-income community. The CDE, CF Bank Corporation used its NMTC allocation to provide a \$2.05 million below market loan to finance 100% of this project.

City First is committed to building assets in low wealth communities. The loan to the Jackson family financed the 4,900 square foot building that seats 198 customers and employs 61 local residents. The IHOP is a bustling vibrant retail business in a newly expanded shopping center that has provided a vast array of vital consumer services to low income families including a bank, grocery store and other retailers. Through the NMTC program, the IHOP received affordable financing that allows the start up business to grow and enjoy lower operating costs during its most difficult period as it becomes seasoned and gains financial strength.

The IHOP is part of the Shops at Park Village Shopping Center, another NMTC financed project in southeast DC. This shopping center is noteworthy in that not only is the IHOP located there, but also the first new supermarket to open in the area in over a decade.(see project profile on previous page) The site is on a vacant former army base (Camp Simms).

NMTC Allocatee

**CF Bank Corporation
Washington, DC
Marie Mann Bibbs:
202.243.7115**

Community Profile

- 28% poverty rate
- Median income 64% of area median income



Project Highlights

- Real Estate: Restaurant
- Total Project Cost: \$2.05 million
- NMTC: \$2.05 million
- Investor: Wachovia Bank
- Jobs: 60-70 construction , 61 new

50 Projects – 50 States: Florida

NMTC Allocatee

Florida Community Loan Fund
Contact: National Capital
Impact (NCB)
Arlington, VA
Annie Donovan: 202.336.7700

Community Profile

- 31.1% poverty rate
- 7.7% unemployment



Project Highlights

- Real Estate: middle school for minority youth
- Total Project Cost: \$8.17 million
- NMTC: \$7.4 million
- Equity Investors & Leveraged Lenders: NCB and U.S. Bancorp Community Development Corporation

ASPIRA of Florida **Miami, FL**

For the last 10 years, ASPIRA of Florida, Inc, a non profit organization has operated alternative middle schools for high risk minority youth, expanding now to all minority children. Eighty-five percent of the student population qualifies for free and reduced-price lunches, 44 percent are African American and 47 percent Hispanic.

Traditionally, standardized testing in these local public schools has trailed statewide averages. Charter schools like ASPIRA North have helped to reverse that trend in Florida and across the country. For school year 2005-2006, the state awarded ASPIRA North a grade of “A” based on its students’ mastery of established Florida state standards. In addition, ASPIRA North met the conditions for Adequate Yearly Progress under the No Child Left Behind program, having satisfied 100 percent of the criteria. While ASPIRA charter schools serve the most economically disadvantaged students in the state, data shows its students are making great progress.

Banking on this success, Florida Community Loan Fund (FCLF) used its New Markets Tax Credit (NMTC) to finance a new school facility. FCLF provided a loan for \$7.4 million and the credit will allow the ASPIRA project to gain up to \$1.5 million in equity at the end of seven years. NCB Capital Impact and U.S. Bancorp Community Development Corporation (USBCDC) provided the debt and equity for this transaction, with NCB as the leveraged lender for \$5.8 million and U.S. Bancorp providing \$1.6 million in equity.

This project will allow the school to double its enrollment from 300 to 600 students. This project is noteworthy for its financing with a unique partnership among financial services and community development institutions and the federal NMTC Program. NCB Capital Impact provided its expertise in charter school underwriting, construction management and loan servicing. Without the NMTC, the school would not have been able to afford a new building with this amount or quality of space.

50 Projects – 50 States: Georgia

Decatur Street Project Atlanta, GA

The Decatur Street (JREI) project is located within an economically disadvantaged community in Atlanta's central business district, 4 blocks from the State Capitol. The site lies within a federal Empowerment Zone, Renewal Community, Enterprise Zone, and special "Tax Allocation District". A HOPE VI residential development is across the street.

The CDE, Wachovia Community Development Enterprises (WCDE) provided a \$7.5 million New Markets Tax Credit (NMTC) loan that was used to fund construction of a 40,000 square foot three-story commercial office building and additional 12,000 square feet in the telecom facility, and replace existing construction financing, as well as reimburse the guarantor for equity infused into the project for direct construction costs.

The property site consists of three commercial buildings: a three-story, brick, 100 year-old building was renovated into "loft" style office space, occupied by the city of Atlanta. A factory building was renovated for Excelletron, a start up manufacturer of advanced Multi-Layer lithium ion (MLi) batteries. The third building is an 80,000 square foot metal & brick building, renovated for Telecom switching operations. Space will be made available to a regional nonprofit agency, the Georgia Alliance for Children.

The developer, as part of its business strategy, is committed to creating jobs for low-income citizens. With NMTC, the project was able to secure a significant portion of the funding with a substantial reduction in interest/financing costs.

Wachovia served as both investor and lender for this \$8.7 million project. The deal team has worked closely with the developers since 2001 to find an appropriate financing vehicle for this project. With the NMTC program, WCDE was able to provide creative solutions to make this project a reality.

NMTC Allocatee

**Wachovia Community
Development Enterprises
Charlotte, NC
Wanda Clark: 214.624.1776**

**An affiliate of
Wachovia Bank, N.A.**

Community Profile

- 55% poverty rate
- Median family income 23% of area median income
- Unemployment rate nearly twice the national average



Project Highlights

- Real Estate: commercial rehab
- Total Project Cost: \$8.7 million
- NMTC: \$7.5 million
- Other financing: developer
- Jobs: 100 created/retained

50 Projects – 50 States: Hawaii

NMTC Allocatee

**Advantage Capital
Community Development
Fund, LLC
St. Louis, MO
Dana Minaudo: 314.725.0800**

**An affiliate of
Advantage Capital Partners**

Community Profile

- Median income 56.6% of area median income
- 16.4% unemployment rate



Project Highlights

- R&D for high tech start up
- NMTC: \$250,000

Hoku Scientific Inc. Kapolei, HI

Hoku Scientific is a clean energy technologies company that develops and manufactures fuel cell membranes and polysilicon, the base material for solar cells. Hoku's development philosophy focuses on building solutions that leverage clean and efficient technology. Hoku Scientific is located in a rural community that is in a qualified low-income community census tract that has a median family income of 56.6 percent and unemployment rate of 16.4 percent.

Since the company began in 2001, it has developed hydrocarbon-based membranes and membrane electrode assemblies for proton exchange membrane fuel cells. More recently, Hoku expanded its focus for the production of solar modules and polysilicon for the solar energy market. Hoku Scientific has contributed greatly to the Hawaii economy. Today it has 21 employees. Hoku completed an initial public offering in 2005, making it the first IPO in Hawaii since 1999. Hoku used a substantial portion of the proceeds to build a factory with manufacturing, research and development, and office space.

Using funds raised in connection with the federal New Markets Tax Credit (NMTC) program, Advantage Capital Community Development first invested \$250,000 in Hoku Scientific in December 2003 as part of a \$5 million common stock financing to develop its proprietary fuel cell membrane and MEA (membrane electrode assembly). Since the Fund's initial investment, the company has made impressive progress in terms of developing its technology and raising investment capital. This is a prime example of how Advantage uses state incentives in connection with the NMTC program and, as a result, drives capital raised under these state-level programs to low-income communities in that state.

Hoku's shares are traded on the Nasdaq National Market under the trading symbol, "HOKU."

50 Projects – 50 States: Idaho

Idaho Youth Ranch Nagel Center Boise, ID

The Idaho Youth Ranch Nagel Center is located in a HOT zone and designated redevelopment area. In order to redevelop vacant real estate and make space for their Corporate offices, as well as a larger space for their distribution center, the New Markets Tax Credit (NMTC) was used for a commercial loan. The CDE, Key Community Development New Markets LLC was able to use its NMTC allocation to provide a \$4.6 million below market rate loan to support the project.

In 1983 a “thrift” store was opened to generate revenue from the sale of donated clothing and household items. Today, an integrated network of 17 large stores generates substantial revenue, work opportunities (about 20 full time jobs created), and good will. The purchase price was financed allowing for more retention of funds to help growth. Idaho Youth Ranch provides the following services:

- Residential Center Service for Children and Youth
- Group Home Service
- Emergency Shelter Service for Abused and Neglected Children
- Day Treatment Service
- Transition and Aftercare
- Counseling Service for Families and Children
- Adoption Service
- Pregnancy Counseling and Supportive Service

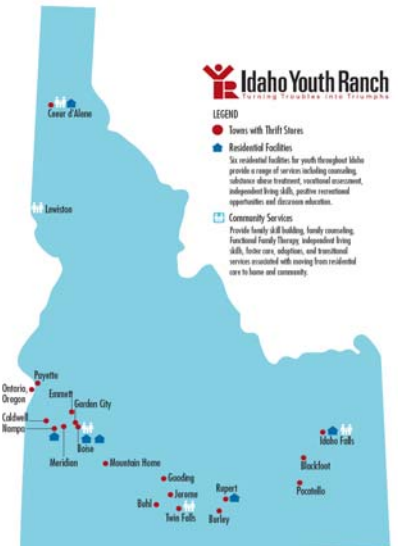
Key’s controlling entity formed its Community Development Banking (CDB) line of business in 1989 as a separate line of business with credit and lending personnel dedicated to providing financing to meet the needs of their respective communities. But for the NMTC discount on the loan, the nonprofit would not have been able to qualify for the loan.

NMTC Allocatee

**Key Community
Development New Markets
LLC**
Cleveland, OH
Susan Terrell: 216.689.5546

Community Profile

- CDFI Hot Zone
- Median family income 65% of area median income



Project Highlights

- Real Estate: mixed-use office and housing
- Total Project Cost: \$5.3 million
- NMTC: \$4.6 million
- Other financing: owner
- Jobs: 20 new full time

50 Projects – 50 States: Illinois

NMTC Allocatee

Bethel New Life, Inc.
Chicago, IL
Stacey Flint: 773.473.7870

Community Profile

- 15% unemployment rate
- Predominantly African-American and growing Latino population
- Median income 72% of area median income
- Brownfield site

Bethel Commercial Center

Designed to a LEED Gold level, the building features a green roof, a photovoltaic canopy, and healthy materials.



Project Highlights

- Real Estate: Commercial Center, Gold LEED Certified
- Total Project Cost: \$4.6 million
- NMTC: \$1.3 million
- Other financing: State of Illinois, City of Chicago, other public sources
- Investors: Midwest Bank and Park National Private Bank
- Jobs: 75 permanent full-time

Bethel Center Chicago, IL

Formerly a vacant brownfield, the newly constructed Bethel Center is located in the West Garfield and Austin community, 5 miles west of downtown Chicago. Today, the 23,000 square foot Bethel Center houses employment services, child development facilities as well as a community technology center and six commercial storefronts (including a full service bank). The Center also serves as an anchor at a major transit stop which had previously been slated for closure by the City. But for this project the community would have been resigned to a contaminated vacant lot and a loss of vital transportation into the City center. The CDE, Bethel New Life used its New Markets Tax Credit (NMTC) allocation to provide a \$1.3 million construction loan for this project.

For 29 years, Bethel New Life has been dedicated to asset-based community development and constantly seeks out projects that empower individuals, strengthens families, and builds thriving neighborhoods. The Center was born out of discussions with community members and a conscious effort to build green and transit-oriented development to comply with established guidelines and metrics. Bethel New Life worked with City, State, utility and environmental consultants over 10 years to realize the dream that is the Bethel Center.

Certified as LEED Gold, the Center features a “green” roof and photovoltaic cells which reduce the building’s energy consumption. Aligning the project with the El station was key, says Mary Nelson, then CEO of Bethel New Life. In this community, only about 35 percent of residents have cars, so public transit is a way of life for most. “We see this building, at this transit stop, as an anchor,” says Nelson. “We’ve built at least 50 new housing units within walking distance as a part of the transit-oriented development. This new building is just the first step, a wonderful stepping stone to revitalizing the area.”

Designed on a tight site, the two-story building has a third-story portion that acts as a lobby for the bridge from the El platform. A steel structure forms the building’s shape, but the rest of the structure is all about concrete. The thermal mass of concrete helps keep temperatures even and consistent, and blocks noise from busy adjacent Pulaski Road and the El train. In fact, energy modeling shows that the Center exceeds energy savings requirements by 50 percent.

50 Projects – 50 States: Illinois

VNA of Fox Valley Health Center Aurora, IL

Nearly 97,000 residents in Kane County have little or no health insurance, including 14,000 children. In 2005, VNA of Fox Valley Health Center served 21,035 clients, 81 percent were low-income and 68 percent Latino. In the last five years, VNA Health Center services increased 50 to 85 percent each year, a growth trajectory expected to continue as Aurora's senior population expands and as health concerns among those in poverty continue to be a priority in Kane County, located 40 miles west of Chicago.

To address this exploding need, VNA of Fox Valley Health Center needed to expand its space to serve nearly 15,000 more patients and provide 60,000 more exams a year to uninsured and underinsured residents of the Fox Valley area. Without the expanded VNA services, these residents would continue to use expensive emergency rooms as a means for primary care.

The facility also offers a pharmacy with a drive-thru window and an onsite laboratory for blood work and testing and other diagnostics that provides faster results. Finally, VNA's new facility helps care for the community's spiritual and emotional health with a hospice sanctuary. The sanctuary is available for the hospice program's bereavement group meetings and remembrance services, and it is also open to all community members as a place for quiet reflection. VNA, a Federally Qualified Health Clinic since 2002, offers home health, hospice, and primary health care.

