



NEW MARKETS
TAX CREDIT COALITION



NEW MARKETS TAX CREDIT New Member Briefing Report Senator Mitt Romney

Utah

nmtccoalition.org

A report on the loans and investments in Utah
Above: A large donation to the Utah Food Bank in

NMTC IMPACT IN UTAH

JOBS AND INVESTMENT

—now—
HIRING **7.9K**
JOBS STATEWIDE

The NMTC created 7,890 Utah jobs, including:

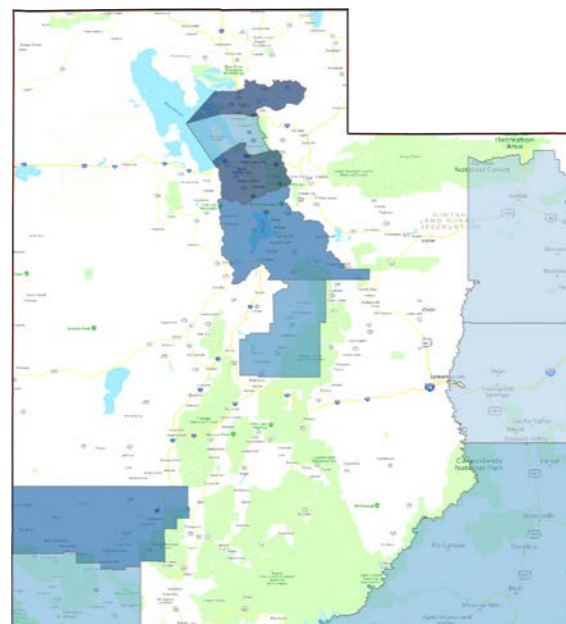
- 5,637 full-time equivalent jobs; and
- 2,253 construction jobs.

64
PROJECTS FINANCED IN UTAH

The NMTC made 64 Utah projects possible, including manufacturing expansions, health centers, and other community facilities.

\$456M
IN TOTAL CAPITAL TO UTAH

The NMTC delivered \$456 million to Utah 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

UTAH PROJECT EXAMPLES



Utah Coffee Roasters

Salt Lake City, UT

Financing for Utah Coffee Roasters, a Safe Quality Food Certified roasting facility and coffee wholesaler allowed the company to purchase new equipment and double its staff size over the seven-year life of its loan. The company has been roasting, mixing, and packaging coffee in Salt Lake City and shipping nationwide since 1994.



Utah Food Bank (UFB)

Salt Lake City, UT

NMTC financing supported the acquisition and equipping of a new UFB distribution center in Salt Lake City. Last year, UFB distributed 36.1 million meals via a statewide network of 150 partner agencies located in all 29 counties. In addition to being one of only a handful of food banks that distributes food free-of-charge to partner agencies, it offers several direct service programs to support vulnerable children and seniors.



Guadalupe School

Salt Lake City, UT

Guadalupe School is the only program in UT providing a continuum of services for 12 years, from birth through 6th grade. In 2014, with the help of NMTC financing, Guadalupe School opened a new location in Rose Park.



La Posada Pintada

Bluff, UT

NMTC financing supported the expansion of the expansion of La Posada Pintada, a small family-owned inn in Bluff.

"Because of the small population, it was very difficult for my company to receive funding from conventional banks, who are mostly based out of the larger cities in the northern end of the state; these institutions are unfamiliar with the potential and need for expansion in the growing tourism market here in the southeastern end of the state," said La Posada Pintada owner Jennifer Davila

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.

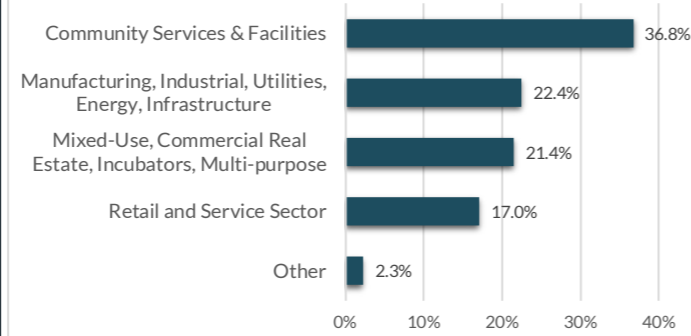
ENHANCING SERVICES

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.

