

Best Practices



New Orleans, Louisiana

COMMUNITY NEEDS - BUILDING RESOURCES FOR TOMORROW III

May 6-7, 2008



Rebirth Capital LLC

AMERICAN COMMUNITY RENEWABLE ENERGY FUND

Project Description:
Waste-to-energy power plant

Developer:
Sun Energy Group

Project Type:
Business

New Markets Tax Credit Allocation:
\$1 million seed investment

Total Project Development Cost:
\$450 million+

Projected Job Creation:
83 FTE (pre-development)
4,288 construction
55 FTE (post-development)

Louisiana Gasification Facility



THE PROJECT

The Louisiana Gasification Facility (LGF) is a seed-stage, minority-owned renewable energy company that is developing an innovative, green-certified, waste-to-energy power plant in New Orleans, LA. The facility will gasify municipal solid waste from the City of New Orleans using a NASA-derived plasma technology, generating 138MW of consistent, reliable, and more affordable baseload green power for the under-supplied New Orleans energy market, while helping to solve a critical problem of siting the additional landfills needed by the city.

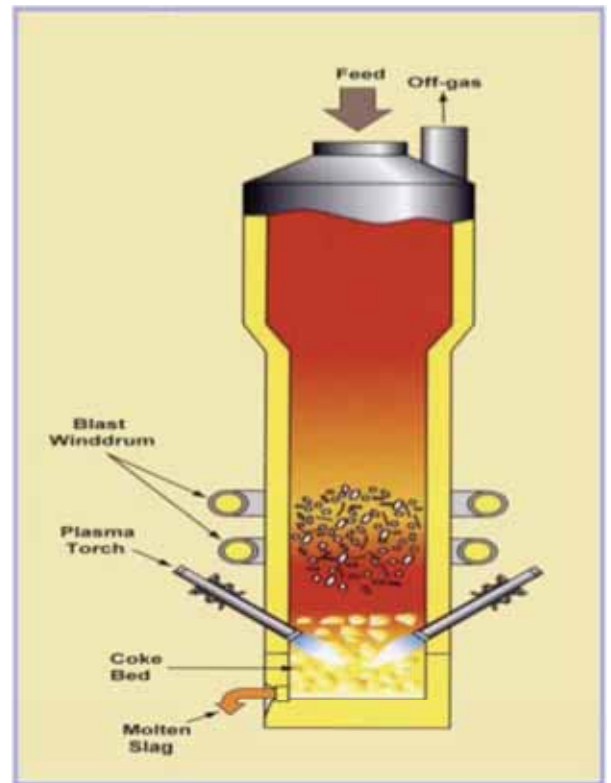
FINANCING

The New Markets Tax Credit investment provided a \$1 million QLICI seed investment to LGF in the form of a Convertible Bridge Note including numerous flexible features. This seed investment is helping attract the additional funds needed to complete the pre-development phase of the project. When complete, total project costs will be \$450 million+, perhaps the largest post-Katrina private-sector investment.

COMMUNITY IMPACT

LGF is projected to provide numerous economic and environmental benefits to the community, including:

- **Job Creation:** 83 FTE Jobs Created/Maintained (pre-development), plus 4,288 construction jobs (development) and 55 on-going operational jobs (post-development). Many positions will have average salaries almost double the local average.
- **Clean Energy:** The gasification process converts municipal solid waste that would otherwise go into landfills into clean energy and will result in decreased carbon emissions for the area.
- **Services to LIC residents:** The project will produce power at a cost that is lower than existing sources, benefiting LIC residents suffering from higher post-Katrina energy costs.



RECYCLED ENERGY PROJECT FACT SHEET

Customer: West Virginia Alloys, a subsidiary of Globe Metallurgical Inc.

Location: Alloy, WV (outside Charleston)

Project description: This \$45-55 million, 40-plus megawatt waste heat recovery project will serve West Virginia Alloys, a subsidiary of Globe Metallurgical Inc., the largest silicon producer in the country. Silicon — which is used to make a range of products such as computer chips, semiconductors, photovoltaic solar cells, and aluminum and steel alloys — has been a fast-growing market for decades. The energy recycling project will generate significantly cheaper power than from a new coal plant, but emit no carbon dioxide or other pollutants.