The total project cost was \$6.9 million including a \$1 million New Markets Tax Credit (NMTC) loan from IFF. The project was completed in 2007. IFF is a leader in the field of facilities financing.

NMTC Allocatee

**IFF (formerly Illinois Facilities Fund)
Chicago, IL
Jose Cerda: 312.596.5124**

Community Profile

- Patient population 81% low income, 68% Hispanic, and 60% uninsured
- Designated QTC-Distressed Area
- Also borders 4 other QTC-Distressed census tracts
- 9.6% unemployment rate



Project Highlights

- Real Estate: Healthcare Facility Expansion
- Total Project Cost: \$6.9 million
- NMTC: \$1 million
- Other financing: AMCORE Bank, Bureau of Primary Healthcare
- Jobs: 10 new full time employees

50 Projects – 50 States: Indiana

NMTC Allocatee

**CBAI Community
Development, Inc.
Indianapolis, IN
Joe DeHaven: 317.387.9380**

**An Affiliate of
Indiana Bankers Assn.**

Community Profile

- Hub Zone
- Brownfield site
- Median income 74% of area median income



Project Highlights

- Real Estate: Paper plate manufacturing plant
- Total Project Cost: \$6.5 million
- NMTC: \$2.4 million
- Other financing: Community Revitalization Enhancement District, Indiana tax credits, city of Marion, TIF, HB Capital (venture capital firm)
- Jobs: 65+ permanent

Winterfield, LLC Marion, IN

Marion, Indiana, is known as the birthplace of the paper plate industry. At one time, when paper plates were a brand-new item, five of the nation's nine paper-plate factories were in Marion. That was decades ago. Since then, the area has fallen on hard times with community median income 74% of the area median income.

Now, thanks to the New Markets Tax Credit, the paper plate industry has been revived in this small city located in the north central part of Indiana. The CDE, CBAI Community Development, Inc. an affiliate of the Indiana Bankers Association provided a \$2.24 million New Markets Tax Credit (NMTC) loan to this project.

Marion once had a thriving manufacturing base but in the past few decades factories have closed. In 2004, Thomson's RCA, a maker of TV picture tubes closed laying off nearly 1,000 workers and leaving Marion in a severe economic slump. Unemployment in the area is at least 1.5 times the national average. Marion needed a boost.

In came Winterfield, LLC a start up paper plate manufacture that has modernized the industry with a high speed production process. The company acquired and rehabilitated an 180,000 square foot former paper plate manufacturing facility that had been vacant for more than 30 years. The project also included the purchase and installation of equipment and a high tech distribution assembly line. Upon completion in 2005, the new plant created 65+ jobs with an average compensation package more then \$12/hour. In addition 89% of the workforce is from the local community. The company uses half the facility space and the remaining 90,000 square feet is available for lease to other commercial enterprises.

This project would not have been possible without the cooperation of a unique group of stakeholders. The city came through with Tax Increment Financing (TIF) that was used to help construct a rail spur to connect the facility to the rail line. The state of Indiana also had a significant role in offering tax credits through its community revitalization enhancement district program.

50 Projects – 50 States: Iowa

Adler Theater Davenport, IA

The Adler Theater is a historic, 2,352-seat theater in a distressed low-income census tract in Davenport, Iowa. Built in 1931, the RKO Orpheum opened with much fanfare as a venue for vaudeville shows. First-run movies played at the theater until the doors were closed in 1973. In 1981, the Theater was purchased by the Davenport Chamber of Commerce and donated to the River Center for the Performing Arts, Inc. (RCPA). The Orpheum was renamed the Adler Theater in memory of publishers, E.P. Adler and his son Philip D. Adler, both known for their charitable and cultural achievements in the community. To operate efficiently and successfully, the Adler needed to install upgrades in order to meet modern standards.

Using New Markets Tax Credits (NMTC), Iowa Community Development (ICD) stepped in, providing financing to renovate the theater allowing the Adler Theater to provide greater economic impact, improve performance quality, increase usage, operate as a more cost effective theater and continue to enhance the quality of life in the Quad Cities. ICD provided a \$9.5 million loan for stage expansion and backstage rehabilitation including an increase in critical stage and storage space, enhancement of the sound system, relocation of dressing rooms, installation of a new freight elevator, replacement of heating and cooling and other mechanical equipment and improved lighting and rigging

Without the financing provided by Iowa Community Development's (ICD) NMTCs, the Adler Theatre would have had a significant fundraising burden beyond what had already been contributed to the project, causing delays in completing construction. A lack of NMTC investment would have then delayed planned community activities benefiting low-income persons and economic activity resulting from the increased attendees. In 2007, the number of theater attendees increased from 50,000 to 76,299 due to the renovations. The revitalization of the Adler theater has already positively impacted the surrounding community, with several businesses applying for new business license applications within a two block radius of the theater.

NMTC Allocatee

**Iowa Community
Development (ICD)
Johnston, IA
Dan Robeson: 515.223.4511**

Community Profile

- 45.2% poverty rate
- 39.8% median income of area median income
- Unemployment 3.1 times national rate
- Economic Development and Housing Hot Zones, State Enterprise Zone, SBA Hub Zone, HHS medically underserved area



Project Highlights

- Real Estate: historic theater rehab
- Total Project Cost: \$17.5 million
- NMTC: \$9.5 million
- Investor: U.S. Bancorp
Community Development Corp.
(USBCDC)

50 Projects – 50 States: Kansas

NMTC Allocatee

**Valued Advisor Fund
Madison, WI
Terri Preston-Koenig:
312.307.9550**

**An Affiliate of
Virchow, Krause & Company,
LLP**

Community Profile

- 10.6% unemployment rate, 1.5 times national average
- SBA Hot Zone
- CDFI Hot Zone
- Brownfield



Project Highlights

- Real Estate: steel plant rehab for commercial use
- Total Project Cost: \$10.3 million
- NMTC: \$7.8 million
- Jobs: 185 permanent

Dial Properties Commercial Development Manhattan, KS

Manhattan, Kansas is a small urban community located several hours away from Kansas City. Near Fort Riley, it faces both the opportunity and the hurdles of dealing with the growth of this military base. In the past it has seen significant industrial disinvestment and job loss, leaving an employment gap throughout the community. The CDE, Valued Advisor Fund (VAF) used its New Markets Tax Credit (NMTC) allocation for a joint debt and equity financing of \$7.88 million for phase 1 of redevelopment for a new commercial area.

The project was the initial phase of the City's master plan for the north portion of its redevelopment efforts. The first phase involved re-use of an abandoned steel site to create a new commercial area that would accommodate 45,300 square feet of commercial real estate and include Best Buy as the anchor tenant, along with McAllister's Deli and Dunn Brother's Coffee and Hollywood Video. The second phase would follow the corridor and allow for additional build out of a similar retail mix. A third phase brings in a convention center and prairie museum.

Dial Commercial Development is owned by Dial Realty, the primary landowner and developer for this project. They are a Nebraska based commercial developer specializing in large-scale commercial development throughout the Midwest.

VAF Funded the first phase of the development utilizing two separate allocations. The first transaction was a combined NMTC equity and bank debt issued as one note of \$7.88 million with an interest rate of approximately 5.8% percent. The second transaction involved two debt instruments; 1) a \$750,000 loan at 2.5 percent (NMTC equity as source for this debt); and, 2) \$1.67 million loan at approximately 5.8% percent.

VAF's mission is to provide for community focused, high impact funding working in collaboration with local Community Development Financial Institutions and Community Development Entities. VAF worked with Neighborhood Investment Development Corporation, and with the Central Bank of Kansas City, a CDFI.

50 Projects – 50 States: Kentucky

Health and Science Building University of the Cumberlands Williamsburg, KY

The University of the Cumberlands is located in a rural area in Williamsburg, Kentucky nestled in the foothills of the Appalachian Mountains. Williamsburg is known as the Gateway to the Cumberlands: Cumberland River, Cumberland Falls, Lake Cumberland and the University of the Cumberlands. The University spans approximately 70 acres and includes 34 buildings including 2 sports field complexes. It has an enrollment of 2,169 students and also provides many programs and services to the local community.

The University was interested in improving its facilities not only for its students but also to improve the education and health of the extremely low income Appalachian community in which it is located. The purpose of the project was to finance the construction and renovation of a health and science building and improve several other health and wellness facilities and athletic fields.

Kentucky Highlands Community Investments, LLC, the CDE, used its New Markets Tax Credit (NMTC) allocation to provide \$16 million in the form of a seven year interest only loan at 1.1875 percent. The project included renovation of 57,000 square feet of the science and health building and construction of a 28,000 square foot addition to the building. There were 50 construction jobs created and another 50 jobs retained by the project. The facilities will also provide student and work study employment. The new science building is the location for an annual science symposium for local high school students. Also directed towards the community is the Rogers Scholars Program, which was developed in conjunction with Congressman Harold Rogers. This program enrolls 38 Appalachian Kentucky middle school students that attend a scholastic summer camp to be held at the upgraded science facilities.

Working with the NMTC investor, Fifth Third Community Development Corporation, KHIC was able to assemble a financing package affordable to the University and to develop new science and health facilities accessible to the low-income community.

NMTC Allocatee

**Kentucky Highlands
Community Investment, LLC
London, KY
Brenda McDaniel:
606.864.5175**

Community Profile

- Median income 50% of area median income
- Unemployment rate is 1.4 times the national average.



Project Highlights

- Real Estate: science building
- Total Project Cost: \$16 million
- NMTC: \$16 million
- Jobs: 50 construction and 50 permanent

50 Projects – 50 States: Louisiana

NMTC Allocatee

Chase New Markets Corporation (CNMC)
New York, NY
Matthew Reilein:
312.336.5054

**An affiliate of
JPMorgan Chase & Co.**

Community Profile

- 27% poverty rate
- GO Zone



Project Highlights

- Real Estate: historic rehab for mixed use
- Total Project Cost: \$21.7 million
- NMTC: \$7.6 million
- Other financing: Chase federal and state historic tax credits
- Jobs: 150 construction, 75 permanent

Kress-Knox-Levy Project – GO Zone Baton Rouge, LA

The Kress-Knox-Levy Project is named after the three historic buildings being revitalized to accommodate the growing population in Baton Rouge's central downtown district, an area with a 27 percent poverty rate. Baton Rouge has been impacted by a changing economy due in large part to an influx of residents from devastated coastal areas inland including the more than 250,000 New Orleans residents that fled to the vicinity after Hurricane Katrina. This migration included individuals and families as well as commercial businesses. In the long run, Baton Rouge's population is expected to increase 20 percent or by 50,000 residents.

The Kress Knox Levy buildings are on the National Register of Historic Places and the renovation will rejuvenate 65,000 square feet as mixed-use development, including office and retail space, 16 rental apartments and 3 condominiums. The buildings lie on the edge of the city's primary entertainment and retail strip, but are surrounded by underutilized property. In addition to meeting the demand for high quality office space and housing brought on by the influx of New Orleans residents and businesses, it will also prompt the revitalization of the area.

Without the New Markets Tax Credit (NMTC), the project would not have moved forward because rents in the area would not have supported the acquisition and renovation of the buildings without a below-market component. The NMTC is helping Baton Rouge address three important issues: a lack of high-quality commercial and residential space; preservation of its architectural history; and revitalization of its central business district. Using Chase New Markets Corporation NMTC financing, they provided a \$7.6 million construction and mini-perm loan with a seven-year interest only period, a seven-year no amortization period, and an interest rate that was 300 basis points below JPMorgan Chase's conventional rate.

Once completed, the Kress-Knox-Levy Project will have created 150 construction jobs, saved three historic buildings from demolition and brought them back into use, and created 75 new permanent jobs in a growing community.

50 Projects – 50 States: Maine

Maine Mutual Insurance Presque Isle, ME

MG Insurance Company (MMG) is a financial services processing center that is a leading professional employer in Aroostook County, Maine. Aroostook, with a population of 73,000, is the only county in Maine which is a high out-migration county based on 2000 census data. The county lost 10 percent of its population during the prior 20-year period.

Against this backdrop, the presence and commitment of a significant financial services company is very important to the county as a whole. MMG has been a vital member of the business community for over 100 years. When MMG wanted to expand its facilities, CEI Capital Management stepped in. Using its New Markets Tax Credit (NMTC) allocation, they provided a \$7 million equity infusion to finance expansion of its operating facility from 25,000 square feet, to 45,000 square feet.

With operating facilities almost double the size, MMG was able to hire 45 new employees. The renovated headquarters building houses multiple functions, with the claims processing unit being the primary group within the facility. The original 25,000 square foot structure was completely renovated and integrated into the 20,000 square foot addition. CEI financing also provided for improved office space and technology.

MMG is a locally controlled employer in a rural area prone to out-migration. MMG's average employee pay scale exceeds regional per capita income by 50 percent. The NMTC equity infusion also allows this local company to expand its overall sales volume within industry and regulatory standards. Given that 93 percent of its sales are out of the area, but support a \$6 million payroll in the County, the expansion in sales is a win-win for both the company and the county.

