



NEW MARKETS
TAX CREDIT COALITION

**Lafayette Preparatory Academy
IS EXPANDING**



THANK YOU LAFAYETTE SQUARE FOR YOUR SUPPORT!



NEW MARKETS TAX CREDIT New Member Briefing Report Senator Josh Hawley

Missouri

nmtccoalition.org

A report on the loans and investments in Missouri
Above: A sign announcing the expansion of the Lafayette Preparatory Academy

NMTC IMPACT IN MISSOURI

JOBS AND INVESTMENT

—now—
HIRING
42.8K
JOBS STATEWIDE

The NMTC created over 42,000 Missouri jobs, including:

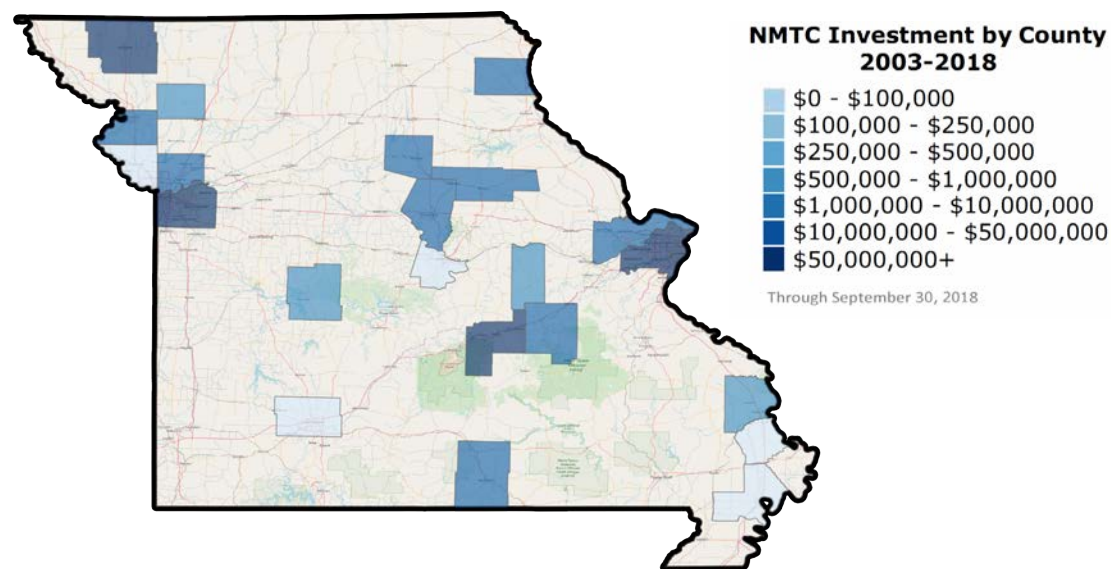
- 21.5k construction jobs;
- 20.9k full-time-equivalent jobs.


274
PROJECTS FINANCED IN MISSOURI

The NMTC made 274 Missouri projects possible, including manufacturing expansions, health centers, and other community facilities.


\$3.9B
IN TOTAL CAPITAL TO MISSOURI

The NMTC delivered \$3.9 billion to Missouri businesses and revitalization projects that would not have been possible but-for the NMTC.



MISSOURI PROJECT EXAMPLES



Ferguson Community Empowerment Center Ferguson, MO

NMTC financing helped turn an empty lot into Ferguson Community Empowerment Center, a joint venture between The Salvation Army Midland Division and the Urban League of St. Louis. The Salvation Army occupies the entire second floor of the 13,000 sq. ft. building, offering programming to disrupt the cycle of poverty.



The Hazelwood Logistics Center Hazelwood, MO

The Hazelwood Logistics Center anchors a major industrial park in northern St. Louis. Strategically located among four major U.S. interstates, the 164-acre park accommodates a wide range of activities, from manufacturing to distributing. NMTC financing was instrumental in attracting tenants and creating hundreds of jobs for low- and moderate-skilled workers in an underserved area of St. Louis.



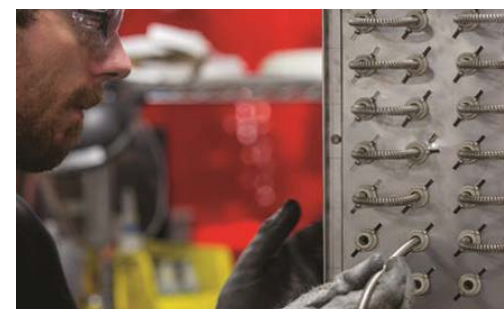
Lafayette Preparatory Academy St. Louis, MO

Expansion of the Lafayette Preparatory Academy, a charter school in Lafayette Square. The elementary school plans a \$7.5 million project to renovate its 27,000-square-foot space and add 15,000 square feet so it can begin teaching middle school students.



Three Trails Industrial Park Kansas City, MO

The new industrial park is major initiative to create hundreds of jobs for low-and-middle-income families in the neighboring community of South Kansas City. The project developer, NorthPoint, also gave \$160,000 to help fund LISC of Kansas City's Financial Opportunity Centers that provide job training, financial coaching and emergency assistance to area residents.



