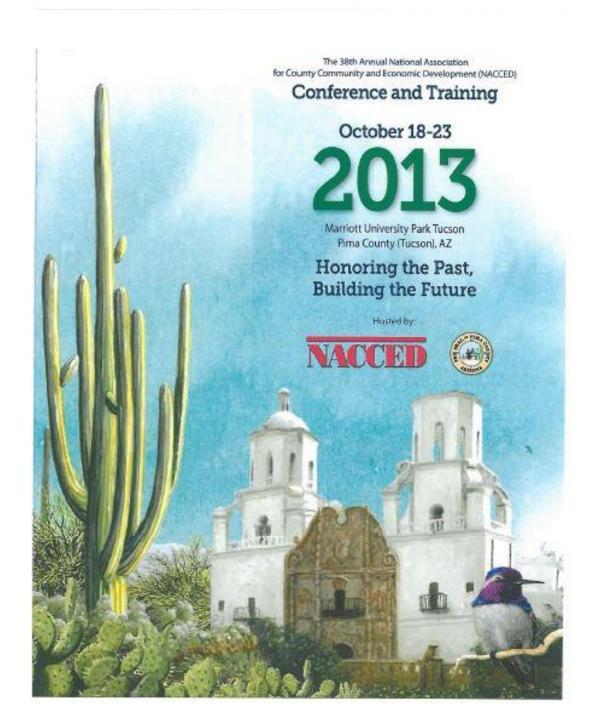
McLoughlin & Associates

Community
Development Financial
Institutions/New Markets
Tax Credits:

New Tools for Counties







- •Largest Award in State
- •2nd Largest on West Coast
- Only Award in Puget Sound
- Tax credits to investors
- Awarded to Kitsap County Consolidated Housing Authority for distribution
- •Lower interest rates or equity for businesses moving to Bremerton.

An incentive for business

DIMENSION 4

Left Seattle for Downtown **Bremerton**

"Software firm to be headquartered in newly renovated Medical-Dental building at 5th and Pacific."

NMTC financed a major renovation to help Dimension 4 bring 120 jobs downtown

Pacific Avenue Partners



Kitsap Community Resources



KCR consolidated their Head Start, employment

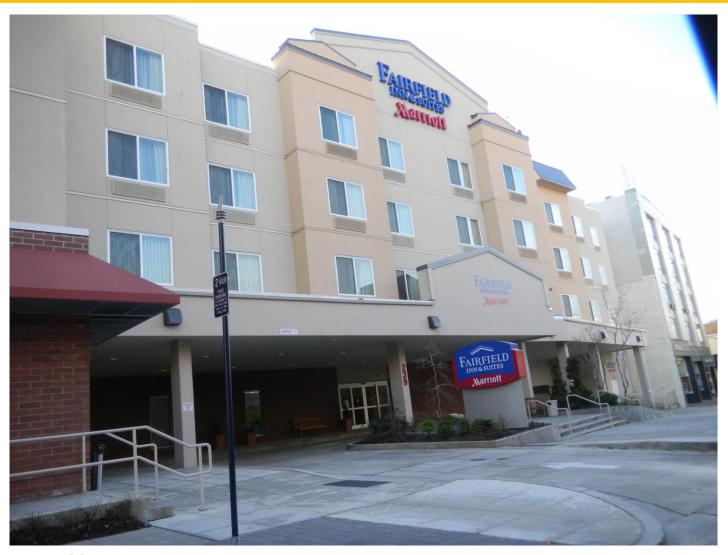
services, and administration in one location

designed for their needs.

