



NEW MARKETS
TAX CREDIT COALITION



NEW MARKETS TAX CREDIT New Member Briefing Report Senator Rick Scott

Florida

nmtcoalition.org

A report on the loans and investments in Florida'

Above: A shared workspace for small businesses at Armature Works, a rehabilitated streetcar warehouse in Tampa

NMTC IMPACT IN FLORIDA

JOBS AND INVESTMENT

—now—
HIRING **28K**
JOBS STATEWIDE

The NMTC created 28,384 Florida jobs, including:

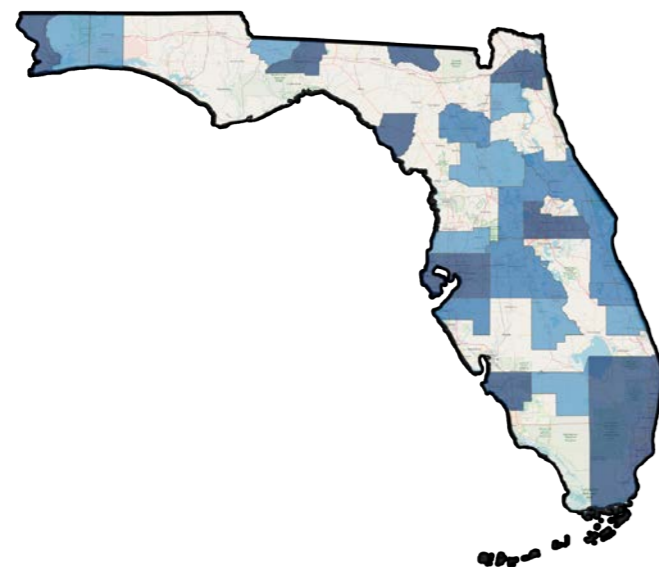
- 11,431 construction jobs;
- 16,953 full-time-equivalent jobs.

 **154**
PROJECTS FINANCED IN FLORIDA

The NMTC made 154 Florida projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.

 **\$2.2B**
IN TOTAL CAPITAL TO FLORIDA

The NMTC delivered \$2.2 billion to Florida 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

FLORIDA PROJECT EXAMPLES



Orange Blossom Family Health Orlando, FL

NMTC financing enabled Orange Blossom Family Health to build a new 11,600 sq. ft. Federally Qualified Health Care facility in Orlando. The project will provide 134 jobs and serve an additional 5,000 new patients annually in a medically underserved area. A majority of OBFH's patients (75%) live below the poverty line.



Metropolitan Ministries MiraclePlace Tampa, FL

Metropolitan Ministries, a faith-based consortium serving the homeless, used NMTC financing to redevelop a vacant lot for MiraclePlace, new 4-acre human services campus that includes rehabilitation, family counseling, child care, food services, an emergency shelter, and a unique K-5 elementary school offering small class sizes and additional social services for up to 136 at-risk low-income children.



Armature Works Tampa Tampa, FL

The 68,000 sq. ft. renovation of a historic streetcar storage facility into an indoor food hall and farmers market in USDA Food Desert; affordable shared space for 20+ emerging small businesses; and a workforce training center with employment counseling and nutrition/healthy foods training. The project is expected to generate 750 jobs.



Peace River Center Lakeland, FL

The construction of a new 14,000 sq. ft. comprehensive behavioral health emergency room with walk-in assessment, outpatient crisis, 20 bed stabilization unit, crisis and recovery services, and a 24 hour observation area.

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.

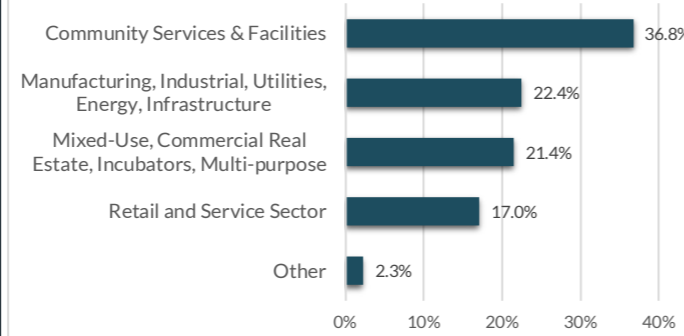
ENHANCING SERVICES

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.

Projects by Category



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.

