

## NMTC ALLOCATEE

### **Michigan Magnet Fund**

Huntington Woods, MI

Al Bogdan

313.445.1843

## COMMUNITY PROFILE

- Hamtramck, MI
- 27% poverty rate
- 17% unemployment rate
- Median income 62% of Area Median Income

## PROJECT HIGHLIGHTS

- Purchase and rehabilitation of a vacant building for a recycling plant
- Total Project Cost: \$6.4 million
- NMTC: \$5.8 million
- Investor: PNC Bank
- Jobs: 43 new permanent, 26 of which will be certified low income



## Hamtramck Recycling & Transfer Center

Hamtramck Recycling LLC is a family owned green recycling business located in Hamtramck, Michigan, which currently employs 11 people. In 2012, Hamtramck Recycling encountered increased demand from local manufacturers interested in recycling their waste, rather than depositing it in landfills. To accommodate the increased demand and increase capacity, Hamtramck sought to purchase and renovate an old waste-transfer building.

With support from the State of Michigan, and \$4 million in NMTC financing provided by the Michigan Magnet Fund, a Michigan based Community Development Entity, Hamtramck Recycling is now in the process of transforming the vacant building into a new, state-of-the-art, 32,000 square foot recycling & transfer center. Expected to be operational in 2013, the facility will sort out paper, plastics, Styrofoam and other office waste products, as well as light industrial metals, and turn them around into usable recycled materials. The modernized recycling facility will also include an assembly line that permits the use of such technology as overhead cameras to examine truck contents upon entry to price its recyclable mix, and will use automated equipment to permit easier sorting and separation of materials. Hamtramck Recycling also intends to build a new transfer station and tailor it to accommodate Industrial Dry Waste, recovering recyclable materials from the waste stream.

The recycling center will create 32 new jobs in a distressed community with a 27% poverty rate. These jobs will be targeted to Hamtramck residents and 60% of the jobs will be reserved for low-income persons with a family income less than 80% of the area median family income.

In addition to Hamtramck Recycling's expected economic returns, other significant benefits of this facility will be its contribution to enhancing green efforts throughout the Detroit metropolitan area, adding economic stability in a distressed area of the community.



Top: Artist rendering of the Hamtramck Recycling Center in Hamtramck, MI

Bottom: The previously vacant building has been gutted and construction on the new Hamtramck Recycling Center has begun

## NMTC ALLOCATEE

### **Massachusetts Housing Investment Corporation**

Boston, MA

Andrea Daskalakis

617.850.1033

## COMMUNITY PROFILE

- Holyoke, MA
- 69.1% poverty rate
- 11.5% unemployment rate
- Median income 11.4% of Area Median Income

## PROJECT HIGHLIGHTS

- Historic renovation of three connected commercial buildings into a health center
- Total Project Cost: \$21.9 million
- NMTC: \$18.9 million
- Investor: Multi-investor fund
- Jobs: 238 construction, 252 new permanent



## Holyoke Health Center

Holyoke Health Center (HHC) is a Federally Qualified Health Center (FQHC) established in 1970 to provide comprehensive, coordinated, accessible, culturally competent and affordable health services to low-income people in Holyoke, one of the poorest and most distressed cities in Massachusetts. Holyoke contains the highest rate of mortality, teen births, and HIV-related deaths in the state.

By 2000, Holyoke Health Center had outgrown its space and sought to renovate three vacant commercial buildings in Holyoke's struggling central business district into a full-service medical complex. Holyoke's expansion had strong local support and was the city's top redevelopment priority and a key component of downtown revitalization plan. After 4 years of unsuccessful attempts to obtain financing, HHC approached Massachusetts Housing Investment Corporation, a Boston-based Community Development Entity, which provided \$18.9 million in NMTC financing. This NMTC financing, combined with funding from the Health Resources and Services Administration, helped meet the \$21.9 million total project cost and within 6 months, construction on the new Health Center was under way.

The new state-of-the-art facility was completed in December 2005 and houses primary care and laboratory services, an on-site pharmacy, a dental clinic, counseling services, an HIV treatment program, a diabetes initiative, and a full pharmacy. HHC now serves 25,500 patients. The project generated 238 construction related job and 252 new permanent jobs.

The local, regional, and statewide impact of the HHC has been overwhelmingly positive. The project has improved the quality of life for an underserved population by providing comprehensive and affordable health care and by creating high-quality jobs with good benefits. The Center has been an anchor for other new commercial development, including a new restaurant, an Internet business, and a job training center.