NMTC Allocatee

**CEI Capital Management,
LLC
Portland, ME
Charles Spies: 207.772.5356**

**An Affiliate of
Coastal Enterprises, Inc.**

Community Profile

- Highly distressed census tract
- Federally designated high out-migration area

Project Highlights

- Real Estate: facility expansion
- Total Project Cost: \$7 million
- NMTC: \$7 million
- Equity Investor: Country Mutual Insurance Company
- MMG's average employee pay scale exceeds regional per capita income by 50%
- Jobs: 125 retained 45 new



50 Projects – 50 States: Maryland

NMTC Allocatee

**Enterprise Community
Investment, Inc.
Columbia, MD
Suzanne Brown: 410.772.2682**

An Affiliate of Enterprise Community Partners Community Profile

- Empowerment Zone
- SBA HUB Zone
- 56% poverty rate
- Family income 30% of median area income



Project Highlights

- Real Estate: mixed use
- Total Project Cost: estimate over \$1.8 billion
- NMTC: \$33.4 million
- Other financing: private developer, Tax Increment Bond Financing, federal, state and city, The Annie E. Casey Foundation, Johns Hopkins, other foundations
- Jobs: 8,000+ new

East Baltimore Development, Inc. (EBDI) Baltimore, MD

The redevelopment of East Baltimore is an extremely ambitious and important project. The East Baltimore Development Inc. (EBDI) project is focused on revitalizing a blighted 88 acre urban neighborhood in East Baltimore adjacent to the Johns Hopkins University medical campus. The site lies within four highly distressed census tracts where the unemployment rate was 4.37 times the national rate. Baltimore is suffering from older industrial area challenges of inadequate housing, high crime rates and persistent poverty.

Created in 2002, EBDI is to implement and manage the East Baltimore Redevelopment Plan. The Plan consists of developing a world class Life Sciences Park with three Life Sciences buildings encompassing approximately 1.3 million square feet of biotechnology and office space. The development also will include retail space (181,054 square feet), new or rehabilitated mixed income apartments/townhomes (2,273 units) and a K-8 public charter school (166,000 square feet), the first new school built in Baltimore in 30 years. Two apartment buildings, a senior building and a workforce housing building, were completed in 2007 and are 100 percent occupied. The first Life Sciences building was completed in April 2008 and is 50 percent leased primarily to Johns Hopkins University. (for more on the Life Sciences Building see the next project profile)

This redevelopment will transform East Baltimore. It is a two phase project estimated to invest \$1.8 billion in the community by 2015. The community impact will be significant as low income residents are able to get new jobs, live in safe and affordable housing, have their children attend a brand new school and enjoy new parks and green spaces. Enterprise made three NMTC enhanced loans totaling \$33.4 million to the project. The NMTC loans are directed towards infrastructure development, demolition, operating support, family advocacy and support services, relocation benefits, housing rehabilitation and other activities.

The East Baltimore project holds out the hope of job opportunity and improved education, housing and services in a very poor community. The patient, flexible capital provide through NMTC is a key ingredient in this very important project.

50 Projects – 50 States: Maryland

Phase I - Life Science Building of EBDI Redevelopment Baltimore, MD

The Life Sciences and Technology Park is the anchor of Phase I of the East Baltimore Development Incorporated (EBDI) redevelopment project (profiled on previous page) and is viewed as the economic engine for Phase I.

Since 1982, the Harbor Bank of Maryland (Harbor Bank), Baltimore's largest minority owned financial institution, has provided commercial banking products and services to the largely unbanked minority community in Greater Baltimore. Harbor Bank has earned a reputation as a well respected community lender and that led to creation of Harbor Bankshares Corporation (HBC) with Harbor Bank as a primary subsidiary. HBC is a certified CDE and deployed a \$25.5 million New Markets Tax Credit (NMTC) financed loan for the Phase I construction of the Life Sciences Building.

HBC's NMTC allocation financed the development of the 138,000 square foot Life Sciences Building. Capmark Capital collaborated with US Bank as HBC's NMTC investors for the project, structuring a leveraged NMTC investment so HBC was able to finance a seven-year, interest-only subordinated loan to finance 25 percent of the project. The transaction was structured to ensure that \$5 million would be converted to an equity investment in EBDI, the CDFI entity responsible for overall project development and management. Without the creative utilization of NMTC providing both debt and especially the equity piece, EBDI would not have the financing necessary to carry out its vital co-developer and management roles. In addition to working with HBC, EBDI is also working with two other NMTC participants – Enterprise (profiled in this report for the overall project) and Bank of America CDC.

The master plan calls for a two-phase development effort that will transform the blighted, under-utilized land into a thriving mixed-income, mixed-use community including the state-of-the-art 2 million square foot Life Sciences and Technology Park. The total project cost, for both phases is projected to be \$1.8 billion.

NMTC Allocatee

**Harbor Bankshares Corp.
Baltimore, MD
Joseph Haskins, Jr.:
410.528.1882**

An Affiliate of Harbor Bank

Community Profile

- Empowerment Zone
- SBA HUB Zone
- 56% poverty rate
- Median income 30% of area median income



Project Highlights

- Real Estate: Bio-tech building
- Total Project Cost: \$100+ million
- NMTC: \$25.5 million
- Investors: Capmark Capital and US Bank
- Jobs: 6,000 new for entire Life Sciences & Technology Park

50 Projects – 50 States: Massachusetts

NMTC Allocatee

**Massachusetts Housing
Investments Corporation
Boston, MA
Deborah Addis: 617.232.3378**

Community Profile

- Median income 39% of state median income
- 26% poverty rate
- 70% of city is NMTC eligible



Project Highlights

- Real Estate: historic theater rehab
- Total Project Cost: \$21 million
- NMTC: \$16.7 million
- Other Financing: federal historic tax credits, City, philanthropic and public

Colonial Theater Pittsfield, MA

Pittsfield, a city in western Massachusetts with a population of 48,000, is the largest community in largely rural Berkshire County and the business center of the region. Pittsfield has struggled with poverty, unemployment and urban blight. The city was devastated in the 1990s by the closing of its major employer, General Electric, and the loss of thousands of jobs. Seventy percent of the city's population lives in New Markets Tax Credit (NMTC) eligible census tracts. Massachusetts Housing Investments Corporation (MHIC), the CDE provided a mix of New Markets Tax Credit debt and equity financing totaling \$16.7 million.

This project involved the complete restoration of a historic theater built at the turn-of-the-century and closed for more than 50 years. Located in downtown Pittsfield, the theater is a rare architectural gem (designed by America's leading theater architect of that period, J.B. McElfatrick) and "one of the greatest acoustical houses in the world." Periodic attempts to redevelop the theater failed for lack of money and sustained public support. Along came a group of forward-looking individuals and civic leaders who envisioned bringing Pittsfield back to life as an arts center. At the heart of that vision was redevelopment of the Colonial Theatre and a new Cinema Center (also using MHIC NMTC financing, closed in 2008, under development). Together those projects would form the centerpiece for the city's revitalization efforts, acting as a catalyst for economic development.

The 70,000 square foot theater and adjacent building were magnificently restored. With 823 seats, the theater opened in August 2006 and is featuring an impressive line-up of plays and musical shows. The theater and Cinema Center are the centerpiece of the city's downtown revitalization strategy. The city's plan to attract 500,000 new visitors yearly to downtown is anchored by these projects.

MHIC provided ongoing technical assistance throughout the process to craft the complex NMTC and Historic Tax Credits (HTC) financial package and legal structure necessary to achieve financial feasibility, assure long-term financial stability, and provide a legal and organizational framework that would meet the theater's operational needs. MHIC also provided ongoing oversight and monitoring of pre-construction planning and the rehabilitation itself.

50 Projects – 50 States: Massachusetts

Hot Mama's Foods Springfield, MA

Springfield, Massachusetts has seen more than its share of hard times. The condition of the City's finances required intervention by the state. Unemployment is high and a number of neighborhoods in the city have high levels of economic distress. Springfield was a community ripe to benefit from a New Markets Tax Credit (NMTC) project.

Lansal, Inc. (d/b/a Hot Mama's) is a leader in the manufacturing of fresh, high end, natural food products while promoting sustainable business practices and environmental consciousness. Founded in 1984, the company manufactures and packages fresh and fresh-to-frozen organic food products including salsa, hummus, pasta sauces, and spreads. The firm's latest expansion in Springfield will allow the company to market new products including burritos, tacos and other popular international fare. In February 2006, Hot Mama's received a gold certificate of recognition from Sillikan, Inc., the leading international network of accredited food testing and consulting laboratories.

The CDE, MassDevelopment New Markets LLC saw a unique opportunity and provided a \$313,000 loan to Hot Mama's Foods of Northampton to support relocation and expansion to Springfield. This loan leveraged an additional \$730,000 loan from the Bank of Western Massachusetts. MassDevelopment also provided a \$162,400 mortgage insurance guarantee to support the bank's investment. With the aid of the total \$1.2 million financing package, Hot Mama's purchased a larger USDA certified food production facility located at 134 Avocado Street and will add ten new jobs to its existing 50-person workforce.

In Springfield's case, the NMTC scorecard indicates not only increased private sector investment in an extremely distressed area but also increased jobs and business opportunity -- essential to jump starting the local economy and revitalizing the City.

NMTC Allocatee

**MassDevelopment New Markets LLC
Boston, MA
Joseph Morell: 617.330.2089**

An Affiliate of MassDevelopment

Community Profile

- 51.5% poverty rate
- Unemployment rate 1.86 times national average
- Federal HUB Zone
- Economic Development Hot Zone



Project Highlights

- Real Estate: Organic Foods Company
- Total Project Cost: \$1.45 million
- NMTC: \$313,000
- Other Financing: Bank of Western Massachusetts; mortgage insurance guarantee from MassDevelopment
- Jobs: 59 retained, 10 new

50 Projects – 50 States: Michigan

Martineau Division-Oakes

Grand Rapids, MI

NMTC Allocatee

**LISC NMTC Program
Kalamazoo, MI
Robert Poznanski:
269.343.5472**

Community Profile

- CDFI Hot Zone
- SBA Hub Zone
- 52% poverty rate
- Family income 50% of area median income



Project Highlights

- Real Estate: Gallery, Retail, Live-Work space
- Total Project Cost: \$10.6 million
- NMTC: \$8.7 million
- Investor: National City Bank
- Lender: National City Bank, Heartside Non-Profit Housing Corp.
- Jobs: 40 construction, 21 permanent

The Martineau Division-Oakes revitalization project will transform several blighted parcels on Division Avenue in Grand Rapids. The project is located in Grand Rapids' Heartside district, south of downtown. From the late 1800s through the mid 1900s, Heartside was a thriving mixed-use district consisting of modest apartments above commercial store fronts, mid-sized manufacturers, and warehouses. Starting in the 1950s, residents migrated to the suburbs and Heartside fell into a cycle of decline and disinvestment resulting in vacant storefronts, seedy bars, and deteriorating houses.

Prior to this effort, the street contained empty, dilapidated buildings two to three stories tall. The project calls for the area to become a mixed-use development for arts-related activities with 23 live-work residential units for artists and approximately 12,772 square feet of commercial space. Calvin College, the anchor tenant, will use much of the commercial space for its arts faculty and student studios. LISC provided \$8.7 million from its New Markets Tax Credit (NMTC) allocation in a mix of debt and equity to make this project happen.

Four galleries already operate in Heartside and a 3-story mural by nationally known artist Richard Haas was unveiled in 2004, one block from the project. Martineau Division-Oakes is designed to leverage these art destinations, attract a critical mass of artists, patrons, and visitors, and thereby provide an economic engine for broader neighborhood growth. The project's art theme also aligns with Governor Granholm's Cool Cities Initiative launched in 2003 that seeks to encourage the growth of "cool cities" – hip, urban environments to attract and retain younger workers. Dwelling Place of Grand Rapids, Inc., a nonprofit developer, has played a critical role in this effort.

Located in a commercially unproven and economically distressed community, the project faced obstacles to securing adequate financing. LISC offered a way to leverage available financing to overcome this obstacle and close the gap. LISC provided a custom product featuring a mix of NMTC equity and debt. Other non-traditional/favorable terms included a below-market interest rate; a longer interest-only payment period; and a higher loan-to-value ratio. The product's equity feature was used to capture federal Historic Tax Credits.



50 Projects – 50 States: Minnesota

Otter Tail Ag Enterprises Fergus Falls, MN

Using the slogan, “Energy from the Midwest, not the Mideast,” a group of farmers, ag-related professionals and investors have developed a \$127 million ethanol plant near Fergus Falls. In 2006, the CDE, Midwest Minnesota Community Development Corp. fueled this project, Otter Tail Ag Enterprises, LLC (OTAE), with a \$20 million New Markets Tax Credit (NMTC) investment for financing facility construction.

Ethanol production started in March 2008. The plant produces 55 million gallons of ethanol annually, requiring 57,000 bushels of corn arriving daily in a total of 57 truckloads or 21 rail cars. In addition to ethanol production, the plant produces 21 truckloads or six rail cars per day of a byproduct used in livestock feed.

Total annual economic impact to the area is a projected \$110 million. This includes in excess of \$65 million in direct spending annually, added income to area farmers, and an expanded state and local tax base of \$1.2 million.

According to the U.S. Department of Energy’s Energy Efficiency and Renewable Energy site, new corn ethanol plants produce an energy output to input ratio of 1.6, including energy used in producing corn and other raw materials. The U.S. Department of Agriculture predicts the energy value of ethanol will continue to increase due to a variety of factors.

OTAE’s history dates back to 2004, when an exploratory group of local residents raised \$2.4 million in seed capital plus grant funds for a feasibility study. They subsequently raised \$42.2 million through the public sale of shares. These were made available only to Minnesota residents due to the Board members’ commitment to keep the project, and its profits, local. Ultimately, NMTC financing leveraged \$107 million from several sources.

Bank participation was difficult to achieve for this project.