Indeeco-Cuba, LLC Cuba, MO

In 2014, the NMTC helped INDEECO, a designer and manufacturer of heating equipment and controls, grow from 200 to 350 employees in Cuba, MO.

ABOUT THE NMTC

AFTER DECADES OF CUTS TO COMMUNITY DEVELOPMENT GRANT PROGRAMS, COMMUNITIES INCREASINGLY COUNT ON THE NEW MARKETS TAX CREDIT TO MAKE IMPORTANT INVESTMENTS POSSIBLE

The New Markets Tax Credit (NMTC) is an important source of financing for businesses and community facilities in America's most distressed rural and urban communities. Congress authorized the NMTC in 2000 to bring down the cost of capital in communities outside of the economic mainstream. Taxpayers receive a 39 percent tax credit (taken over seven years) for qualified investments into Community Development Entities (CDEs), organizations with a track record of loans and investments in underserved areas. CDEs use the proceeds of those investments to finance business expansions, community facilities, and other projects prioritized by communities.

ECONOMIC IMPACT

CREATING JOBS

The NMTC has delivered \$80 billion total project financing to over 5,000 projects, creating 1,000,000 jobs at a cost to the federal government of less than \$20,000 per job.

JUMP-STARTING MANUFACTURING

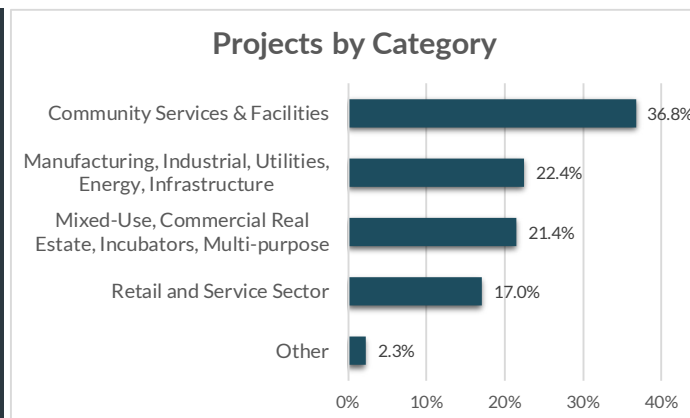
From the outfitting of maker-spaces to the construction of large plants, the NMTC provides nearly \$1 billion annually to manufacturing & industrial facilities.

ENHANCING SERVICES

Over one-third of NMTC financing goes to YMCAs, hospitals, childcare centers, nonprofits, arts & cultural amenities, & other facilities vital to healthy communities.

INDEPENDENT EVALUATION

An independent compliance review by Summit Consulting found that program participants are significantly lowering the cost of capital for borrowers in low-income communities and exceeding statutory and regulatory requirements for the targeting of economic distress.



EXTENSION LEGISLATION

The NMTC expires December 31, 2019. Without the NMTC, hard-hit communities will lose access to billions of dollars for high-impact projects.