West Virginia Alloys uses electric arc furnaces to melt quartz rock and produce nearly pure silicon. The hot furnace exhaust is typically vented to the atmosphere, but RED will install waste heat recovery boilers to recycle the exhaust heat into steam which in turn will drive a turbine generator. The resulting energy will provide nearly one third of the electricity used in the furnaces, reducing the need for purchased power and eliminating the associated emissions. RED will supply all capital and energy expertise, receive a modest return on the capital and then split all remaining financial benefits with West Virginia Alloys, significantly improving the long-term competitive position of the silicon facility.

Commercial operation: 2010 (projected)

Environmental benefits: This project helps mitigate the threat of global warming. It will produce 40-44 megawatts of clean energy, enough to power more than 20,000 homes, but require no additional fossil fuel. By eliminating West Virginia Alloys' purchase of equivalent power from fossil-fueled generators, the project will reduce CO₂ emissions by more than 290,000 metric tonnes per year.

Economic benefits: West Virginia Alloys will dramatically cut operating costs per ton of silicon, strengthening its position as the lowest cost silicon producer in the world today. The project will help maintain and grow the number of quality manufacturing jobs in West Virginia.

Project highlights

Energy produced:

40-44
megawatts
electric

Greenhouse gas reduction:

290,000
metric tonnes
CO₂/year

Fossil fuel used:

Zero

National Trust Community Investment Fund

PROJECT DESCRIPTION

Project Goals:

Conversion of industrial building into fully modernized office space

Total Development Cost:

\$9.8 million

Square Footage:

94,000 gross square feet

Developer:

Ohio Valley Industrial and Business Development Corporation

Tax Credit Investor:

Bank of America

Key Project Financing:

\$1.06 MM —
Federal historic/new markets tax credit equity investment by National Trust Community Investment Fund
\$450,000 —
State historic tax credit equity

New Markets Tax Credit Allocation Amount:

\$512,000

Construction Jobs:

300

Permanent Jobs:

120

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Wheeling Stamping Building, Wheeling, West Virginia

BACKGROUND

The Wheeling Stamping Building first made a name for itself as the home of a metal stamping industry and then as a wholesale grocery warehouse in the late 19th century. Built in 1890, its proximity to Pennsylvania, Maryland, Ohio and Kentucky helped fuel the booming growth of the Ohio Valley at the turn-of-the-century. Over a hundred years later, the Wheeling Stamping Building is no longer a player in the trades but its proximity to modern transportation routes has earned it a prominent role in the information age.



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"I have been very impressed with the 'can do' spirit of the Fund staff. They are very professional and know their business very well. By working with the Fund, a local developer taps into a wealth of experience and expertise that is difficult to duplicate."

Danny Aderholt,
Co-developer, Century Equities

THE PROJECT

To prepare for the building's new use as the global operations center for a multinational law firm, the existing roof supports were replaced, steel and wood windows were repaired and code compliant elevators and stairs were installed along with new electrical, HVAC and mechanical systems.

THE NEW MARKETS TAX CREDIT SOLUTION

Historic and new markets tax credit equity bridged a \$1 million financing gap in the development budget. The rehabilitation also qualified for the 10% West Virginia state historic tax credit.

COMMUNITY IMPACT

In its new role, the Wheeling Stamping Building infuses important new revenue into the city and county by creating 120 mid-level management jobs. These jobs pay an estimated 25% more than the average wage in the area. Furthermore, before the Wheeling Stamping project, the surrounding area was badly blighted. Since its rehabilitation, two adaptive reuse office developments totaling \$7 million have been completed in the vicinity. Neither would have been pursued without the Wheeling Stamping precedent. Employees and visitors to these properties have increased business at surrounding retail outlets, helping to transform a previously derelict area into a bustling office environment.

For more information on the Fund, please contact
Corinne Ingrassia Tel.: 202-588-6279; email: Corinne_Ingrassia@ntcicfunds.com;
www.ntcicfunds.com



Project Description:

Brownfield Remediation
Construction of 83 Apartments
And 15,000 SF of Retail

Project Type:

Mixed Use

Total Development Cost:

\$21.7 million

Project Financing:

NMTC Loan	\$15.0M
Conventional Loan	4.3M
Private Equity	2.4M

Developer:

Mandel Group, Inc.