NMTC Allocatee

**Midwest Minnesota
Community Development
Corp.
Detroit Lakes, MN
Julia Nelmark: 218.844.7019**

Community Profile

- SBA HUB Zone
- Minnesota Job Opportunity Building Zone



Project Highlights

- Real Estate: ethanol plant
- Total Project Cost: \$127 million
- NMTC: \$20 million
- Other Financing: Ag Star, waste treatment bonds, county bonds, in-state investors, public equity offering
- Jobs: 170 temporary, 36 facility and 600 ancillary

50 Projects – 50 States: Mississippi

NMTC Allocatee
National New Markets Fund
LLC
Los Angeles, CA
Kyle Walton: 310.914.5333

Community Profile

- 70% African American population
- GO Zone
- 53.5% poverty rate
- 21.1% unemployment rate
- 36.1% median income of statewide median



Project Highlights

- Real Estate: historic hotel rehab
- Total Project Cost: \$89.5 million
- NMTC: \$74.1 million
- Other Financing: Historic Tax Credits, Go Zone Bonds, MS Development Authority, Tax Increment Financing

King Edward Hotel **Jackson, MS**

Built in 1923, the historic King Edward Hotel is an iconic building. Once the hub of social and political activity in Jackson, Mississippi's downtown business district, the hotel sat vacant for 41 years becoming severely blighted. Citizens of Jackson were divided between wanting to demolish the site versus its preservation given the costs. The abandoned building has had a substantial negative impact, for decades, contributing to the downturn in this section of Jackson.

Ultimately, preservation prevailed and New Markets Tax Credit (NMTC) financing came from several CDEs, including the National New Markets Fund (NNMF) for \$15 million. All the CDEs involved were committed partners to making the King Edwards Hotel renovation a reality.

The \$89.5 million King Edward restoration has transformed the historic King Edward Hotel (313,000 sq. ft.) into a 186-room hotel with restaurants and a state-of-the-art business conference center, with development of 64 apartment units and additional retail space. Sixteen one-bedroom units will be set aside for individuals earning less than 60% of the area median income, renting at a \$200 per month market discount. This project is regenerating the surrounding community and is a catalyst bringing in necessary community and business amenities to support focused redevelopment of the area.

The CDEs worked with the lead investors, the state of Mississippi, co-allocatees, and the developer to secure the necessary funding sources available for the project. This allowed the developer to utilize tax exempt bonds, Historic and New Markets Tax Credits, grants and other below market loans. NNMF worked to ensure that the developer would commit to reach out to local women- and minority-owned subcontractors and give priority to low-income employees for the hotel and its construction.

The internal costs of capital and the required return on a traditional equity investment far outpaced the available return to investors given the very high cost of reusing the historic building and created a significant gap in the project's financing. The NMTC funding has allowed the redevelopment of the historic King Edward Hotel to become a reality.

50 Projects – 50 States: Missouri

The Syndicate Building St. Louis, MO

The Old Post Office historic district of downtown St. Louis is the site of revitalization projects, including the Syndicate Building considered a key, cornerstone; historic building that was in a state of advance deterioration. In fact, the condition of the building and potential threat it posed for the future of the surrounding buildings caused the City's Land Clearance for Redevelopment Authority to purchase the property in 2002.

Turning this problem into a revitalization opportunity the CDE, Valued Advisor Fund (VAF) provided a 1 percent New Markets Tax Credit (NMTC) loan of \$2.19 million in partnership with local CDFI, the Central Bank of Kansas City for the market rate units and commercial space portion of this ambitious project.

The project produced considerable impacts:

- redevelopment of a blighted cornerstone property;
- 28 affordable rental units, 42 market rate units;
- 102 for-sale condominiums;
- 19,600 square feet of commercial space;
- 125 new units of downtown parking; and
- an estimated \$1.5 million of new tax base within the community.

The property was able to include several energy efficient and green features including a water loop, efficient HVAC and lighting systems.

Valued Advisor Fund Allocation assembled the financing package for the project that included NMTC, low income housing tax credits, tax increment financing, historic tax credits and private sector debt.

VAF worked directly with the City and also worked in coordination with the developers, investors, its local CDFI partner and other financial resources provided to help structure the complex layers of the transaction.

NMTC Allocatee

**The Valued Advisor Fund
Madison, WI
Terri Preston-Koenig:
312.307.9550**

**An Affiliate of
Virchow, Krause, &
Company, LLP**

Community Profile

- Unemployment rate 1.5 times national average
- Empowerment Zone
- Brownfield Area
- TIF District



Project Highlights

- Real Estate: historic rehab for mixed use
- Total Project Cost: \$70 million
- NMTC: \$2.19 million
- Other Financing: TIF, historic tax credits, low-income housing tax credits, private sector
- Jobs: 207 construction, 133 permanent

50 Projects – 50 States: Montana

NMTC Allocatee

**National New Markets Fund,
Inc.**

Minneapolis, MN

Katelyn Bednarski:

612.305.2550

**An Affiliate of
Community Reinvestment
Fund**

Community Profile

- 25% poverty rate



Project Highlights

- Real Estate: Pharmacy
- Total Project Cost: \$696,900
- NMTC: \$457,200
- Other Financing: Community Reinvestment Fund
- Jobs: 2 new, 8 retained

Family Health Pharmacy

Ronan, MT

Just west of the Mission Mountains in rural Montana is the Flathead Indian Reservation, 60 miles from the nearest interstate and about an hour and a half from Missoula. Ronan, a small rural town with a population of approximately 2,000 is located here. This is the site for a new pharmacy and retail store funded in part with a New Markets Tax Credit (NMTC) loan from the National New Markets Fund Inc., an affiliate of the Community Reinvestment Fund, USA (CRF).

The pharmacy, a woman and minority-owned business, started in 1989 in leased space. The \$457,200 NMTC loan coupled with an \$88,000 business loan from CRF enabled the owner to achieve her dream of building a state of the art pharmacy and retail store. The newly constructed space offers greater visibility, more energy efficient space, and room for expansion in the future. The larger space means greater opportunity for retail sales and accommodates an increase in traffic. The new facility is equipped with convenient access, parking, and a drive-up pharmacy window. The expansion also created two additional jobs – bringing the total number of employees to 10 – in a community with unemployment rate 1.28 times the national average and where jobs are scarce.

CRF and the National New Markets Tax Credit Fund, Inc. serve a significant and unique role in the NMTC field. Its business strategy is distinctive in that they partner with local lending partners, like Missoula Area Economic Development Corporation, to fund NMTC loans to small businesses in low-income communities. This unique financing system allows local community development lenders to take advantage of the New Markets Tax Credit program without applying for an allocation themselves.

CRF's NMTC Small Business Program has become a vital business strategy for its national network of lending partners in improving the most economically challenged areas of the country.

50 Projects – 50 States: Nebraska

Tip Top Apartments Omaha, NE

Tip Top Apartments is an historic rehabilitation of a five-story brick factory north of downtown Omaha in a federally designated Empowerment Zone with an unemployment rate of 2.38 times the national rate. The project lies in a neighborhood that is separated from downtown Omaha by Interstate 480, which isolated the community from amenities and services. The redevelopment of this building was the first significant reinvestment in recent years and prior to this the community was characterized by homeless shelters, abandoned buildings and signs of vandalism and poverty. The CDE, Enterprise Community Investment, Inc., provided \$12 million in financing that was instrumental in attracting additional capital to close the deal.

Originally built in 1916 as a Ford Motor Company manufacturing factory, this property was added to the National Register of Historic Places in 2004. The redevelopment was completed in 2005 and consisted of renovations (175,000 square feet) and new construction (28,000 square feet). Tip Top Apartments was redeveloped into 96 moderately priced apartments, retail and office space and a 147 stall underground parking garage. The residential and commercial portions of this project are 100% and 93% leased, respectively. The primary commercial tenants are a catering firm, a restaurant and an architecture firm.

Tip Top Apartments has jump-started the revitalization of this blighted community in Omaha. The project spurred significant reinvestment in the surrounding area including three hotels, a ballpark, a theater, a record store, a clothing store and other retail stores.

But for the New Markets Tax Credits (NMTC), this historic factory would not have been redeveloped due to the disinvestment in this Omaha community and the significant historic preservation costs. Additionally by using NMTCs and leveraging federal Historic Tax Credits from the National Development Council (NDC), capital was raised to fund the cost gap that would not have been provided by a traditional market rate lender.

NMTC Allocatee
Enterprise Community
Investment, Inc.
Columbia, MD
Suzanne Brown: 410.772.2682

An Affiliate of
Enterprise Community
Partners, Inc.

Community Profile

- Highly distressed census tract
- Median income 35% of area median income
- 34% poverty rate
- 14% unemployment rate
- SBA Hub Zone



Project Highlights

- Real Estate: historic rehab for mixed use
- Total Project Cost: \$24.5 million
- NMTC: \$12 million
- Other Financing: Historic Tax Credits (HTC), developer and general partner contributed property/deferred fees
- Other Investors: US Bank
- Jobs: 270 construction and 138 permanent

50 Projects – 50 States: New Hampshire

NMTC Allocatee

**CEI Capital Management,
LLC
Portland, ME
Charles Spies: 207.772.5316**

**An Affiliate of
Coastal Enterprises, Inc.**

Community Profile

- SBA Hub Zone



Project Highlights

- Real Estate: sustainable forest
- Total Project Cost: \$4.37 million
- NMTC: \$2.39 million
- Other Financing: Forest Legacy Conservation Easement: State of New Hampshire LCHIP Grant
- Jobs: 10-11 logging jobs using sustainable forestry
- Created long term tourism opportunities
- Protected riparian areas, wetlands, wildlife habitat and water quality

13 Mile Community Forestry

Errol, NH

For the New Markets Tax Credit (NMTC) program, this forest project is a unique use of the tax credit. Thirteen Mile Woods is a brainchild of the residents of Errol, NH that is a community-based forestry initiative. The 5,269 acres of forest neighbors the Lake Umbagog National Wildlife Refuge and much of the land borders the Androscoggin River. The concept of Thirteen Mile Woods grew through discussions amongst community members, and the Trust for Public Land was enlisted to help it become a reality. The CDE, CEI Capital Management, LLC (CCMC), provided \$4.37 million in debt and equity to this project.

Thirteen Mile Woods is now a town-owned and managed forest which serves broad community purposes. Errol is a community in the eastern part of Coos County, NH, with about 300 permanent residents and 3,000 seasonal residents. The project is intended to protect against growing real estate development pressures that could threaten the character of the community, as well as sustain the benefits that its natural resources provides for existing residents. The Town's plan is to manage and maintain 13 Mile Woods as a healthy working forest and recreation area, to support the local forestry industry and provide opportunities for enhanced local tourism. In the long run, ownership of the property will provide a new source of revenue for the community that could be applied to addressing additional community needs.

The town's ownership of Thirteen Mile Woods has created some logging jobs, as well as long-term potential for expanding opportunities within the tourism industry of the area. The \$2.39 million in New Markets Tax Credit financing for the forest project will provide a variety of benefits to this area in rural New Hampshire. CCML's partners for this project were First Colebrook Bank and the Trust for Public Land.

50 Projects – 50 States: New Jersey

Rutgers Business School Newark, NJ

Newark, New Jersey is one of the poorest cities in America. In order to spur revitalization of downtown, Rutgers University (RU) wanted to build a new business school building for its campus. The new school is the first major redevelopment project in this part of downtown. The Business School will help to fully re-occupy a previously vacant office building. Both the seller and RU intend to build attached pavilions at the North and South elevations of the building, making it much more prominent to pedestrian and street traffic.

The project cost was \$80 million and Rutgers alone could not finance such a large project. National Community Investment Fund (NCIF) is playing an important role in financing this project. NCIF made available \$38 million in low cost financing through New Markets Tax Credits (NMTC) and worked with the City National Bank of New Jersey (CNBNJ), a leveraged lender in this transaction; the third largest African-American owned financial institution and a CDFI that is headquartered in Newark.

The allocation was used to:

1. Partially fund the development of the Rutgers Business School;
2. Provide additional preferred equity to City National Bank of New Jersey (CNBNJ) that can be leveraged further; and
3. Fund 8 graduate internships from Rutgers Business School to place students at minority banks.

NCIF worked with another local NMTC allocatee – Community Loan Fund of New Jersey- that contributed an additional \$3.25 million of its allocation.

The \$38 million NMTC investment leveraged funds from the State of New Jersey in the form of a special appropriation to RU, as well as direct investment by the University itself. Finally, the 2.3 percent interest rate on the loan was substantially below a conventional loan rate. Rutgers University is one of the area's largest employers and enrolls more than 10,000 students at its Newark Campus and draws employees and students from the area. Nearly 50 percent of its non-academic staff and 10 percent of students are from neighborhoods with Newark zip codes. The Business School employs around 300 workers. It is estimated that at least 40 percent of the new construction jobs will be held by minority employees.