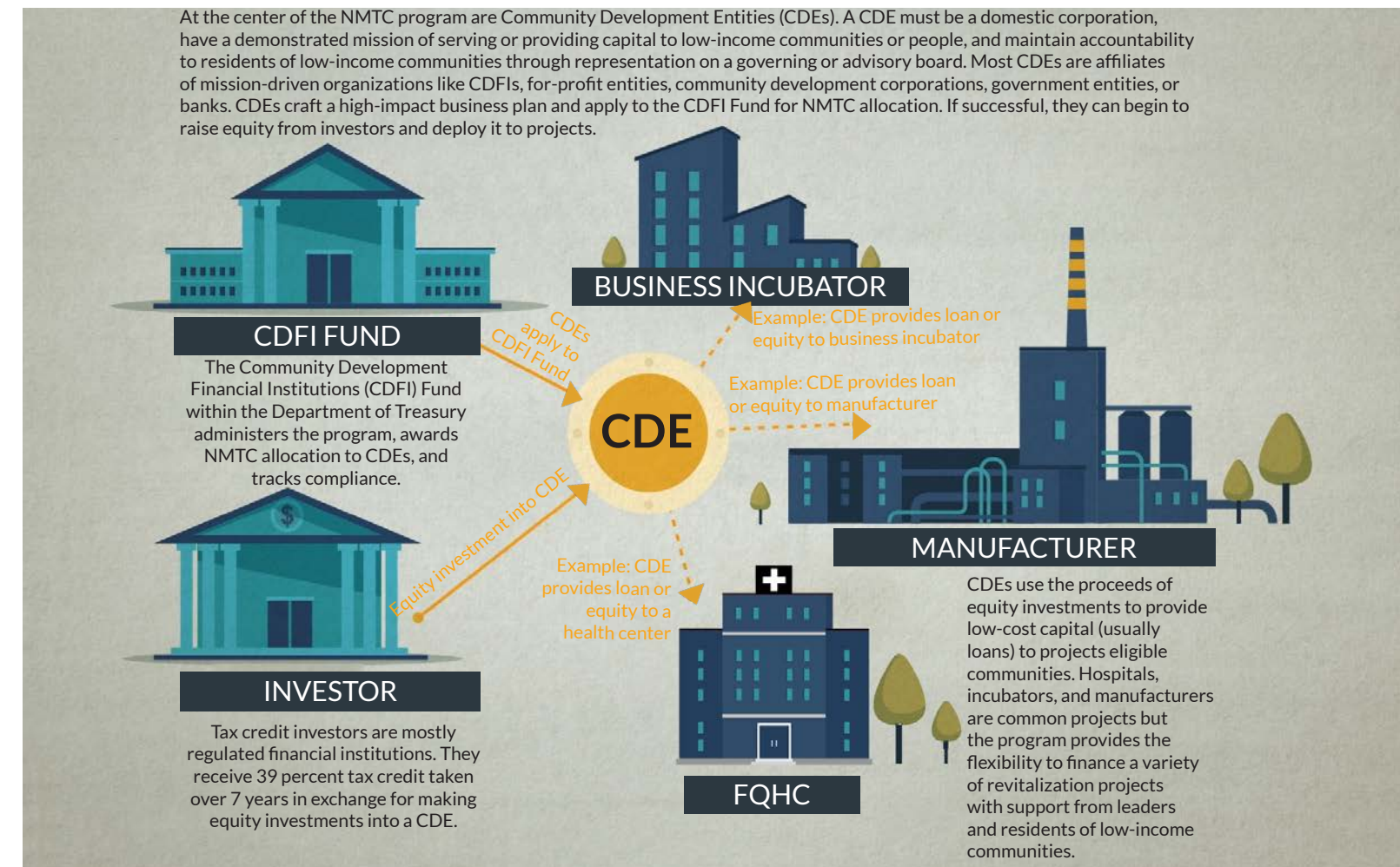
Extension legislation has been introduced by Sens. Roy Blunt (R-MO) and Ben Cardin (D-MD) in the Senate and Reps. Terri Sewell (D-AL) and Tom Reed (R-NY) in the House. **The New Markets Tax Credit Extension Act of 2019 (H.R. 1680/S. 750).**

The legislation would: provide an indefinite extension to the NMTC; increase allocation authority, adjusted for inflation; improve tax credit pricing and expand the investor-base by providing AMT relief to NMTC investors

In the 115th Congress, 123 members of the House and Senate from both parties cosponsored the NMTC Extension Act of 2017 (S. 384 and H.R. 1098).

HOW IT WORKS

MOBILIZING CAPITAL FOR HIGH-IMPACT PROJECTS



ELIGIBLE COMMUNITIES

NMTC projects must be located in census tracts with poverty rates of at least 20 percent or median incomes at or below 20 percent of the area median. However...

75% of NMTC projects are located in **severely distressed communities** that far exceed the statutory requirements for distress.

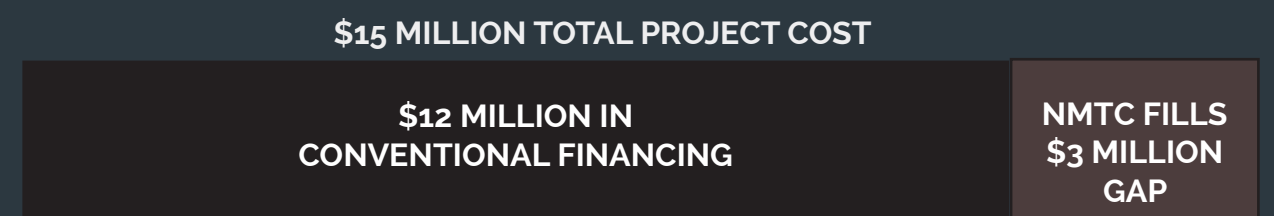
WHAT ABOUT RURAL?

The NMTC statute directs the CDFI Fund to ensure NMTC allocation reaches a proportional share of non-metropolitan counties.

23% of NMTC projects were located in non-metropolitan counties in 2017.

GAP FINANCING

Example: Imagine a business needs \$15 million to expand a production facility and purchase new equipment to meet growing demand. The business can only come up with \$12 million from a conventional lender. The NMTC fills the gap and makes the expansion possible.



ONLINE RESOURCES

NMTC Coalition:	nmtccoalition.org
State Fact Sheets:	nmtccoalition.org/state-fact-sheets
Project Maps	nmtccoalition.org/map
Project Profiles:	nmtccoalition.org/stories
How It Works Video:	nmtccoalition.org/how-it-works
Research:	nmtccoalition.org/research
Statute:	nmtccoalition.org/statute
 CDFI Fund:	 cdfifund.gov



Above: Breaking ground at the new Ferguson Community Empowerment Center

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1155 15th Street Northwest
Suite 400
Washington, DC 20005

+1-202-204-4500
info@nmtccoalition.org
[@nmtccoalition](https://www.instagram.com/nmtccoalition)