Construction Jobs:

150 – 200

Permanent Jobs:

25 – 40

Contact Information:

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Senior Vice President
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THE NORTH END – PHASE I - MILWAUKEE, WISCONSIN



Background

The former Pfister & Vogel Tannery occupies eight acres and a quarter of a mile of frontage on the Milwaukee River at the northern edge of downtown Milwaukee, Wisconsin. Operating as a leather tannery for nearly one hundred fifty years, tanning operations ceased on the site in 2000. Comprised of more than fifty buildings containing 400,000 square feet of obsolete and contaminated space, the property was acquired from the bankruptcy court in 2001 by Mandel Group, Inc., a national-award winning developer based in Milwaukee. A \$5 million demolition and environmental remediation program was completed in the Spring of 2008. This effort resulted in the elimination of the City's largest blighted industrial brownfield.

The Project

The master plan for The North End calls for the phased development of a \$175 – \$200 million mixed use community that will ultimately contain more than 500 new residences – both apartments and condominiums – and 40,000 to 50,000 square feet of retail spaces serving residents of The North End and surrounding neighborhoods. The North End is a catalytic development that represents the largest private investment in the City's Park East Redevelopment Project area and Tax Increment Financing District. Approximately 38% of the buildable land is dedicated to public uses, including new streets, public squares and parks and a major addition to the City's RiverWalk system.

Phase I of The North End will consist of 83 apartments and 15,000 square feet of retail space. Construction began in March of 2008, and is scheduled for completion in April of 2009.

New Markets Tax Credit Financing

New Markets Tax Credits from Johnson Community Development Company and M&I New Markets Fund, LLC resulted in \$15 million of below market interest rate financing for the \$22 million Phase I project.

Community Benefits

The North End is a catalytic development that will recycle the City of Milwaukee's largest and most visible brownfield, and will add \$175 – \$200 million to the City's tax base. The North End is a public-private partnership with the City of Milwaukee and the State of Wisconsin, dedicating 38% of the site to public open spaces. The North End will create hundreds of construction jobs and 100 to 150 permanent jobs. The North End is utilizing a substantial number of minority-owned firms in the design and construction, and is partnering with the City and community organizations on a job training and minority business development program. The North End is a showcase for sustainable development, having been selected by the U.S. Green Building Council as a Pilot Project in their new LEED-Neighborhood Development program.

CITY OF KANSAS CITY Brush Creek Project

The City of Kansas City, Missouri is uniquely focused on providing economic development leadership to the individual neighborhoods within its boundaries. City staff utilizes core programs to fund businesses, real estate and needed infrastructure to support the individualized vision of these neighborhoods. Within the last five years, the City has deployed over \$148MM in funds into catalytic business and real estate ventures.



KANSAS CITY
MISSOURI

Project

The Brush Creek project is an example of a large-scale, catalytic project in a highly distressed neighborhood, which captured a new vision for the neighborhood. The project included over 147,000 square feet of retail space and over 28,000 square feet of office space. The completed project includes a grocery store, post office and extended retail. The project leveraged \$40MM in public investment, securing \$100 million in private capital.

Community Impact

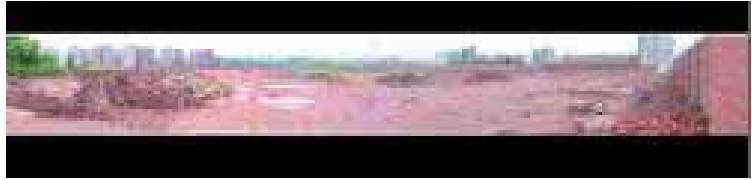
The Brush Creek project created significant opportunities for the residents of this LIC neighborhood. With an unemployment rate of 12.7% and a poverty rate of 27.2%, the addition of 1,463 new retail positions provided a substantial and lasting impact to the community.

Best Practice

Brush Creek is a high level example of economic development best practice as it exemplifies local, municipal coordination with neighborhood planning efforts. The end results demonstrate the type of high-impact, high-quality value that can be generated from this type of collaborative effort.