NMTC Allocatee

**The National Community
Investment Fund (NCIF)
Chicago, IL
Saurabh Narain: 312.881.5826**

Community Profile

- Median household income ranked 96 out of 100 largest U.S. cities
- 45% of families near or below the poverty line
- Urban Enterprise Zone (NJ), a Renewal Community (US), the Innovation Zone Program (NJ)



Project Highlights

- Real and Non Real Estate: University building expansion and graduate internships
- Total Project Cost: \$80 million
- NMTC: \$41.5 million
- Other Financing: Rutgers University
- Investor: PNC Bank
- Jobs: several hundred construction, 300 retained RU

50 Projects – 50 States: New Mexico

NMTC Allocatee

**Paramount Community Development Fund, LLC
Washington, DC
Kermit Billups: 202.467.0032**

Community Profile

- 33% poverty rate
- Unemployment 3.97 times national
- SBA HUB Zone



Project Highlights

- Real Estate: office building rehab
- Total Project Cost: \$11.5 million
- NMTC: \$6.05 million
- Other Financing: Capmark
- Jobs: 1,850 new

Compass Bank Building Albuquerque, NM

Once the tallest building in the state of New Mexico, the Compass Building is a 19-story, class C, urban office building located in downtown Albuquerque. Although Compass had fallen on hard times and its occupancy sank to 40%, its location presented opportunities in the Downtown Business Improvement District. This area is undergoing a redevelopment initiative and had over \$350 million of private (retail, entertainment, education, office and residential) and public (Federal and State government offices and a courthouse) projects either under construction or recently completed.

To jump start the Compass Building revitalization effort, Paramount Community Development Fund, LLC, provided the developer with a \$6 million New Markets Tax Credit (NMTC) loan. Capmark Finance is the controlling entity for Paramount. This project dovetails with the City's overall revitalization effort and will bring much-needed jobs to the area. It is estimated this project will generate approximately 1,850 total employment opportunities, which will have a very favorable impact on a community with an unemployment rate that is 3.97 times the national average. A number of the jobs are in a call center that has moved into the building that provides a large number of quality entry level job opportunities.

The \$6 million in NMTC financing will be used to pay for a portion of the costs associated with the acquisition, rehabilitation, lease up, and stabilization of the building. The loan carries a three-year term, has a higher than standard loan to value ratio, and was priced at a below-market interest rate. Other financing included a \$3.45 million senior loan from Capmark.

50 Projects – 50 States: New York

Street Squash, Harlem Neighborhood New York, NY

Street Squash, an innovative and successful urban youth enrichment program was founded in 1999. Street Squash combines academic activities, community service and squash for boys and girls ages 9-18 to help them succeed in school, graduate from high school and move on to active and productive lives. Its urban youth enrichment program combines academic tutoring, squash instruction, college preparation and internships, community service and mentoring in NYC's Harlem neighborhood. To date, 91 percent of the participants have improved their GPA, 93 percent of the participants attend school regularly and 100 percent of the graduating participants attend college. The only thing it was lacking was space to accommodate the young people needing its services.

Thanks to the New Markets Tax Credit (NMTC) and HEDC New Markets, Inc an affiliate of National Development Council, Street Squash will have a new home: and an 18,000 square foot building facility that will be used by the City of New York School District to provide physical education to over 1,000 students within the Central Harlem district (Population: 151,000). Using NMTC, HEDC/NDC provided some \$6.51 million debt financing for this project. The total project cost was \$9 million.

The new facility will allow Street Squash to serve more than 1,000 Harlem public school children each year, providing 4 classrooms and a library as well as 8 squash courts, workout area, locker rooms and administrative offices. Street Squash will expand the After-School Program to serve 150 children annually; grow the College Prep Program to serve 100 children annually; expand the Summer Discovery and Youth Employment Program to serve over 300 children annually; and launch the Physical Education For Public Schools Program that will serve over 750 children annually through daytime squash instruction gym programs.

NMTC Allocatee

**HEDC New Markets, Inc.
New York, NY
David Trevisani and Ann
Vogt: 212.682.1106**

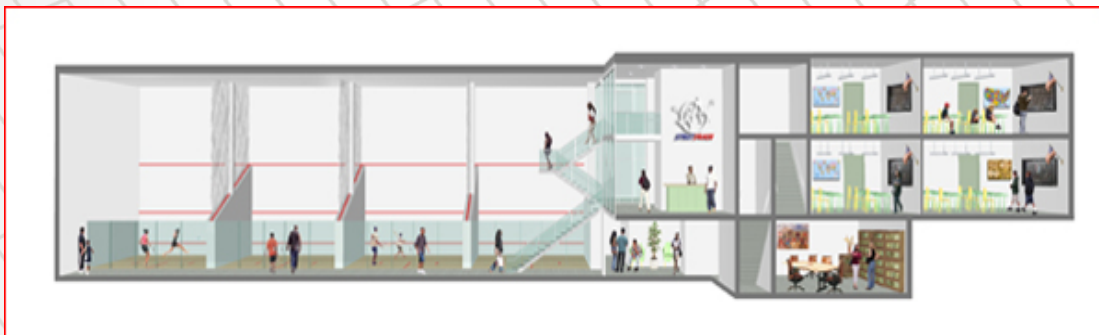
**An Affiliate of
National Development
Council (NDC)**

Community Profile

- CDFI Hot Zone
- Enterprise Community
- SBA HUB Zone
- 49.1% poverty rate
- 9.8% unemployment rate
- Median Income 28% of area median income

Project Highlights

- Real Estate: squash and community center
- Total Project Cost: \$9.07 million
- NMTC: \$6.51 million
- Jobs: 30 construction, 13 retained, 4 new



50 Projects – 50 States: New York

NMTC Allocatee

**Wachovia Community
Development Corporation
Charlotte, NC
Wanda Clark: 214.624.1776**

**An Affiliate of
Wachovia Bank, N.A.**

Community Profile

- Median Income 60% of area median income
- Unemployment rate 1.5 times national average
- Manhattan Empowerment Zone



Project Highlights

- Real Estate: Museum
- Total Project Cost: \$215 million
- NMTC: \$18.7 million
- Other Financing: city and state, Upper Manhattan Empowerment Zone Development Corp, developer
- Jobs: 102 permanent

Museum of African Art New York, NY

Thanks to New Markets Tax Credit (NMTC), Harlem will soon be home to the Museum of African Art project at the northern end of New York City's Museum Mile. This location is part of the Manhattan Empowerment Zone which was created in 1994 to increase economic and cultural development in Harlem. The Museum project will bring increased economic vitality to this section of Harlem.

This will be the Museum's first permanent home in its 23 years of existence. Once completed, it is projected that the Museum will attract nearly 500,000 visitors annually to the area. The 70,000 square foot, three story museum facility is part of a larger 20 story mixed-use building which will include a residential tower. In addition to the museum's gallery space, it will offer a library, an education center, a restaurant and a gift shop. Increased pedestrian and visitor traffic will draw additional new businesses to the area. Many of the new jobs created will be accessible to the low-income residents, with jobs ranging from security personnel to tour guides, to office managers. The Museum's onsite cultural partners will expand their staffs and programming as well. These seven cultural partners are well established groups, such as the African Film Festival and the Jazz Museum in Harlem, that do not own a theater. By allowing these diverse cultural groups to use the Museum's theater, the Museum will effectively create a Harlem-based "cultural center".

Wachovia Community Development Enterprises (WCDE), utilized NMTCs to provide \$14.8 million of capital for this new museum in Harlem. WCDE partnered with another CDE, National Community Fund LLC to raise \$4 million in additional capital needed to fill the gap created by high construction costs. Other funding sources include local, city and state monies, hard and soft pledges, and equity from the private developer. As with many other projects, the Credit filled the critical gap between the overall project and the financing available from other sources.

50 Projects – 50 States: North Carolina

Golden Belt Complex Durham, NC

Throughout the late 19th and into the 20th century, downtown Durham was a vibrant manufacturing center engaged in the tobacco and textile industries. As these industries declined in the 1960s so too did the vitality of downtown Durham. Steady disinvestment led to physical deterioration, made worse by the industrial waste left behind.

Golden Belt was a textile factory that produced pouches for Bull Durham loose leaf tobacco and then paper cigarette cartons. When tobacco moved out, the Golden Belt complex was donated to the Durham Housing Authority (DHA). DHA provided space for the Center for Employment Training's operations and sought partners to redevelop the larger facility. The DHA eventually sold a majority of the facility in 2006 to Scientific Properties, LLC, a North Carolina-based real estate and development company. Scientific Properties approached Self-Help with a plan to convert the historic site into a mixed use commercial, arts, and residential space.

Self-Help recognized the project's potential to anchor the area's revitalization, and worked with Wachovia to share the loan by borrowing a portion of Wachovia's New Markets Tax Credit (NMTC) allocation. Self-Help made an \$8.15 million loan and secured \$3.85 million from Wachovia's NMTC allocation to reach the \$12 million necessary to make the project viable. The loan was a 7 year term, amortizing over 25 years with an initial 18 month interest only period and a 5.4 percent fixed interest rate. The \$12 million loan combined with \$10 million in NMTC-enhanced state and federal historic tax credit equity allowed the project developers to ensure affordable rents and leases for the community.

This project will put six warehouses back into use, has utilized environmentally friendly design features and is seeking silver LEED certification. The Golden Belt complex will provide affordable commercial and office space for local businesses and non-profits that serve community residents, including the Center for Employment Training. The project will provide 35 artist studios at below market rents, an art gallery, 37 affordable loft apartments, office space, a live music venue and ground floor retail space.



NMTC Allocatee

**Self-Help Ventures Fund
Durham, SC
Amanda Frazier:
919.956.4636**

Community Profile

- HOPE VI redevelopment area
- CDFI Fund Hot Zone
- Brownfield redevelopment area
- 35% poverty rate
- Unemployment 3.19 times national rate

Project Highlights

- Real Estate: rehab for mixed use
- Total Project Cost: \$26.3 million
- NMTC: \$12 million
- Other Financing: federal and state historic tax credits
- Jobs: 140 construction and 400 permanent

50 Projects – 50 States: North Dakota

NMTC Allocatee

Dakotas America LLC
Sioux Falls, SD
Beth Davis: 605.978.2804

Community Profile

- 31.1% poverty rate
- 7.7% unemployment rate



Project Highlights

- Non Real Estate: wireless towers
- Total Project Cost: \$14 million
- NMTC: \$10 million
- Investor: US Bank
- Jobs: 11 new high-paying jobs

Standing Rock Telecommunications

Fort Yates, ND

Standing Rock Telecommunications is a 100% tribally owned telecommunications company that constructed a wireless telecommunications system in Fort Yates, North Dakota. Through the use of New Markets Tax Credits (NMTCs), Standing Rock Sioux Tribe was able to fill a budget gap and expedite the construction of this highly-needed reliable telecommunications system, which will be in place in spring 2009. The CDE, Dakotas America LLC provided a \$10 million NMTC loan for this project to Standing Rock Telecommunications.

In the heart of 2.3 million acres of Native American reservation land spanning two counties in both North and South Dakota, the Standing Rock Sioux Tribe will use the 13 newly-constructed wireless towers to provide phone and internet service to customers on the reservation and outlying areas. The system will serve a population of 8,200 and offer much improved telecommunications service at a lower price than what is currently available.

By keeping services locally-owned, the Standing Rock Sioux Tribe sustains its mission of “promoting an environment for the self sufficiency of all tribal members”.

Currently, Standing Rock’s major economic occupations are cattle ranching and farming, and the operation of two casinos. The telecommunications network will provide a foundation for additional jobs in new businesses that could otherwise not exist without cellular and broadband service such as call centers, small technology firms and light manufacturing. The project will also create a new form of sales tax that will be used by the Tribe to fund other infrastructure projects and create more jobs.

This new communication infrastructure will also help to provide better health care services to the people of Standing Rock. Previously phone service had limited access for on-reservation phone calls including emergency calls to local fire, ambulance, police or hospitals. With the new, locally-owned telecommunications system, the health, safety, and economic well being of Standing Rock’s residents will be improved.

50 Projects – 50 States: Ohio

Burnet Avenue Revitalization Plan Cincinnati, OH

The Burnet Avenue Business Corridor is in the Avondale community, located in the urban core of the city of Cincinnati. Just five years ago, open drug deals were witnessed on Burnet Avenue; the area was known as a crime “hotspot”. In spite of its high crime rate, Avondale is home to four of the greater Cincinnati region’s largest employers – employing nearly 50,000 people – yet less than 5 percent of the workforce lives in Avondale.

With financial assistance from the Uptown Consortium, Inc. (UCI) the Burnet Avenue Revitalization Team (BART) was formed in 2004 to guide revitalization in this troubled neighborhood. BART included Avondale residents and homeowners, along with representatives of the Avondale Community Council (ACC), Avondale Business Association, and Uptown Institutions. The group developed a plan over several phases for retail, office, housing, and public space development. To facilitate implementation of the plan, starting in 2006 UCI invested \$11 million to acquire properties on or near Burnet Avenue. By June 2008, UCI had secured more than 100 parcels of real estate, enough to begin work on the North Burnet Phase I Redevelopment project.

Phase I construction began in 2007, including the removal of 60 blighted structures. Phase I is a \$55.2 million project consisting of two buildings totaling 150,000 square foot of office, retail and parking facilities. UCI is the master developer and used \$4.77 million of its New Markets Tax Credit (NMTC) allocation for debt and equity financing for acquisition and construction costs for Phase I including -site acquisition for the Medical Office building and related facilities (2009 completion) with additional financing from the Cincinnati Children’s Hospital Medical Center (CCHMC). Beyond the new services and facilities, Phase I will have a major impact on employment opportunities for community residents.

The Uptown Consortium worked closely with the Cincinnati Development Fund (CDF), another CDE to form a strategic alliance for the Burnet Avenue Revitalization. Heretofore, 60 percent of CDF’s efforts had been focused on residential real estate in the downtown core. Through its collaboration with UCDF, CDF was able to use NMTC to expand its services to include revitalization of the community.