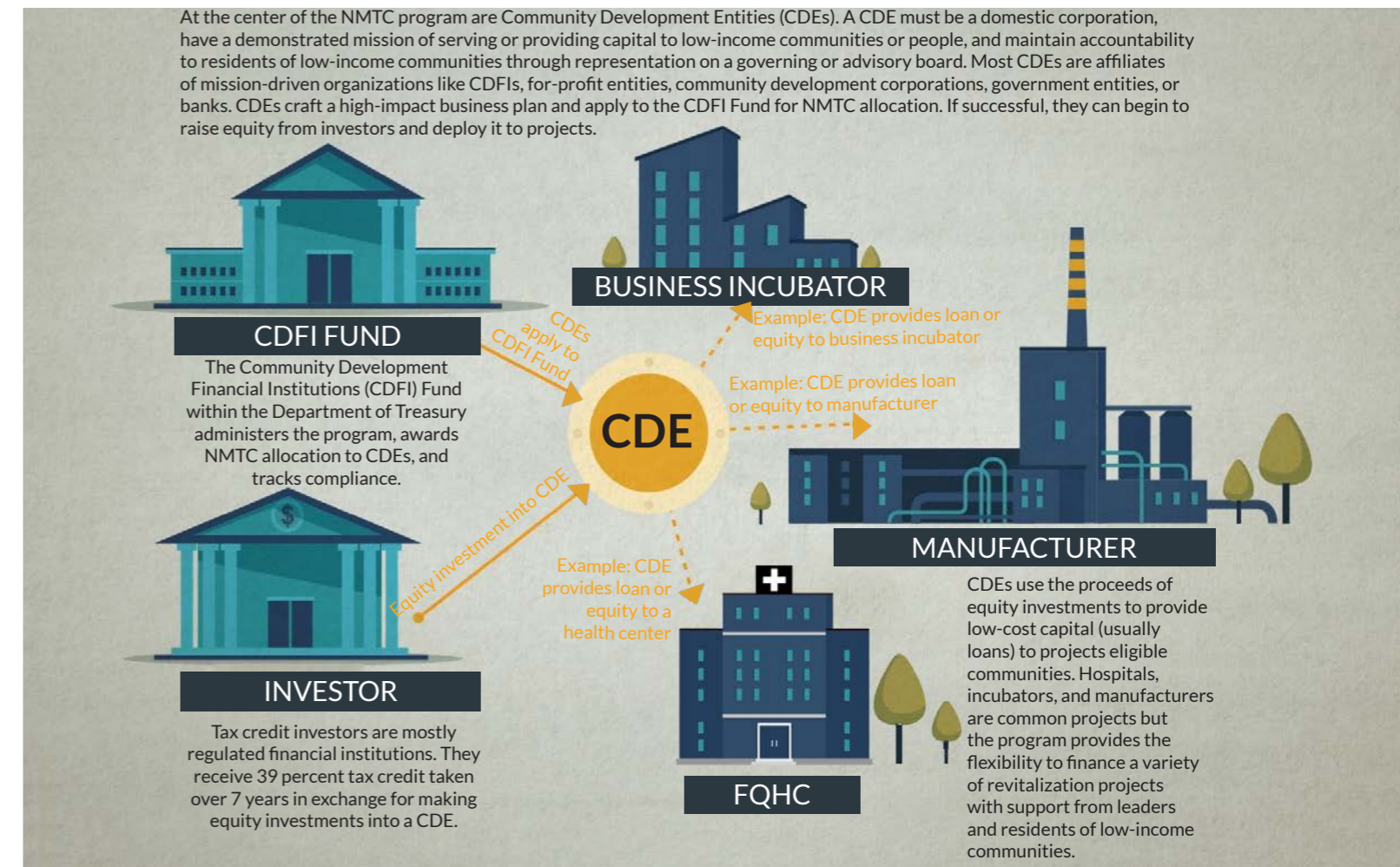
Extension legislation has been introduced by Sens. Roy Blunt (R-MO) and Ben Cardin (D-MD) in the Senate and Reps. Terri Sewell (D-AL) and Tom Reed (R-NY) in the House. **The New Markets Tax Credit Extension Act of 2019 (H.R. 1680/S. 750).**

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



Above: Cascata Packaging, a manufacturer of flexible packaging for baby food, sports gels, juices and other products, received NMTC financing to expand.

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