



**NEW MARKETS**  
TAX CREDIT COALITION



# NEW MARKETS TAX CREDIT New Member Briefing Report Congressman Joseph Neguse

**CO-02**

[nmtcoalition.org](http://nmtcoalition.org)

A report on the loans and investments in Colorado's 2nd CD and beyond  
Above: Green House Homes at Mirasol in Loveland, CO

# NMTC IMPACT IN COLORADO

## JOBS AND INVESTMENT

**—now—**  
**HIRING** **9.8K**  
JOBS STATEWIDE

The NMTC created 9,838 Colorado jobs, including:

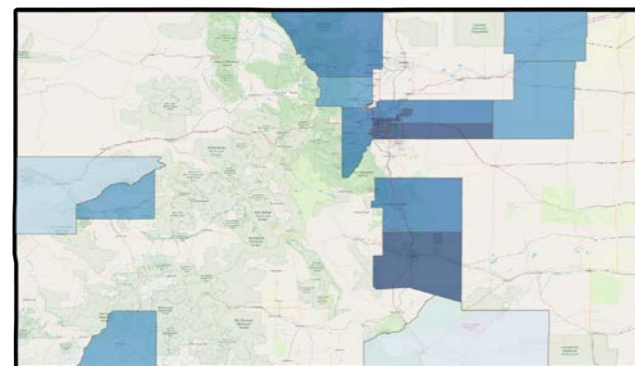
- 4,208 construction jobs;
- 5,630 full-time-equivalent jobs.

 **97**  
PROJECTS FINANCED IN COLORADO








The NMTC made 97 Colorado projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.

 **\$933M**  
IN TOTAL CAPITAL TO COLORADO

The NMTC delivered \$933.6 million to Colorado businesses and revitalization projects that would not have been possible but-for the NMTC.



### NMTC Investment by County 2003-2018

-  \$0 - \$100,000
-  \$100,000 - \$250,000
-  \$250,000 - \$500,000
-  \$500,000 - \$1,000,000
-  \$1,000,000 - \$10,000,000
-  \$10,000,000 - \$50,000,000
-  \$50,000,000+

Through September 30, 2018

# NMTC IMPACT IN CO-02

## INVESTMENT AND PROJECT EXAMPLES

 **8**  
PROJECTS FINANCED IN CO-02

8 NMTC projects have been financed in Colorado's 2nd Congressional District.

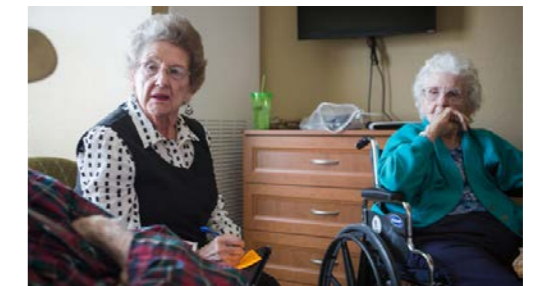
 **\$30.3M**  
IN TOTAL CAPITAL IN CO-02

The NMTC delivered \$30.3 million in total capital to businesses and revitalization projects in Colorado's 2nd Congressional District.



### Rocky Mountain Instrument Co. Lafayette, CO

Rocky Mountain Instrument Company, a manufacturer of optics, coatings, and assemblies for laser and imaging applications, used NMTC financing to expand into unique market segment involving Zinc Selenide. The project helped RMI add 15 jobs.



### Green House Homes at Mirasol Loveland, CO

Colorado's first ever GREEN HOUSE® Project. A radical new model for skilled nursing care, Green House homes are designed from the ground up to look and feel like a real home for 10-12 elders, returning control, dignity and a sense of well-being to its residents and their families.



### Rocky Mountain Innosphere Fort Collins, CO

Construction of a high-tech business incubator for biotech start-ups and entrepreneurs. Facility includes 30,000 sq. ft. of office and wet lab space.



### GST Power Service Group Fort Collins, CO

Financing for a testing, analytical, certification company for high voltage electricity users.

# 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

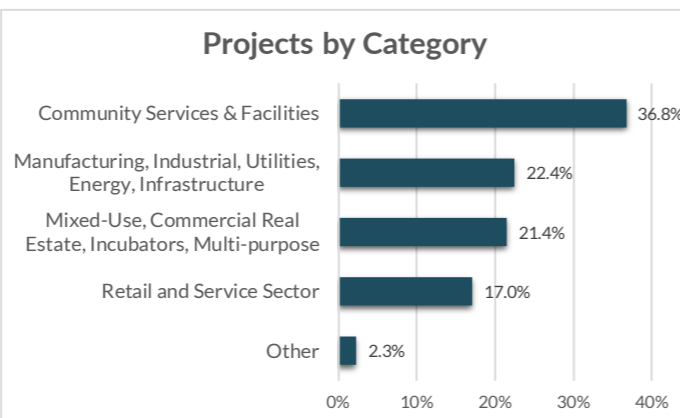
From the outfitting of maker-spaces to the construction of large plants, the NMTC provides nearly \$1 billion annually to manufacturing & industrial facilities.

### 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.

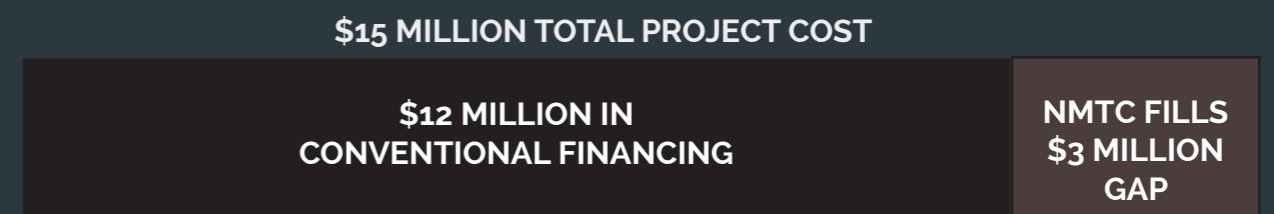
## WHAT ABOUT RURAL?

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

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



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