Top: Holyoke Health Center in Holyoke, MA

Bottom: New patient rooms in Holyoke Health Center



# New Markets Tax Credit

## MICHIGAN

### NMTC ALLOCATEES

#### **Local Initiatives Support Corporation (LISC)**

New York, NY

Robert Poznanski: 269.343.5472

#### **Michigan Magnet Fund**

Huntington Woods, MI

Al Bogdan 313.445.1843

### COMMUNITY PROFILE

- Quinnesec, MI
- Unemployment 1.1 times national average
- Median income 78.8% of Area Median Income
- Forest Products Processing Renaissance Zone

### PROJECT HIGHLIGHTS

- Equipment and facility upgrades to paper mill
- Total Project Cost: \$50.3 million
- NMTC: \$32 million
- Co-Allocatee: CapFund New Markets, LLC
- Investor: Chase
- Jobs: 90 construction, 475, retained, 50 new indirect



## Verso Paper Quinnesec Mill

In 2010, Verso Paper, a pulp and paper company with plants across the country, announced plans for a Renewable Energy Project to help its mill in Quinnesec, Michigan meet more than 95 percent of the company's on-site energy needs by using renewable biomass sources.

State and local funding sources were not enough to finance the \$50.3 million project cost, so Local Initiatives Support Corporation, working with the Michigan Magnet Fund, and CapFund New Markets LLC, provided a total of \$32 million in NMTC financing for equipment and facility upgrades, allowing Verso's Quinnesec Renewable Energy Project to become a reality.

The project included upgrades to the mill's existing combination boiler, a new biomass handling system, and a new turbine generator. The project is delivering 28 megawatts of additional green energy for consumption within the mill, equivalent to the amount of electricity consumed by 18,000 homes each year. The project will make the plant cost-competitive in an increasingly competitive commodity market, will support 50 local, indirect jobs, 90 construction jobs, and will keep the mill's 475 current employees working in a community with an unemployment rate well above the national average.

Additionally, the Quinnesec Renewable Energy Project will reduce dependence on purchased electricity and create a new revenue stream with Renewable Energy Credit sales. Both of these factors will increase the long-term viability of the mill, which is a critical economic driver for the local economy. The mill will also purchase approximately \$6 million annually in biomass to support the project, creating new, long-term employment in the Forest Products industry in the region. The replacement of fossil fuel-based generation with biomass-based generation will reduce greenhouse gas emissions.

"This investment is an important part of Michigan's commitment to its rural areas. It not only makes our basic industry more competitive, but it does so by developing and using renewable resources and reducing Michigan's dependence on fossil fuel," said Ted Rozeboom, President of Michigan Magnet Fund.



Top: Verso Paper Quinnesec Mill

Bottom: The renewable energy project converts wood scraps into biomass to power the paper mill

# New Markets Tax Credit

# PENNSYLVANIA

## NMTC ALLOCATEE **National City New Market Fund \***

Pittsburgh, PA  
David Gibson  
412.762.3081

\*An affiliate of PNC Financial Services

### COMMUNITY PROFILE

- Erie, PA
- 25.8% poverty rate
- Median income 48.6% of Area Median Income
- 14.2% unemployment rate

### PROJECT HIGHLIGHTS

- Manufacturing plant modernization
- Total project cost: \$8 million
- NMTC: \$7.3 million
- Investor: PNC Bank
- Jobs: approximately 130 high-skill jobs retained



## Zurn Industries, LLC

Since its founding in 1900, Zurn Industries, LLC has been a recognized leader in commercial, municipal, and industrial markets and manufactures the largest breadth of engineered water solutions in the industry, including a wide spectrum of sustainable plumbing products. Zurn delivers total building solutions for new construction and retrofit applications that enhance any building's environment.

In 2007, Zurn was acquired by Rexnord, a leading worldwide multi-platform industrial company specializing in highly engineered solutions for a broad range of industries including water management. To remain strong in an increasingly competitive and global market, Rexnord knew it needed to upgrade the equipment and infrastructure at its foundry but the cost of the retooling effort was prohibitive. Rexnord officials reached out to local city leaders, and the EDC of Erie County which contacted PNC's NMTC team for assistance.

PNC, a national bank with a sizeable community development footprint in Pennsylvania, stepped in and made a \$7.3 million NMTC investment that helped Zurn finance equipment upgrades at the Erie foundry. The Commonwealth of Pennsylvania also provided funding through a \$275,000 Opportunity Grant.

The plant upgrades made it financially feasible for the company to maintain their century-long presence in Erie. Without a NMTC investment making the modernization feasible, the company would have struggled to maintain the approximately 130 skilled-labor manufacturing jobs that average over \$25/hour. Beyond sustaining the plant and its good paying jobs, these upgrades allowed Zurn to reduce operating costs and become more efficient and competitive in the market.

The NMTC investment provided the capital that allowed a longstanding business to finance the modernization of one of its manufacturing plants, thereby shoring up efforts to revive the manufacturing base in a community with a 25.8% poverty rate and a median family income that is 48.6% of the area median income.



Top: New electric melt furnace installed at Zurn Industries in Erie, PA

Above: Zurn is investing in upgraded facilities in Erie.