FIRE



FIRST-RING INDUSTRIAL REDEVELOPMENT ENTERPRISE, LLC

First-Ring Industrial Redevelopment Enterprise (FIRE) is a collaborative community development entity designed to apply West Allis's successful revitalization approach to the entire Southeastern Wisconsin abandoned industrial corridor. FIRE is headquartered in a distressed area and has a mission to revitalize disinvested areas through catalytic financing and regional coordination, serving the needs of LICs and disadvantaged businesses. FIRE targets significantly distressed census tracts and projects with a strong alignment with its strategies. Working with community staff throughout the corridor, its Advisory Board members, community development groups, business owners, and developers, FIRE injects the necessary capital and expertise into mixed-use, commercial, and business expansion projects that create jobs, remediate brownfields, provide for environmentally sustainable outcomes and breathe new life in the urban cores of the disinvested industrial areas of Southeastern Wisconsin. FIRE received an allocation of NMTC in the fifth round of allocation and funded 50% of this allocation within 7 days of executing their allocation agreement. They have already placed 42% of these funds into a QALICB.

Project

Duracolor is located on a reclaimed brownfield site in Racine, WI. This project is a \$7.5 MM expansion of a local printing business. The principals of Duracolor took over the failing graphics company in 2004. They were able to preserve a substantial number of well paying positions in the community. Over the last three years the management had been able to stabilize the company and bring it to the point where it is ready to grow.

The Duracolor expansion plan required capital improvements to their current space and purchase of equipment. The equipment allowed Duracolor to double their employment needs, without moving to a third shift. This was an important goal as late evening hours are not family-oriented and the company preferred to avoid this type of hourly structure. This project funded a QLICI in April 2008.

Community Impact

This NMTC facilitated financing will create 50 permanent new jobs and 20 temporary construction jobs. It is a vital transaction to a county noted as having the highest unemployment and poverty rates in the state. The applicant has committed to placing a minimum of 25% of these positions through the workforce development program offered by the county making the jobs available to low-income persons within the LIC. At hourly wages at or above \$15 this business expansion project will provide much needed living-wage job opportunities for LIPs in the community.

Best Practice

The Duracolor project highlights the capabilities of this regional CDE. This local business was able to expand and provide much needed jobs in coordination with workforce training and placement programs. It was supported by the community and met the mission parameters for the CDE – business expansion, creation of jobs, workforce development commitment and re-use of brownfield areas.

Gestra Engineering - Milwaukee, Wisconsin

NMTC Business Loan: \$225,000
Issue Date: 11/30/2007
Total Project Cost: \$634,417
Jobs Retained/Created: 18/10

Location: 1626 W. Fond du Lac Ave.
Census Tract: 55079010100
Poverty Rate: 36.8%
Pop. below median income level: 39.9%

Project Description: Gestra Engineering, a minority-owned engineering and consulting firm that specializes in geotechnical, structural, pavement and construction materials and testing services, received a NMTC loan to purchase and renovate a building from the Redevelopment Authority in the City of Milwaukee in a highly distressed NMTC eligible census tract. Gestra needed gap financing to help cover the high redevelopment and cleanup costs of the contaminated site. MEDC's NMTC loan of \$225,000 at 3.25% filled that gap. The building had been used as a small office/light manufacturing business which became tax delinquent and the property was taken in-REM by the City of Milwaukee. The redeveloped building, occupied by a profitable and growing business, is an enhancement to this highly distressed neighborhood. The company currently employs 18 and will add 10 new jobs in the next five years. GESTRA is a Minority Business Enterprise (MBE) certified by the State of Wisconsin, and Emerging Business Enterprise (EBE) certified by the City of Milwaukee, and a Disadvantaged Business Enterprise (DBE) certified by the Wisconsin Department of Transportation (WDOT). The company's in-house training program for drillers and technicians strives to hire employees from areas of high unemployment which in this case will be neighbors and residents of this area.



Community Impact:

- Acquired formerly tax delinquent city real estate and converted it into a productive tax base,
- Rapidly growing minority-owned business created jobs with an emphasis on hiring low-income persons from the neighborhood,
- Cleaned up blighted building spurring other revitalization in the low-income community,
- Infused private capital into an underfunded low-income community,
- Unique in-house job training program trains low-income persons from the neighborhood.