NMTC Allocatee

**Cincinnati Development Fund
Cincinnati, OH
Jeanne Golliher: 513.721.7211**

Community Profile

- 33% families below poverty line
- 92% African American population with 34% high school drop out rate
- 6th highest crime rate in 52 city neighborhood



Project Highlights

- Real Estate: 2 office/retail, parking garage
- Total Project Cost: \$55.2 million
- NMTC: \$4.77 million
- Other Financing: Cincinnati Children’s Hospital Medical Center, National City Bank
- Jobs: 1,400 new

50 Projects – 50 States: Ohio

NMTC Allocatee

**Finance Fund
Columbus, OH
Jennifer Deuber:
614.221.1114**

Community Profile

- 38% family income below area median income



James Klein, Finance Fund and Rep. Charlie Wilson (D-OH) visit Noble Learning Center

Project Highlights

- Real Estate: child care facility
- Total Project Cost: \$842,500
- NMTC: \$600,000
- Lender: Advantage Bank
- Investors: Fifth Third Bank/Fifth Third CDC, Key Bank/Key Bank CDC
- Other Financing: USDA Rural Development division, OH Dept of Job and Family Services administered by Finance Fund
- Jobs: 20 construction 17 full-time and 14 part-time

Noble Learning Center Caldwell, OH

A promotional postcard from the Finance Fund led to a permanent, high quality facility for the Noble Learning Center located in Caldwell, OH. Caldwell is a town of less than 2,000 in the southeast portion of Ohio.

Noble had been in business for years but struggling with the limited availability of space, high rent, low quality facilities, and poor fit. The Center operated out of rented apartments on the second floor of a senior center in rural Ohio with no option to renew their lease.

With the \$600,000 New Markets Tax Credit (NMTC) loan financing provided by the Finance Fund, the Noble Center finally found a permanent home. After connecting with the Finance Fund, Noble Learning Center purchased a former National Guard armory building and began major renovations.

Funds received from the Finance Fund and other sources were used for these renovations, as well as for the purchase of furniture, equipment and supplies. Thanks to this partnership the Center can continue its legacy of being the only licensed child care provider in a four-county region.

The resulting child care center provides services for 136 children. The productive reuse of the abandoned 14,880 square foot building has become an economic engine in the local community. Noble Learning Center has been home to the Junior League, 4-H Groups, Noble County Business Fair, and other community events and services.

The financing structure was comprised of a first mortgage from Advantage Bank of Cambridge, Ohio in the amount of \$242,500, and a second mortgage loan of \$600,000 as a NMTC investment via a blind loan pool capitalized by investors (Fifth Third Bank/Fifth Third CDC and Key Bank/Key Bank CDC).

Since the total development cost of the project exceeded the stabilized value of the real estate and this nonprofit organization had little to no equity to contribute, the support of the Finance Fund through its NMTC loan and technical assistance were vital to bring the project to fruition.

50 Projects – 50 States: Oklahoma

Stigler Health and Wellness Stigler, OK

Stigler, Oklahoma is located in eastern rural Oklahoma with a population of 2,731 and serves as the county seat of Haskell County. In 2002, the community implemented a plan to develop a “one-stop-shop” health care campus for the uninsured and underinsured by consolidating existing health care services under one roof including medical, dental, mental and pharmaceutical services. The Stigler Wellness Center was relocated to a vacated Wal-Mart building and that allows the Center to house all of its services at one location and still have space available for other health-related businesses.

This project is notable for several reasons. First, it brings better health care to families in need in a small, poor rural community. Second, the project combines the resources of the New Markets Tax Credit (NMTC) along with assistance from the US Department of Agriculture in a first of its kind financing package. SpiritBank invested \$2 million into REI New Markets Investment, LLC which in turn made a \$2 million NMTC loan to Stigler Wellness Center at 6.5 percent interest for 30 years. This loan has a community facilities 90 percent guaranty. Both programs are targeted to serve rural communities like Stigler to meet essential needs such as health care and to energize the local economy.

The NMTC financing was used to purchase and renovate the facility, acquire necessary equipment purchases and provide working capital. The greatest community impact will be the availability of health care services to the uninsured and underinsured in a rural Oklahoma community. This project has been recognized for its creative solution to converting a vacant building into a facility that will literally bring life to citizens in need of health care.

The partnerships of REI New Markets Investment, LLC, SpiritBank, USDA Rural Development and the city of Stigler made this project possible.

NMTC Allocatee

**REI New Markets Investment
LLC
Durant, Oklahoma
Debbie Partin: 580.924.5094**

**An Affiliate of
REI Development Corp.**

Community Profile

- 20.5% of families below the poverty line
- 6.7% unemployment rate



Project Highlights

- Real Estate: health care center
- Total Project Cost: \$2 million
- NMTC: \$2 million
- Investor: SpiritBank
- Other Financing: USDA Rural Development and City of Stigler
- Jobs: 15 new jobs, 27 retained

50 Projects – 50 States: Oregon

NMTC Allocatees

**Portland New Markets Fund I,
Portland, OR
Chris Hasle: 503.546.2643
and USBCDE LLC
Matt Philpott: 314.335.2621**

Community Profile

- Poverty rate 16.7% higher than national average
- Students are homeless children



Project Highlights

- Real Estate: school for homeless children
- Total Project Cost: \$3.5 million
- NMTC: \$3 million
- Other Financing and Stakeholders: Foundations, USBCDC, PNMF, USBCDE, LLC, Nixon Peabody, Lane Powell, and Novogradac and Company
- Jobs: 50 construction, 6 retained

Community Transitional School Portland, OR

In 2008, Community Transitional School (CTS) opened the doors to its first permanent home in 17 years with the help of critical gap financing provided by New Markets Tax Credits (NMTC) from two allocatees. Portland New Markets Fund I, LLC (PNMF) and USBCDE, LLC provided a combined \$3 million loan for the construction of CTS' new educational facility, which will help provide nearly 200 children a year with a stable environment that promotes both their personal and academic growth.

Located in northeast Portland, OR, CTS opened in 1990 as a private non-profit school dedicated entirely to serving children whose families are homeless, in transition, and experiencing chronic poverty-related crises. While CTS' primary mission is providing stability, their 17 year history had been anything but stable; since their founding, they have been forced to move 5 times. CTS began planning the financing and construction of a new, permanent home for their school starting in 2006. After a long fundraising campaign, CTS still remained nearly one million dollars shy of their needed \$3.5 million goal. Thanks to NMTC financing, CTS has finally found a permanent home.

With the promise of a stable environment, CTS can now focus on instilling permanence in the uncertain lives of the students they serve: those who come from families who are homeless or live in domestic violence shelters, cheap motels, on the floor of a friend's home, and in their cars; those whose families are on the brink of losing their housing; and those who have just recently managed to move into permanent housing. CTS provides an extensive list of services including three multi-grade classrooms, a lunchroom that provides two nutritious meals each day, an office, a computer lab, a storage room for the school's donated items, a track, a playground, a garden, parking for four buses, as well as clothing, personal hygiene items, school supplies, regular health screenings, special education services, and a summer program.

After nearly two decades of leasing, moving, and leasing again, construction on the new facility finished just in time for the graduating class of 2008.

50 Projects – 50 States: Pennsylvania

ShopRite Supermarket on Island Avenue Philadelphia, PA

The Island Avenue neighborhood of Eastwick is home to some of the city's poorest communities. Eastwick is located in the Southwest section of Philadelphia bordering Philadelphia International Airport and the city line. When Brown's Superstores decided to open a new ShopRite in this low-income neighborhood, The Reinvestment Fund (TRF) was there to provide financing from two TRF-sponsored programs: the New Market Tax Credits (NMTC) Program and the Pennsylvania Fresh Food Financing Initiative (FFFI).

As the CDE, TRF provided \$5 million in NMTC financing and an additional \$250,000 through FFFI to Brown's Superstores to locate a grocery store. NMTC financing provided funding for the acquisition, fit-out and equipment of the new supermarket located on Island Avenue.

TRF used its NMTC allocation to finance this leasehold project with subordinated debt that included a seven-year interest-only term. With the lower debt service costs associated with NMTC financing, TRF was also able to finance workforce training, efforts with local job applicants and provide extended time to launch the store. Without funding from TRF's NMTC program, the ShopRite on Island Avenue could never have been completed.

After one year, the Island Avenue ShopRite had become an integral part of the community, visible at community meetings and participating in neighborhood festivals. The ShopRite's busy flow of customers is also stimulating additional development in the area and job opportunities nearby. Thanks to TRF financing, Eastwick now has a supermarket that brings new life to this community.

In a related project, TRF recently completed a CDFI Fund sponsored study to better understand the lack of supermarkets in distressed urban areas and evaluate the role of smart subsidy in developing supermarkets in underserved places. Using ShopRite Supermarkets as its case study, TRF found that cost is a significant obstacle for urban stores, where both start-up and operating costs were higher. However, stores in distressed urban places also bring direct benefits to their employees and customers, many of whom reside close by and are less likely to commute to buy groceries.

NMTC Allocatee

**The Reinvestment Fund –TRF
Washington, DC
Don Hinkle-Brown:
215.574.5800**

Community Profile

- 45% below poverty line
- 22% unemployment rate
- Designated Brownfield



Project Highlights

- Real Estate: grocery store
- Total Project Cost: \$11.2 million
- NMTC: \$5 million
- Other Financing: Merrill Lynch and Bank of America
- Jobs: 258 new

50 Projects – 50 States: Rhode Island

NMTC Allocatee

**Urban Action Community
Development (UACD)
Baltimore, MD
Joe Summers: 443.563.4312**

Community Profile

- 40.7% poverty rate
- 41.1% of area median income
- Brownfield



Project Highlights

- Real Estate: rehab of power plant to mixed-use
- Total Project Cost: \$168 million
- NMTC: \$45 million in place, seeking an additional \$43 million in allocation
- Other Financing: State historic credits, bank financing, developer and investor equity, state bond funds and deferred development fees
- Jobs: 3,160 jobs created

Dynamo House Providence, RI

Thanks to the New Markets Tax Credit (NMTC) and Urban Action Community Development, South Street Station, a solid brick, Classical Revival power plant on the Providence River will be converted into Dynamo House, an energy efficient, bold and thriving mixed use development that will be a major new destination and the centerpiece of the redevelopment of the new Providence Point area.

Using NMTC, Urban Action Community Development, provided a \$13.2 million loan that over time will be converted to equity. Other CDEs participating in the project that provided NMTC loans include Citibank that provided \$20 million and Brownfield Revitalization that provided \$12 million that will be converted to equity for a total of \$45 million in NMTC.

The development of Dynamo House will spark the transformation of a large waterfront area that has been vacant since the Narragansett Electric Company vacated this power plant in the early 1990s. This new area is located right next to Johnson & Wales University and between College Hill (home to Brown and the RI School of Design) and the hospital district. Dynamo House will include a Heritage Harbor Museum, 170,000 square feet of new office space, a 142 room hotel, and 10,000 square feet of retail space. The 1.7 acre site is located just to the south of I-195 as it curves over the river and through downtown to merge with I-95.

The City of Providence has planned the relocation of I-195 (currently separating Dynamo House from downtown Providence) to the south of the hurricane barrier, including Dynamo House in the downtown area. The City also plans to create a new public park within the footprint of the relocated highway. These significant private investments will compliment public investment in new developments on the vacant land surrounding the park.

The NMTC investments have provided many benefits including redevelopment of a largely vacant building stock, promoting brownfield redevelopment, building Rhode Island's first state history museum, creating over 3,000 quality jobs and seeking LEED certification on the power plant renovation.

50 Projects – 50 States: South Carolina

South Church St. Plaza Spartanburg, SC

The Southside Neighborhood in Spartanburg, South Carolina has a growing elderly and low income population. For years, the City struggled to attract new investment into Southside. The area has historically lacked retail establishments offering basic goods and services.

As a long standing client community of National Development Council (NDC), the city of Spartanburg, SC requested assistance in structuring a new real estate development in its Southside Neighborhood. HEDC New Markets, Inc. worked with the city and Carolina First Bank to structure a \$7 million New Markets Tax Credit (NMTC) investment for the South Church Street Plaza.

The city of Spartanburg worked with NDC and Carolina First Bank and Spencer Hines Properties to develop a new 61,600 square foot shopping center in the city's Southside neighborhood. Now, groceries and apparel are available at the Plaza, and for the first time in more than a decade the neighborhood has a pharmacy, which is minority-and-woman-owned as well as a minority-owned fast food franchise.