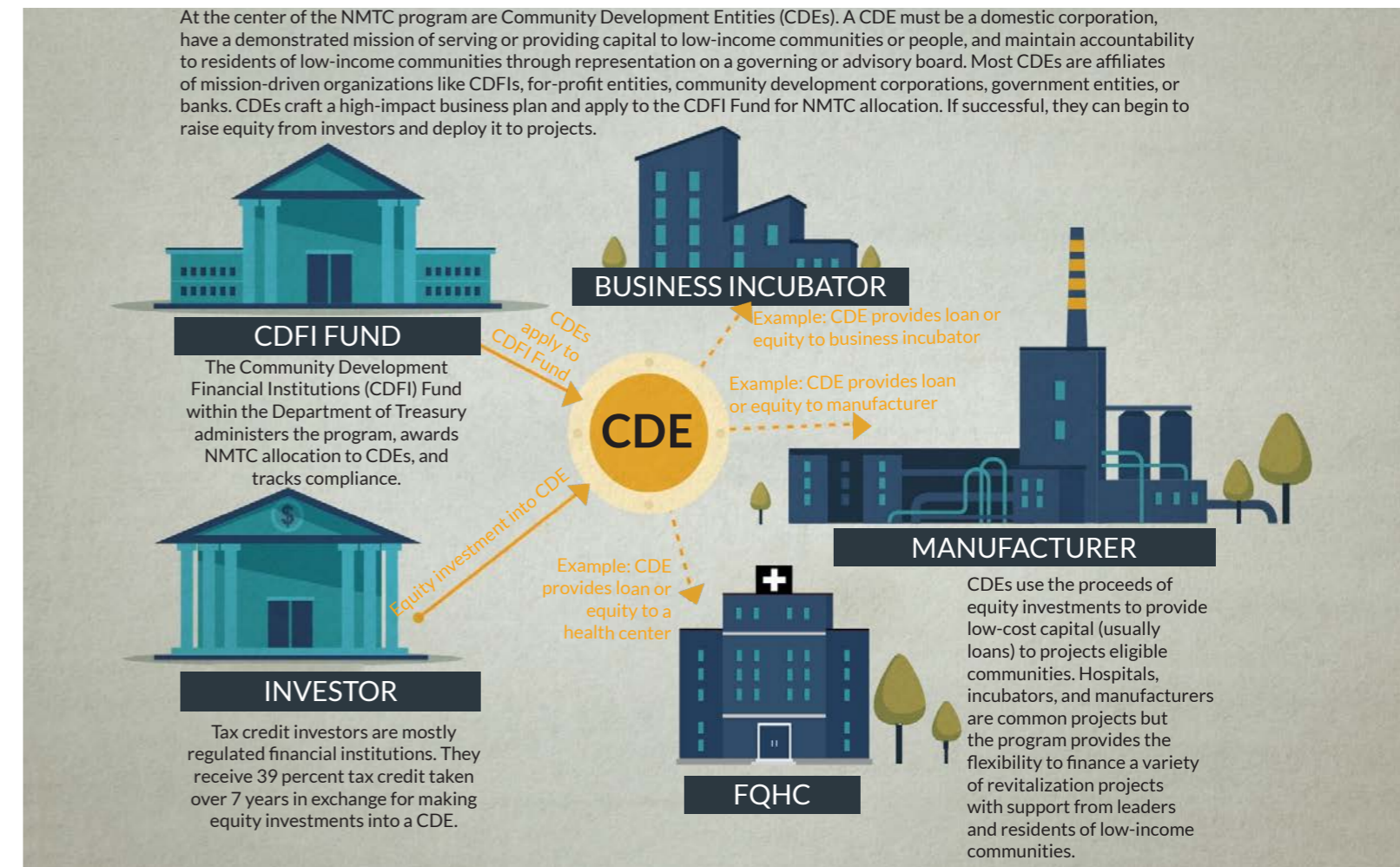
Extension legislation has been introduced by Sens. Roy Blunt (R-MO) and Ben Cardin (D-MD) in the Senate and Reps. Terri Sewell (D-AL) and Tom Reed (R-NY) in the House. **The New Markets Tax Credit Extension Act of 2019 (H.R. 1680/S. 750).**

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.

\$15 MILLION TOTAL PROJECT COST

\$12 MILLION IN CONVENTIONAL FINANCING

NMTC FILLS \$3 MILLION GAP

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



Ribbon cutting event at the Peace River Center in Lakeland, FL

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