Best Practices:

While this represents a small sized NMTC project we believe that our unique use of the NMTC Program is achieving all the goals of the program and emulates how smaller deals can have a big impact. Our \$18 million NMTC allocation was deployed to 24 businesses in a period of less than 12 months. These loans ranged in size from \$120,000 to \$6,000,000, with a very low interest rate of 3.25%. This unique use of the program allowed MEDC to exponentially affect more businesses and their related jobs (more family supporting opportunities to low income community residents) as well as provided access to the NMTC program to businesses that under most NMTC programs would not have had access due to their limited size. Additionally, MEDC has already begun to revolve and utilize the principal and interest payments on these loans to provide low interest capital to additional businesses. To date, the original \$18 million allocation has provided \$19,500,000 in loans to 30 businesses, 93% of which are located in highly distressed areas, 50% were made to women or minority owned businesses, accounting for over 1,800 FTE jobs. MEDC's \$18 million allocation also leveraged an additional \$48 million of private investment to which NMTC were not applied.

Milwaukee Economic Development Corporation
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Milwaukee, WI 53202
Tracy Luber
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National Trust Community Investment Fund

PROJECT DESCRIPTION

Project Goal:

Rehabilitation of movie theatre into a performing arts center

Total Development

Cost:

\$29.3 million (MM)

Square Footage:

60,000 square feet

Developer:

Historic Tennessee Theatre Foundation

Tax Credit Investor:

Bank of America

Key Project Financing:

\$6.8 MM —

Federal historic/new markets tax credit equity investment by NTCIF

\$22.4 MM —

Grants and fundraising

\$1 MM —

Deferred developer fee

\$4.1 MM —

First Tennessee Bank construction bridge loan

\$5.0 MM —

Bank of America construction bridge loan

New Markets Tax

Credit Allocation

Amount:

\$2.631 million

Construction Jobs:

285

Permanent Jobs:

16

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Tennessee Theatre, Knoxville, Tennessee

BACKGROUND

When the Tennessee Theatre opened in downtown Knoxville in 1928, it was lauded as the state's premiere "movie palace". Its lavish Spanish-Moorish interior earned it status as the city's premier entertainment destination. By the late 1970s, demographic changes sapped the downtown of its vitality and demolition threatened the theatre. In 1997, it was donated to Historic Tennessee Theatre Foundation, a non-profit with a vision to transform the theater into a state-of-the-art performing arts facility.



THE PROJECT

Following an eighteen-month and \$30 million rehabilitation, the grand space is once again the toast of Tennessee, now as a state-of-the-art performing arts center. It retained its classic ticket booth, elegant foyer and grand lobby, elliptical auditorium and a classic Wurlitzer organ. The rehabilitation included repair of broken and uncomfortable seating, expansion of the stage and new lighting and sound equipment. The worn interior was also spruced up in historically accurate fashion by repainting/plastering interior surfaces and replacing furnishings.

"Without the National Trust, we never would have been able to capture the rehab tax credits for the project, and without the tax credits, we could not restore the Tennessee Theatre to its highest beauty."

Bruce Hartmann
President, Historic Tennessee

NEW MARKETS TAX CREDIT SOLUTION

The new markets tax credits helped this project quickly move forward on closing and construction after inching along for over four years. It did so by bringing 25% more equity to the nonprofit's development budget, which was largely dependent on fundraising. The result was a more extensive and higher impact rehabilitation than originally feasible.

COMMUNITY IMPACT

The 1,631-seat theater, which re-opened in mid-January 2005, serves as an anchor for the revitalization of downtown, bringing 150,000 residents and visitors to the city center for its concerts, plays, operas and special events annually. This economic stimulus comes with a relatively modest price tag, considering the historic and aesthetic value of the theatre and the cost of comparable new construction. This theatre is located within a designated Federal Empowerment Zone, a SBA HUBZone and a medically underserved area. Its rehabilitation has stimulated the creation of adjacent loft residences and the preservation of a row of historic storefronts.