McLoughlin & Associates



Marriott Fairfield Hotel

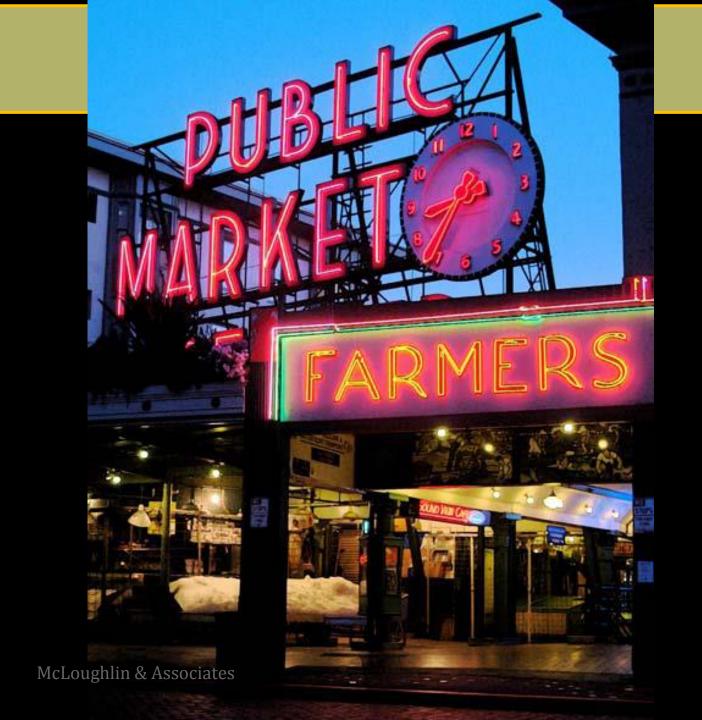


McLoughlin & Associates

Island Hospital—Anacortes, WA







The Housing Authority of Portland (HAP), together with its partners and a 2001 federal HOPE VI grant, spearheaded the largest neighborhood revitalization ever undertaken in Oregon history. The former Columbia Villa public housing development, 460 World War II-era rental units on 82 acres in North Portland, were demolished and replaced by a mixed-income, mixed use community of 850 households, known as New Columbia.

Community Campus – Located at the eastern edge of the new community on land donated by HAP, the "Community Campus at New Columbia" features a new public elementary school co-located with a Boys & Girls Club, directly adjacent to the City of Portland's University Park Community Center, including a new gymnasium. With more than 1,400 children now living at New Columbia, these facilities complement each other and, together, provide the programs that help children thrive. The Community Campus concept reduces the duplication of services by utilizing joint use of space, and has resulted in an overall reduction in capital cost while increasing operational efficiencies.

Rosa Parks Elementary School – The new 550 student elementary school replaced an aging facility three blocks away that had long been at the top of the school district's priority list for replacement. However, without the partnerships brought together by the New Columbia redevelopment, a new school would still have been only a dream.

In addition to the award winning design, the school has been certified at the LEED gold-level and provides an environmental learning laboratory for students. It was also the first public elementary school in the country built with New Market Tax Credits. This creative financing attracted foundations and grants. The blend of non-profit, profit, and public dollars supported housing and community development goals while reinforcing the educational mission of the school district.

FUNDING

14% B&G Club fundraising: \$2.5 million.

15% HAP lot sale proceeds and fundraising: \$2.7 million.

21% New Markets Tax Credits: \$3.8 million

48% Portland Public Schools bank loan: \$8.8 million

.02% Misc. funding: \$0.4 million

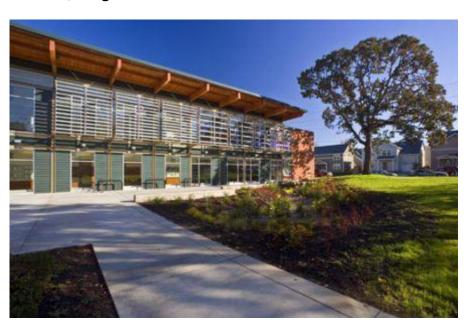
\$18.2 million New Columbia Community Campus Corporation

\$2 million City Parks

Total: \$20,2 MILLION COMMUNITY CAMPUS

Rosa Parks Elementary School and Community Campus

Portland, Oregon



Key Benefits

- Community campus incorporating Rosa Parks Elementary School serving 550 elementary students, and also a Boys and Girls Club, and new gymnasium
- Replaced aging school facility with new campus and stronger community
- Leadership and Energy Environmental Design Gold Level certification



Located on a largely vacant lot in the heart of Burlington, the King Street Redevelopment is a 41,000 square foot four-story, mixed-use, new-development completed in partnership with Champlain Housing Trust and Housing Vermont.

The first and second floors of the project consist of a NMTC-financed commercial space of approximately 25,000 square feet. Slightly over half of this space is home for the offices for the Champlain Housing Trust (CHT). The third and fourth floors, which were funded through Low Income Housing Tax Credits (LIHTC) of the building will house 20 affordable rental apartments organized as a cooperative, with 17 of the units reserved for low and low-moderate income residents. The entire building, which opened in 2009, was built LEED-certified "green-building" standards.

Without New Market Tax Credit (NMTC) financing it would have been impossible for CHT to build stand-alone office space or find reasonable office space to lease in Burlington, but thanks to NMTC financing, CHT rent for the space will effectively be 55% of the reported market rate for similar commercial space. The new office space allows CHT to keep 80 of its employees, primarily from the property management division, located in proximity to its clients and managed properties, which includes the housing portion of the King Street project.