Because the area market could not attract a grocer at market-rate retail rents, New Markets financing made it possible to structure below-market rents that attracted reputable tenants providing affordable goods and services and employing over 40 people. The city of Spartanburg has a population less than 40,000. With this new shopping center, most residents now have a grocer within walking distance of their homes for the first time. Tenants now include:

- Save a Lot grocery store that provides up to a 40% savings compared to other conventional grocers.
- Founders Federal Credit Union—the only credit union in the Southside neighborhood
- South Church Healthmark Pharmacy, a woman-owned minority pharmacy and the first pharmacy in the neighborhood in ten years
- Southside Barber Shop, a minority-owned barber shop
- Citi Trends, a 200 store apparel chain (catering to the fashion conscious African American family)

NMTC Allocatee

**HEDC New Markets, Inc.
New York, NY
David Trevisani and Ann
Vogt: 212.682.1106**

**Affiliate of
National Development
Council (NDC)**

Community Profile

- 11% unemployment rate in Spartanburg County
- SBA Designated HUB Zone
- Hot Zone



Project Highlights

- Real Estate: Retail
- Total Project Cost: \$7.18 million
- NMTC: \$7.08 million
- Jobs: 25 Construction, 40 Permanent

50 Projects – 50 States: South Dakota

NMTC Allocatee

**Rural Development Partners
(RDP)
Mason, IA
Don Hofstrand: 641.512.7261**

Community Profile

- 80% of benchmarked median family income
- 18% poverty rate
- USDA Federal Disaster Area, 2006



Project Highlights

- Real Estate: Grain Elevator
- Total Project Cost: \$16.97 million
- NMTC: \$14.25 million
- Investor: US Bank
- Other Financing: South Dakota Wheat Growers Association (SDWGA)
- Lender: CoBank
- Jobs: 5 new full time employees

Cresbard Terminal Cresbard, SD

The construction of a grain terminal in Cresbard, South Dakota will greatly improve the receiving, storage, and drying facilities of grain in a remote part of the state where farmers have little access to commercial storage and grain origination and transportation. The CDE, Rural Development Partners (RDP), used its New Markets Tax Credit (NMTC) allocation to provide a \$14.25 million loan to fill a financial gap and make the Cresbard project the first large-scale project the community has seen in over a decade.

In recent years, the town has lost its grocery store, pharmacy, a machinery dealer, a grain elevator, a bank, a hardware store, and numerous small businesses that served as its core. In less than a decade, its job base has literally disappeared. With total population shrinking to only 2,600 people in the whole county, there have been too few persons to support retail and service economies. The county tax base has been diminished radically, leaving infrastructure in poor condition. Then, in 2006, Faulk County experienced severe drought and was designated a USDA Federal Disaster Area. Farm production came in at less than 50% of a typical yield, local disposable income was negative and trends continued to worsen.

The parent owner of Cresbard Terminal, the South Dakota Wheat Growers Association (SDWGA), is a local, resident-owned cooperative that has as many as 16,000 member owners in North and South Dakota. All profits generated by the cooperative are distributed to its local resident members, many of whom are low-income. In collaboration with CoBank acting as leverage lender and U.S. Bancorp Community Development Corporation as investor, the Cresbard project was able to fill its financing gap with \$14.25 million of NMTC loan financing.

The Cresbard Terminal serves several hundred farming operations in the Faulk and Spink county region. With a local facility, farmers are able to generate substantial savings in time and transportation costs. Rather than trucking their grain for over 50 miles at harvest, farmers deliver grain directly to the facility. One hundred percent of the profitability of Cresbard Terminal accrues to the benefit of resident owners. The facility also serves as a feeder origination house for ethanol plants in the surrounding area, which are also cooperatively owned by area residents.

50 Projects – 50 States: Tennessee

Westin Beale Hotel Memphis, TN

The city of Memphis is working hard to revitalize the historic Beale Street Entertainment District. A centerpiece of this project involves the construction of the Westin Beale Street Hotel, a \$40 million project that opened in 2007 in a low income part of downtown Memphis.

The hotel is adjacent to the new FedEx Forum NBA arena and has 203 guestrooms, a restaurant, Starbucks, and lobby bar. While Memphis' growth sectors of hospitality/tourism present job opportunities for local residents and business opportunities for minority-owned and disadvantaged small businesses, there are obstacles that must be overcome. The Westin-Beale development presents an opportunity to change the way jobs are filled and services procured.

The CDE, Empowerment Reinvestment Fund, a subsidiary of Seedco Financial/SFS, provided a \$15.5 million loan to help finance the hotel construction using its New Markets Tax Credit (NMTC) allocation. NMTC financing reduced the project cost by approximately \$1 million. As part of the financing agreement Seedco/SFS insisted on a covenant that makes this NMTC model unique. The community covenant required the Westin to work with them on workforce opportunities and on providing opportunities to small businesses. As part of this covenant, Seedco/SFS has built a network of partners focused on connecting Memphis residents to jobs at the Westin-Beale and other South Downtown Memphis employers. Partners include the state, city and community and faith-based nonprofit organizations.

In addition, Seedco or Seedco/SFS designed a package of services for employers in the area to include financing, access to tax credits such as renewal community credits, and access to benefits and retention services through Seedco's *EarnBenefits*® program. *EarnBenefits* helps newly hired local workers access important government and private benefits and work supports such as health insurance, subsidized childcare, and the Earned Income Tax Credit. The combination of these supports can enhance the annual income of an \$8 per hour wage earner with dependent children by more than \$5,000 per year. Seedco is also working with Senate Hotel Partners Memphis, LLC to develop a recruitment and training strategy that employs local labor modeled after a similar Seedco program.

NMTC Allocatee

**Empowerment Reinvestment Fund
New York, NY
Ken Brezenoff: 212.204.1300**

**An Affiliate of
SEEDCO Financial/SFS**

Community Profile

- 24% poverty rate
- Central Business Improvement District



Project Highlights

- Real Estate: hotel
- Total Project Cost: \$40 million
- NMTC: \$15.5 million
- Lenders: First Tennessee Bank, Trustmark Bank, a private group providing a Mezzanine Loan and private equity investors.
- Jobs: 200 new

50 Projects – 50 States: Texas

NMTC Allocatee

**HEDC New Markets LLC
New York, NY
David Trevisani and Ann
Vogt: 212.682.1106**

**An Affiliate of
National Development
Council (NDC)**

Community Profile

- Enterprise Zone
- CDBG Target Area
- Texas Main St. District
- 38.4% poverty rate



Project Highlights

- Real Estate: rehab for library
- Total Project Cost: \$14 million
- NMTC: \$9.65 million
- Other Financing: Public Debt-County Loan
- Jobs: 90 construction, 32 retained, 3-5 new

Tom Green Library San Angelo, TX

Tom Green Library is located in San Angelo, TX , a town of 90,000. Its 24,000 square foot library is so small that children's reading hours are held in a converted storage closet. The library was no longer able to meet the town's growing needs.

In 1999, the city of San Angelo, TX acquired the former Hemphill Wells Department Store, a building that sat vacant for over 20 years. Due to the HEDC New Markets LLC New Markets Tax Credit (NMTC) loan of \$9.65 million, along with \$5 million from other sources will be used to transform former Hemphill Wells Department Store, into a new, state-of-the-art library.

The new library will more than double the number of computers available to the public, provide 14,000 square feet of space dedicated to children's collections and services, offer a new Patrons of the Library Store and Coffee Shop that is expected to generate nearly \$30,000 in monthly sales, and triple the amount of administrative space available to library employees. In addition, the new space will offer community members large meeting rooms and wireless internet that the city hopes will attract patrons who might not otherwise visit the library. The renovation is expected to create 90 construction jobs and the new library will retain 32 permanent jobs and add 3-5 new permanent positions.

In addition, it is no small matter that the new library is in a census tract with almost a 40 percent poverty rate. This project provides new services, jobs and opportunities to the poorest neighborhood in the City.

50 Projects – 50 States: Texas

Heimann Building San Antonio, TX

The Cattleman Square Historic District in San Antonio, Texas was once the center of Alamo City's commercial district and high-end retail stores. The construction of an interstate highway in the 1970s, however, isolated the neighborhood and led to disinvestment and the deterioration of the once vibrant community. Today, the Cattleman Square Historic District is one of the poorest and most neglected areas of the city.

A focal point of the square is The Heimann Building, a once luxury hotel that sits in the middle of this community, but the building was abandoned and gutted over 30 years ago. The Heimann Building was donated to AVANCE, a national nonprofit organization that provides Latino families support for parent education and early childhood development. With this building, AVANCE could expand into a community with a large Latino population and a strong demand for the organization's childcare and Head Start services.

The structure needed substantial work before it could be occupied and the organization lacked the resources to handle the \$6 million cost of the renovation. AVANCE raised \$2.1 million for the project, leaving a gap of \$3.9 million. As the CDE, the National Trust Community Investment (NTCIC) made an initial New Markets Tax Credit (NMTC) equity investment of \$246,965. NTCIC saw the potential to combine the federal Historic Tax Credit (HTC) with the NMTC to renovate a historic property and at the same time bring vital services and jobs to a low income community. Approximately \$3.2 million of the \$6 million renovation cost was eligible for the federal HTC.

Bank of America made a \$650,000 HTC investment in the project which enabled the bank to assume the 20 percent HTC on the \$3.2 million of HTC eligible renovation costs. The combined NMTC/HTC equity investment in AVANCE was \$904,635 and both investments were structured to remain in the project after the 7-year NMTC credit and 5-year HTC compliance periods end. AVANCE was able to use the \$2.1 million raised to fund 50 percent of the project cost with equity and financed the remaining \$3 million through a conventional lender at a lower rate. The newly expanded childcare and Head Start facility serves more than 60 low income Latino families through affordable, quality child care for young children that help parents maintain employment.

NMTC Allocatee

**National Trust Community
Investment Corporation
Washington, DC
Corinne Ingrassia:
202.588.6279**

Community Profile

- 44% poverty rate
- Empowerment Zone
- SBA HUB Zone
- State Enterprise Zone
- Unemployment rate 2.5 times national average



Project Highlights

- Real Estate: community facility
- Total Project Cost: \$16 million
- NMTC: \$246,965
- Other Financing: historic tax credits
- Jobs: 160 construction, 23 permanent

50 Projects – 50 States: Utah

NMTC Allocatee

USBCDE LLC
St. Louis, MO
Matt Philpott: 314.335.2621

An affiliate of
U.S. Bancorp

Community Profile

- 21% poverty rate
- 66% of Benchmarked family median income
- Unemployment rate 1.83 times national rate



Project Highlights

- Real Estate: Community Center, LEED Certified
- Total Project Cost: \$6.8 million
- NMTC: \$6.7 million
- Other Financing: Alliance for Unity, private investor
- Jobs: 85 Construction, 50 Permanent

Sorenson Unity Center **Salt Lake City, UT**

In 2003, Salt Lake City Mayor Rocky Anderson proposed the creation of the Unity Center to provide services, programming, and recreation facilities to the low income Glendale area. The Salt Lake City Council approved the plan and the Salt Lake City Foundation, a 501(c)3, was created to be a conduit for the funds. The CDE, USBCDE LLC, provided a \$6.7 million New Markets Tax Credit (NMTC) loan to construct the Sorenson Unity Center, a facility that provides comprehensive community services and programs, including vocational and technical training for this project.

The Sorenson Unity Center was finished in 2007 on four acres of land donated by James Sorenson, a Utah businessman and the Church of Jesus Christ of Latter-day Saints.

Constructed as a LEED-certified facility, the Unity Center is a one-story, 26,500 square foot facility that contains a health center; a performance and reception area, gallery space, and flexible rental space for various community uses. In addition, the facility provides comprehensive community services and programs, including vocational and technical training through Salt Lake City Community College for people who are educationally, socially, or economically disadvantaged; full-service dental treatment by Salt Lake City Donated Dentist Services (SLDDS), and a Computer Center which offers 14 personal computers, scanners and laser printers.

The Skills Center offers courses and intensive student support services, preparing students to be more effective within the circumstances of their lives and work. SLDDS provides dental treatment for those with no other access to dental care; 45 percent of their patients are homeless, 44 percent fall below the federal poverty level, and 11 percent have State funded insurance plans such as Medicaid. In partnership with Intel Corporation and the Boston Museum of Science, neighborhood youths can get assistance in the Computer Clubhouse, an after-school program that focuses on art, science, education, and technology.

50 Projects – 50 States: Vermont

Richford Main Street Mill Richford, VT

The Richford Main Street Mill project involves the redevelopment of a historic mill building located on Main Street in the center of the Village of Richford, Vermont. Richford is a town of approximately 2,339 located in northeastern Franklin County bordering the Eastern Townships of Quebec. In order to finance the redevelopment, the CDE, CEI Capital Management LLC (CCML), provided \$4,958,956 in New Markets Tax Credits (NMTC) using a combination of debt and equity.

This mill building, originally built around 1920, is the sole remaining standing structure of the Sweat Comings furniture manufacturing complex, which had once included over 200,000 square feet in the center of Richford along the Missisquoi River. Richford Main Street Mill is a mixed-use project of a 47,000 square foot, four-story building that includes an expansion and relocation of the Richford Health Center's clinic space and administrative offices on the second floor, the opening of a new grocery store and pharmacy in first floor retail space, and additional for-lease office space on the top fourth floor. The third floor of the mill building is being redeveloped into 12 residential rental apartments that will make use of Low Income Housing Tax Credits.

This project is expanding critical health care for a medically underserved region and bringing a new grocery store and pharmacy to a community that has had to drive more than 10 miles to find similar retail services.

The project has also incorporated many progressive environmentally sustainable features that add to the comfort, value, and energy efficiency to the property. TDBanknorth and CCML also partnered with the Hartland Group, Housing Vermont, and Richford Health Center to facilitate this investment.