For more information on the Fund, please contact
Corinne Ingrassia Tel.: 202-588-6279; email: Corinne_Ingrassia@ntcicfunds.com;
www.ntcicfunds.com

Tulsa Intermodal Facility

Established in 1946, First Southwest Company (“FSW”) is an investment banking firm and a national leader providing myriad financial services. FSW has grown from its Texas roots into a national firm with 23 offices in 12 states. It is currently one of the nation’s leading financial advisors to businesses and communities throughout the nation. FSW created a subsidiary CDE that has applied for an allocation of NMTC on behalf of its clients – communities that have needs and are not able to secure an allocation themselves. This strategy grew out of FSW’s 62-year track record of creating innovative solutions to challenges faced by its clients. FSW has built its reputation by working with businesses and municipalities to finance projects that are difficult for others to complete, such as business parks, medical facilities, charter schools, energy businesses, power plants, and intermodal facilities – all facilities critical to community economic development and quality of life. Over the past five years, FSW has used complex structuring techniques to secure and deploy more than \$2.7 billion in financing for these projects.

Project

The Tulsa International Airport was established in 1928 and recently had substantial needs for upgrading. FSW worked with the Tulsa Airport Authority, a separate non-governmental entity, to structure and issue \$20 million in funding to support the refinance and revitalization of the airport and its surrounding intermodal facilities. This project included rehabilitation of the cargo and passenger terminals as well as renovation of the general aviation facilities and other facilities on site. Located just seven miles from the central business district, this facility provides a vital link for businesses transporting trade goods and materials, with over 60,000 tons moved each year. The airport serves as a nexus for cargo transport for 29 carriers. A Boeing manufacturing facility employing more than 750 people and a bus manufacturing plant employing more than 100 people also benefit from the updates, providing ready access for employees and transport of the components developed.

Community Impact

This project has ensured the ability for businesses providing goods to remain within the Tulsa area. The \$20MM financing facilitated the retention of over 500 jobs and the creation of an additional 200 jobs in this low-income area of Tulsa, providing a substantial impact and providing for sustainable growth by providing expansion capacity through the intermodal capacity of the project.

Best Practice

The Tulsa intermodal project showcases the ability of FSW to facilitate and fund flexible and aggressive financing to guarantee that vital community resources are maintained and improved, providing long-term financial strength to the region.

Best Practices BAC Funding Corporation

BAC Funding Corporation is a nonprofit CDE located in Miami, FL.

The project is a five (5) story +/- 200,000 Square Foot Commercial Office Building leased by various departments of Miami-Dade County. The project has stimulated economic growth for the local community via revitalization and beautification of one the lowest-income enterprise zones in the country. The MLK project (including food court concept) has created more than 200 temporary construction jobs and has created over thirty (30) permanent jobs.

Miami-Dade County has full use and ultimate ownership of a new office building without having to make a large capital expenditure or encumbering its borrowing capacity. Rental payments paid to BAC will be applied towards the ownership of the building. BAC's income will help it to fund operation costs as well as business development and loan programs for African-American businesses.

The project is a collaborative effort between Miami-Dade County and BAC Funding Corporation to provide an economically efficient way to house various departments for Miami-Dade County as well as provide an additional instrument of self-sufficiency for BAC and its clients.

BAC was able to obtain tax-exempt bond financing via the United States Treasury due to its not for profit status and history of community development. The bond payments are guaranteed by Miami-Dade County. The budget for this project was \$33,895,306. A grant was also provided by Miami-Dade County.

The MLK Office Building represents best practices in community development because all stakeholders are rewarded for their participation. Specifically, investors in the tax-exempt treasury bonds, which were used to finance the construction and development of the MLK Office Building benefit from receiving a guaranteed return on investment for thirty (30) years, while supporting a worthwhile cause and avoiding additional tax burdens from their investment income.

Miami-Dade County, as grantor and tenant of the building will be saving money on providing headquarters for several of its essential departments by locking in below market rental rates for office space for the next thirty (30) years. Miami-Dade County has the option of purchasing the building at any time at a pre-negotiated price. Essentially, Miami-Dade County is able to obtain use of a major asset without encumbering its own borrowing capacity.



*BAC Funding Corp; 2525 NW 62nd Street; Miami, FL 33147
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Miami-Dade County taxpayers will save significant amounts of money via reduced operating expenses for many of its public services such as the Departments of Corrections, Team Metro, Transit and Solid Waste. The money saved from this project can be channeled to other community development activities. The office building is located at a major Metrorail transit station and as such, promotes the use of public transportation in an effort to reduce automotive traffic and increase revenues to Miami-Dade County.