In an area long-slated for development, the King Street project will serve as an anchor, particularly for the other service organizations nearby and an example for further redevelopment in the adjoining area.

FUNDING

CEI Capital Management (CCML) provided \$4.7 million in NMTCs, while Key Bank and The City of Burlington, along with Champlain Housing Trust and Housing Vermont provided leveraged debt, while Key Bank provided the equity for this deal, which closed November 7, 2008.

King Street Housing

Burlington, Vermont



Key Benefits

- Allows an affordable housing/ community development organization to keep most of its employees in the downtown area, near its units & clients.
- Anchors the immediate area with a social service organization
- 20 low-income, affordable new housing units.
- Demonstrates viability of green redevelopment in area
- Retains 80 jobs in area
- The associated affordable housing will allow families to remain in the Burlington CBD and will facilitate their employment in the area.
- Built to LEED-certified "green building" standards.

Coastal Enterprises, Inc. www.ceimaine.org



The Gulf of Maine Research Institute (GMRI) used New Market Tax Credits to help secure permanent debt financing for its 44,000 square-foot marine research facility on the downtown waterfront in Portland, Maine. GMRI provides a neutral and collaborative platform for research partnerships among Maine's leading marine research organizations, the fishing community, and private industry with a focus on fishery ecosystem research. GMRI is a cross-institutional facility that includes two staff researchers with joint appointment as professors at the University of Maine, as well as providing office and lab space for the University of Southern Maine and the Gulf of Maine Ocean Observing System.

In additional to serving as a world-class research center, GMRI has created educational space within its facility that features hands-on activities that encourage students to practice the scientific method, transforming them from passive observers into principal investigators. During the 2008-2009 school year, 86% of Maine schools sent their 5th or 6th graders to participate in GMRI's *LabVenture!* program. GMRI will implement new versions of both *LabVenture!* and *Vital Signs*, a field-based program for 7th and 8th graders, in late 2009.



This NMTC investment directly supports about 145 jobs at the facility and sustains the 25,000 Maine fishing jobs that are dependent on the Gulf of Maine ecosystem.

Funding

CCML put \$4.1 Million worth of New Markets Tax Credit allocation to enhance the funding for the project, while TD BankNorth supplied the necessary equity for the deal, which closed in September of 2004.

Gulf of Maine Research Institute



Key Benefits

- Creates collaborative research partnerships among Maine's leading marine research organizations
- Engages Maine students in marine science education
- 145 new jobs associated with the new research facility
- Indirectly helps sustain 25,000 Maine fishing jobs dependent on healthy marine ecosystem
- Helps sustain the Gulf of Maine's fishery ecosystem; will provide meaningful new data to track health of fisheries and available stock.



Excellent Education Development, Inc. is a non-profit committed to improving the quality of public education by creating high-quality charter schools in low-income, inner-city neighborhoods throughout the Los Angeles area. LA Charter Schools secured a \$36 million NMTC allocation and will use all of it to support debt financing that will allow charter schools in low-income Los Angeles County communities to own their facilities.

By using the NMTC allocation to offer a standard loan product, LA Charter schools is breaking down the ownership barrier. Several banks, after reviewing how LA Charter Schools is able to structure project transactions, have become interested in financing charter schools. LA Charter Schools has developed an investment pool supported by five investors, of which four are national banks and the other is a local bank. LA Charter Schools attracted them by approaching investors that had done Low Income Housing Tax Credit deals and that were also familiar with the work of the two principals of LA Charter Schools. A \$2-million grant from the Broad Foundation to reduce facility costs by \$200 per student per year also helped to encourage investor participation.

FUNDING

Five charter school projects are currently moving through the review and closing process. One of these deals, the Camino Nuevo High School, has a total development cost of \$11 million, of which \$7 million will be financed by NMTC debt, structured as an amortizing loan with a seven-year term and a 25 year amortization. Take-out financing will likely come from a tax-exempt bond issuance, and the remaining funds will come from grants and subordinate debt. Operation funds will come from two major sources: the State of California, which provides an annual appropriation for each public school student; and the Broad Foundation's grant. Although state education funds are subject to annual appropriations, they are considered adequately stable and reliable for underwriting purposes.