NMTC Allocatee

**CEI Capital Management LLC
Portland, ME
Charles Spies: 207.772.5356**

**An Affiliate of
Coastal Enterprises, Inc.**

Community Profile

- Highly distressed census tract
- Federally Medically Underserved Area



Project Highlights

- Real Estate: mixed-use rehabilitation
- Total Project Cost: \$7.13 million
- NMTC: \$4.95 million
- Other Financing: TDBanknorth Richford Health Center, Inc, and the Hartland Group
- Jobs: 15 construction, 25 new for grocery, pharmacy, residential, and 20 health related

50 Projects – 50 States: Virginia

NMTC Allocatee

**Wachovia Community
Development Enterprises
(WCDE)
Charlotte, NC
Wanda Clark: 214.624.1776**

**An affiliate of
Wachovia Bank, N.A.**

Community Profile

- Median Income < 60% of the average
- Unemployment rate 1.5 times national average
- Manchester Empowerment Zone



Project Highlights

- Real Estate: commercial
- Total Project Cost: \$5.84 million
- NMTC: \$3.8 million
- Other Financing: Federal and state historic tax credits; Enterprise Empowerment Zone Grant and deferred developer fees
- Jobs: 100+ new or retained

New Manchester Flats II Richmond, VA

New Manchester Flats, II (Flats II) is located in the Old Manchester District of Richmond, Virginia. The project is part of the Manchester Empowerment Zone which was created to increase economic and cultural development in Richmond's historic district.

Flats II is the second phase of a four part development project that will include a mix of residential, commercial office and retail spaces. The overall development will be used as live-work space, serving entrepreneurs and other business owners desiring to combine their offices and homes in one space.

The CDE, Wachovia Community Development Enterprises (WCDE), provided \$3.8 million of its New Markets Tax Credit (NMTC) allocation in debt financing. WCDE's portion of the overall plan financed the rehabilitation of 29,519 square feet of commercial space, with the majority of the space being used to provide adult daycare services to area low-income seniors. This project pooled a variety of funding sources, combining federal and state historic tax credits with Enterprise Zone grant dollars. The historic tax credit funds were used to leverage the NMTC dollars in order to meet the \$5.8 million in building cost needs to complete the project. WCDE provided \$3.8 million in investment capital. The developer deferred their fees adding additional equity to the project.

It is estimated that the facility will be able to serve at least 200 persons. Many of the jobs created by this project will be targeted to low-income residents within the neighborhood and range from office managers to healthcare personnel, food services and maintenance workers. The addition of a larger workforce to the area most likely will create the demand for food services and other businesses that cater to large concentrations of persons in the area.

WCDE's role in the completion of this project was twofold. First, WCDE helped to keep development costs at a minimum by providing a source of lower cost capital to the developer, which would not have been possible with traditional financing for a historic renovation. And secondly, WCDE provided low cost capital in such a way that commercial rents would be low enough to attract long term commercial tenants to an area that had

50 Projects – 50 States: Washington

FareStart Adult Culinary Academy Seattle, Washington

FareStart is a social enterprise in Seattle dedicated to transforming the lives of homeless men and women through job training and placement in the food service industry. Students receive job training in the food service area that generates revenue through the daily preparation and distribution of over 2,000 meals.

By 2004, FareStart had outgrown the space it rented and needed a larger facility. The organization purchased a 33,000 square foot building in a severely distressed New Markets Tax Credit (NMTC)-qualified low-income community in Seattle to expand their training, social services, and business capacity. However, they did not have the funding necessary to renovate and upgrade the facility to make it fully operational. Community Development Funding, LLC made a \$17 million NMTC loan and equity investment in FareStart to renovate and upgrade their facility, transforming it into a culinary vocational training academy and restaurant. In the new facility, kitchen and classroom space will be doubled, providing for quality and safe training areas and increase in business capacity. A family resource area will provide a safe, “child friendly” space for use by students who are parents of young children. The organization’s management and administrative staff will be located in the same building.

The new facility provides FareStart the capacity to increase to 575 the number of people served each year and increase by 80 percent the revenue generated through the organization’s food service businesses. Self-generated revenues will support the majority of FareStart’s business operations growth, and hungry children and families will consume 21 million nutritious meals, prepared and delivered by FareStart.

New Markets and Historic Tax Credits were combined to provide below-market financing with equity-like terms to make this project feasible. Conventional lenders had declined to make an investment, but with the addition of NMTCs the project was able to move forward and is now complete. The project team included Community Development Funding, LLC, US Bank Corporation, FareStart, the architectural firm of Stickney, Murphy & Romine and construction management by Sellen Construction

NMTC Allocatee

**Community Development
Funding LLC
Clarksville, MD
Craig Stanley: 410.730.0490**

**A Subsidiary of
CBO Financial**

Community Profile

- Severely distressed NMTC-qualified low-income community census tract
- 40.3% poverty rate
- Median income 55.3% of area median income



Project Highlights

- Real Estate: culinary school for homeless
- Total Project Cost: \$17.2 million
- NMTC: \$17.2 million
- Investor: US Bank Corporation
- Jobs: 93 construction and 24 permanent

50 Projects – 50 States: West Virginia

NMTC Allocatee

**West Virginia Community
Development Loan Fund, Inc.
Barboursville, WV
Jack Dilley: 304.736.5271**

Community Profile

- Empowerment Zone
- 30% poverty rate
- SBA HUB Zone
- Brownfield redevelopment area



Project Highlights

- Real Estate: furniture company expansion
- Total Project Cost: \$3.7 million
- NMTC: \$1.73 million
- Other financing: line-of-credit
- Jobs: 17 permanent jobs created
- SBA Guarantee

National Wood Products Huntington, WV

National Wood Products is located in Fairfield West, a low-income neighborhood in Huntington, West Virginia. Huntington is a city that in the last 30 years has lost significant well-paying jobs due to the loss of chemical, glass, and metal manufacturing facilities. A major thoroughfare runs through this part of the city from the Interstate to downtown and Marshall University. Once an area of high crime and drugs, it is slowly undergoing a transition.

To help spur revitalization the CDE, West Virginia Community Development Loan Fund, Inc. structured a \$1.73 million New Markets Tax Credit (NMTC) loan to help expand National Wood Products' operation. National Wood Products is no-run-of-the-mill furniture company. It produces solid wood furniture exclusively from wild black cherry lumber indigenous to the Appalachian forests at a single factory in Huntington, West Virginia. The company's craftsmen and craftswomen use the so-called imperfections to finish the furniture with a series of stains and glazes that create the aged appearance of well-worn furniture. All the furniture is made to order. There is no finished goods inventory. Each customized piece is based on requests from customers, many of whom are interior designers. Several of its largest customers are to-the-trade design showrooms.

Since the expansion, they have increased their payroll from 24 to 41 full-time employees (a 71 percent increase) with an average factory salary of \$11 per hour. Gross revenues have increased more than 400 percent since the inception of the loan. National Wood Products is providing economic stability to their employees and, since all of their sales are generated outside of West Virginia, they are bringing outside dollars to the local economy.

Because West Virginia Community Development Loan Fund, Inc. had a New Markets Tax Credit allocation, it was able to make a 100 percent NMTC loan with a Small Business Administration (SBA) guarantee. The loan did not have sufficient cash equity contribution or collateral to meet normal underwriting guidelines. The patient, flexible capital provided by SBA and NMTC were key to making this project work and a small business grow.

50 Projects – 50 States: Wisconsin

544 S. First St. LLC
Milwaukee, WI

IndependenceFirst, Inc. was founded in 1978 by a group of rehabilitation professionals and persons with disabilities. Aided by a grant from the United States Rehabilitation Service Administration (RSA), the group started an independent living facility under the name Southeastern Wisconsin Center for Independent Living (SEWCIL). SEWCIL's mission was defined as one of "assisting persons having disabilities to maximize their independence and be full participating citizens in our community". The majority of IndependenceFirst employees are disabled.

The project site is located in a highly distressed area of the near south side of Milwaukee. The project repositioned a 69,000 square foot vacant property and revitalized a building and the area by bringing two viable businesses as tenants, which offer good paying jobs with solid benefits. The development has resulted in a manufacturing and office building that provides headquarters for a non-profit entity and printing company.

In addition to providing independent living resources, services performed by the company targets a wide range of social issues including programs in alcohol and drug abuse, domestic violence, disability rights, employment counseling, housing resources, work incentive programs, transition from institutional living, technology for disabled persons/businesses, workforce accommodations and many others.

The other tenant is First Edge Solutions, LLC, a print fulfillment company that provides digital reproduction and information management services for small companies throughout the greater Milwaukee area.

Johnson Community Development Corporation provided a New Markets Tax Credit (NMTC) loan on terms and conditions that allowed the project developer to charge submarket rental rates and allow two companies to move to an area that they previously wouldn't have been able to afford. The developer also worked with the city of Milwaukee to have them install new crosswalks and bus stops that will meet the needs of the handicapped employees and visitors.

NMTC Allocatee

**Johnson Community
Development Corporation
Racine, WI
Douglas Menne: 414.287.6482**

**An affiliate of
Johnson Bank**

Community Profile

- Median income 56% of national average
- 20% poverty rate
- SBA HUB Zone



Project Highlights

- Real Estate – commercial
- Total Project Cost: \$8.75 million
- NMTC: \$3.5 million
- Other financing: \$3.85 million conventional
- Jobs: 99 created/retained between the two tenants

50 Projects – 50 States: Wisconsin

NMTC Allocatee

Wisconsin Community Development Legacy Fund with sub-allocation to

Impact Seven, Inc.

Almena, WI

Angela Kazmierski:

715.357.3334

Community Profile

- Designated redevelopment district
- TIF district
- Brownfields redevelopment area
- Medically underserved region



Project Highlights

- Real Estate: manufacturer expansion
- Total Project Cost: \$10 million
- NTMC: \$10 million
- Investor: US Bank
- Jobs: 50 construction, 86 retained and 45 new manufacturing

Main Street Ingredients

La Crosse, WI

Main Street Ingredients (MSI) provides dairy-based food ingredients to the dairy, food processing, and nutritional industries. It is located in La Crosse (population 52,000), a small community which has been adversely impacted by business flight and closings over the last five years. MSI's expansion is part of a broader effort to reinvigorate the economy of La Crosse as well as maintain and create jobs, which in turn would benefit the entire State of Wisconsin. Wisconsin Community Development Legacy Fund (WCDLF) asked Impact Seven (I-7) to manage their New Markets Tax Credits (NMTCs) designated for rural areas. Impact Seven (I-7), then used its NMTC allocation to provide \$10 million in debt and equity for the MSI project that would have exceeded the ability of local banks to finance on their own.

The MSI property is located in a technology zone and is a qualified New Markets Tax Credit census tract. This community has been substantially impacted by the closure of the local K-Mart and Fleming Companies, a local employer that had over 1,000 workers and laid off almost 340 people in late 2003. This was followed by an announcement in early 2004 that Associated Banc-Corp would be cutting 225 back-room jobs. These cut-backs on top of a series of out-migrations by various companies since 2000 had left workers in the La Crosse area with a feeling of unease regarding continued opportunity.

The NMTC financed expansion ensured that MSI will remain competitive into the future and provided a real boost to the local economy. MSI's 50,000 square foot expansion included new laboratory space, employee facilities, production areas, and warehousing. The company utilizes vendors in 20 different communities in Wisconsin for a total of over \$16 million in goods purchased from these vendors annually. Twelve of the vendor communities are located in rural areas of the state.

The financing was provided in three separate seven-year interest-only below-market loans. After the loan term ends the CDE may continue as an equity investor, thereby ensuring the patient flow of capital MSI needs to expand its business over the long term.

Impact Seven, based in Almena, Wisconsin is a nationally recognized leader in the creative ways it has fostered economic development, especially in rural and distressed areas. Since 1970, it has been involved in a diverse range of activities such as managing 10 revolving loan funds and now as a Community Development Entity (CDE), I-7 has used the same resourcefulness to leverage the New Markets Tax Credit to achieve maximum economic impact.

50 Projects – 50 States: Wyoming

Casper Fire Station Casper, WY

Historically, downtown Casper, Wyoming was a thriving commercial center in Wyoming's largest city (pop. 49,000) which was and still is the center of commerce for the state. Following the oil industry downturn in the 1980s, Casper lost many businesses and its downtown reflected that loss. Nothing symbolized this more than the long-shuttered Casper Fire Station. The first fire station built in Casper, this historic structure dated back to the early 20th century and operated until the mid 1970's. As fire equipment became more sophisticated in terms of capacity, length and height, a modern facility was needed and the historic fire station was vacant for nearly thirty years.

In early 2004, the city of Casper developed a plan for the reuse and renovation of the building into commercial offices. HEDC New Markets, an affiliate of the National Development Council (NDC), brought New Markets Tax Credits (NMTC) to Wyoming.

NDC packaged a Qualified Equity Investment (QEI) from First Interstate Bank of slightly more than \$1.5 million with innovative use of HUD's Section 108 funds to leverage additional private sector investment into the project.

The Section 108 is the loan guarantee program that provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. By allowing a state or CDBG Funds to borrow up to five times their most recent CDBG allocation, it makes it one of the most potent and important public investment tools that HUD offers to state and local governments. Section 108 permits state and local government to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. Section 108 is an ideal source of financing to leverage additional NMTC equity in publicly-supported projects. It provides communities long-term, affordable financing over a twenty-year period allowing progress to take hold and develop within a community like Casper.

This was a small project, but in terms of how Casper views it, it's a very big project that renewed local pride in the city's center, created 19 new jobs and is expected to be a platform for continuing historic and commercial revitalization.

NMTC Allocatee

**HEDC New Markets LLC
New York, NY
David Trevisani and Ann
Vogt: 212.682.1106**

**An Affiliate of
National Development
Council (NDC)**

Community Profile

- 9.4% unemployment rate
- Median income less than 60% of area median income
- Brownfield Redevelopment Area
- CDFI Hot Zone



Project Highlights

- Real Estate: historic rehab
- Total Project Cost: \$1.8 million
- NMTC: \$1.5 million
- Other Financing: HUD Section 108, other sources
- Jobs: 50 construction, 13 full time retained and 19 new