LA Charter Schools

Camino Nuevo High School



Key Benefits

- Fewer students will be bused out of the county to less crowded school districts
- 500 students in grades 9-12 will be served, with 90% of the students coming from families with annual incomes of \$35,000 or less
- Greater stability and education opportunities to a low-income community

Project information courtesy of Rapoza Associates December 2004



Clatsop Community College (CCC) is the oldest accredited community college in Oregon. CCC is located in Astoria, nearly 100 miles from the nearest four-year college. CCC serves students from three rural counties with a combined population of 56,000. Enrollment at CCC exceeds 7,000 students, many of whom are entering college for the first time after working many years as fishermen, loggers and parents. The general population lacks higher education: less than 20% of residents have bachelor's degrees and 20% did not complete high school.

Many of the college's buildings are nearly a century old, and since the campus is located on a steep hill most of its buildings are not accessible to individuals with disabilities. CCC has been under scrutiny by its accrediting agency regarding ADA compliance and accessibility standards. The college recognized the need for major renovations but lacked the resources. Three attempts to get local residents to approve a bond measure to construct a new campus were soundly rejected between 2003 and 2007.

In 2005, the Oregon State Legislature committed \$7.5 million in bonding authority to the CCC renovation project which allowed the college to recruit development partners and leverage other sources of financing. The CCC campus renovation project includes the building of a new 48,000 square foot, multi-story building that will house state-of the art classrooms, science labs, student commons and other facilities. The dilapidated Towler Hall with 41,000 sq. ft of classroom space will be fully renovated, thus bringing a historic building back into use.

FUNDING

Cost of the CCC campus renovation is \$28 million. The state of Oregon provided \$7.5 million in state bond financing and the college provided \$4.5 million and leveraged an additional \$500,000 in foundation funds. Shorebank Enterprise Cascadia used a portion of its 2006 NMTC allocation to provide a \$10.5 million loan to the CCC campus renovation. Working with Wells Fargo Community Development Corporation as its NMTC equity investor, ShoreBank was able to offer CCC a 7-year, interest-only loan at 2.5% with a balloon payment after year 7. Once all the non-local and NMTC resources were assembled the voters of Clatsop County approved a \$5 million bond measure to take the campus project over the top.

Clatsop Community College

Astoria, Oregon



Picture and project information courtesy New Markets Tax Credit Coalition **Key Benefits**

- Handicapped accessibility
- High quality affordable education opportunities to rural community
- Retained 120 jobs on campus and create 125 construction jobs
- Established a precedent in the state of Oregon and a model for other states by merging state and private funds to help a public institution



When the Portland Public Market closed in 2006, it left an economic and social vacuum in its wake, a blow to the already struggling Bayside neighborhood. Home to the City of Portland's primary homeless shelter and food pantry, the Bayside neighborhood is one of Portland's top priorities for redevelopment and economic revitalization. The empty Market Building, a 28,000 square foot post & beam structure specifically designed to act as an indoor farmer's market, posed a particular challenge as group after group abandoned efforts to redevelop the property, deeming it too costly.

In October of 2008, the building was purchased by PowerPay, a company that Inc. Magazine ranked as one of America's 500 fastest-growing private companies in 2008. The New Markets Tax Credit subsidy brings the redevelopment costs down to a workable level, making it possible for PowerPay to move its workforce to the Bayside location.



PowerPay is known for reaching out to employ people with disabilities and other challenges and a portion of the NMTC subsidy will directly fund employee training in this low-income community both for work at PowerPay and other local businesses.

FUNDING

CEI Capital Management LLC allocated \$9.5 Million in NMTC capacity to finance the project. The Katahdin Trust Company provided both debt and equity for this deal, while The First, N.A. provided equity and PowerPay provided additional debt.

Portland Public Market

Portland, Maine



Key Benefits

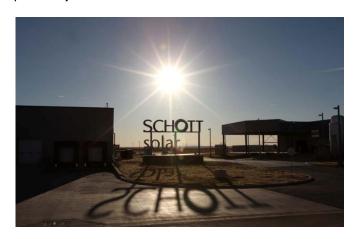
- Brings the Portland Public Market into reuse after two years of vacancy.
- Neighbor businesses will benefit from the presence of 100 professionals.
- Keeps approximately 100 employees in Portland.
- Will add up to 70 new
- professional positions in the next 24 months.
- Will be working with a workforce developmentspecialist to recruit new hires, increasing outreach into the low-income community.
- Will be Gold LEED certified.

Coastal Enterprises, Inc. www.ceimaine.org



Finance New Mexico, LLC was created in 2006 as a CDE affiliated with the New Mexico Finance Authority, which is the state agency designated to finance infrastructure, public projects and economic development throughout the state.

SCHOTT Solar, a German-based manufacturer of solar energy technology products was looking to build a new plant in the United States. Founded 125 years ago, Schott is a major manufacturer of solar energy products with operations in 42 countries and markets throughout the world. The company manufactures receivers that convert energy from the sun into electricity using concentrated solar radiation. In requesting NMTC financing from FNM, LLC, SCHOTT Solar outlined its plans to establish a facility that would bring more than 1,500 green manufacturing jobs to the area, with 350 coming on line within a year, and all paying good wages with benefits. In addition, the presence of SCHOTT Solar in the state would establish New Mexico as a manufacturing base for the solar industry which was one of the CDE's prime objectives.



Funding

SCHOTT committed \$15.5 million of NMTC allocation for facility and USBCDC CDE committed \$6 million for a total of \$21.5 million. FNM LLC provided 7-year, interest-only loan carrying 2% interest rate structured so that 12% will convert to equity after 7 years and \$1.8 million will be returned to New Mexico Finance Authority for other economic development activities. US Bancorp is the sole NMTC investor.

Solar Manufacturing Center

New Mexico



Key Benefits

- Plant incorporates green elements in its construction and design, and promotes clean energy in its products
- 350 new jobs created and expected to increase over the summer 2009.
- More than 300 construction jobs will be created throughout remaining development phase of new plant
- Will employ more than 1,500 when facility is completed
- 90% of new jobs created will go to local residents
- Over \$1 billion direct and indirect economic impacts forecasted by 2020
- Facility planned to expand to 8000,000 square feet with planned investment of over \$500 million

Picture and project information courtesy New Markets Tax Credit Coalition



The Greenbridge Early Learning Center (GELC) is being developed and operated by the Puget Sound Educational Service District to support Head Start and "Educare" programs for children from infancy through pre-school in the White Center neighborhood of unincorporated King County. The GELC, a public-private partnership representing government, business and the nonprofit sector, with the goal to provide school readiness for all children by creating high-quality early learning environments.

The project is located in Greenbridge, KCHA's 92-acre, \$200 million, HOPE VI redevelopment of the former Park Lake Homes public housing project. Greenbridge is a large master planned, mixed-income community which will include over 1.000 housing units ranging from low income rental units to market rate, detached single-family homes. The project includes ample community service space, 15,000 square feet of retail, parks & trails, and a new elementary school. KCHA is master planner and developer of the project's rental housing, commercial space and infrastructure.

Funding

KCHA secured and provided a \$22 million allocation of New Markets Tax Credits for the project and secured outside private equity contributions. The net equity provided to the project by NMTC investment is \$4.95 million, or approximately 25% of the project's total development cost. The NMTXs allowed KCHA to provide a development loan for this facility at favorable interest rates, without origination fees, and with extremely flexible underwriting standards tailored to meet the operation assumptions of the project.

Greenbridge Early Learning Center

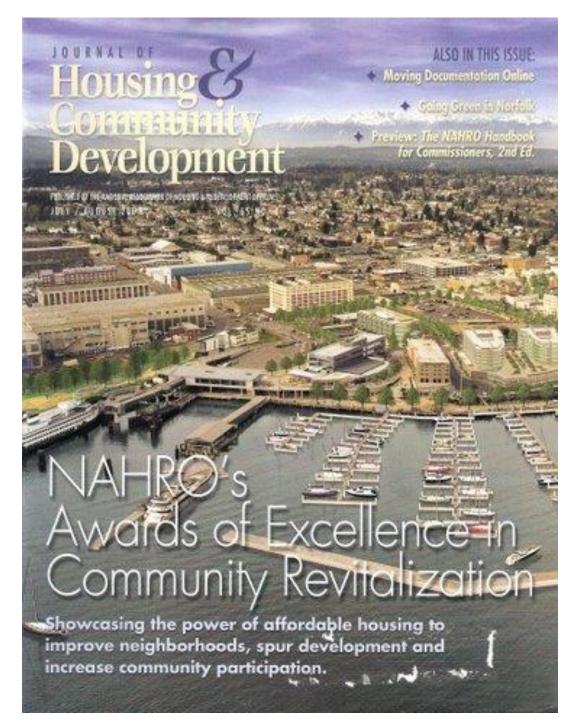
King County Housing Authority, Washington



Key Benefits

- 13 Headstart classrooms
- Childcare
- Parent education facility
- Administration offices over structured parking
- LEED certified building
- Outdoor Active space





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Novagradic NMTC Mapping

Maps and Data Tables