Finally, BAC Funding Corporation and its clientele base benefit from the project as the building created a significant source of income for the non-profit organization, enabling it to provide additional financial services and assistance to small minority businesses, which are generally located in economically disadvantaged neighborhoods.



***BAC Funding Corp; 2525 NW 62nd Street; Miami, FL 33147
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Drury Hotel



Project Description:

The Alamo Bank Building opened its doors in 1929, located along one of San Antonio's most vital tourist attractions, the River Walk. It housed a series of banks throughout the years, finally falling into disrepair and a largely vacant space until it attracted the interest of the Drury family. Covering an entire city block facing St. Mary's Street in downtown San Antonio, the 24-story Alamo Bank Building has been beautifully restored and comes to new life as the Drury Plaza Hotel San Antonio River Walk ("Drury Plaza"). As a historic landmark, the building retains its original elegance and style, maintains a bank as a tenant, yet also houses hotel, retail, and restaurant space and over 16,000 square feet of newly renovated office space. This now serves as Drury's flagship hotel.

The renovations also included a major boon to the River Walk itself, bridging the gap that once required tourists to leave the river's edge, traverse back to the city streets, and then find their way back to the walkway. The 850-foot extension, a gift from Drury to the City of San Antonio, allows a continuous circuit of the River's path through the City. Connecting the River Walk has made this well known Texas attraction even more appealing to residents and tourists alike.

Players:

The City of San Antonio was very involved with this initiative from the onset. As it is located in an empowerment zone, an area with poverty greater than 30% and incomes well below 60% of the area median, in addition to three other distress criteria, reclamation of this historic property was a centerpiece for stabilization and catalytic of renewal in this downtown corridor. Drury Plaza utilized roughly \$6.5 million in net NMTC equity funds. These were provided through allocations from both the Valued Advisor Fund, LLC ("VAF") and Enterprise. VAF and Enterprise played vital roles in leveraging the capital necessary to bring it this project to fruition.

The Texas Mezzanine Fund (“TMF”) is a statewide community development financial institution and certified CDE based in Dallas. TMF provides financing for businesses located in distressed areas, minority-owned businesses, and small businesses that create jobs for low and moderate-income people. Established in 1999, TMF has attracted \$14.5 million in equity from 12 financial institutional investors since its founding, which it has utilized to fund its primary business products. TMF provides numerous services to its statewide constituency including financial literacy training and community development seminars. TMF was chosen as the sub-allocatee for this project due to its extensive experience in structuring subordinated loans and its familiarity with the Texas market. According to TMF President and Chief Executive Officer Victor Elmore, “This is an outstanding example of collaboration with the community and strategic use of capital in a project that will be a boon for downtown San Antonio.”

The new hotel is owned and developed by Drury Southwest Corporation (DSW) - a development company based in San Antonio, TX and Cape Girardeau, MO. It is operated by Drury Inns, Inc., which is a Missouri-based, family-owned and operated hotel system with more than 117 hotels in 17 states from Colorado to North Carolina and from New Mexico to Michigan. Brands include Drury Inn & Suites, Drury Inn, Drury Suites, Drury Plaza, Pear Tree Inn by Drury, and other hotels in the mid-price hotel segment. For over 30 years, DSW and its affiliated entities have been developing and managing hotels. Drury is different than most big franchise chains. It builds, owns and operates all of its hotels.

Community Impact:

The project involves a total investment of in excess of \$55 million, encouraging the revitalization of a low-income area of San Antonio. The hotel opened for business in April 2007. According to a recent impact report by Economic Research Associates, the hotel, along with the restaurant and retail businesses on site, will create 129 permanent jobs and retain 17 bank-related jobs. It is estimated that more than 25% of these employees are low-income individuals who live in the community. Drury has a strong training program for new employees and pays higher wages than most hotels in the area. In addition, the project is expected to generate indirect and direct taxes annually of in excess of \$1.5 million.

Why this is a Best Practice:

The Drury restoration project is a strong example of multiple allocatees; CDCs, investors and the community, coming together to develop a catalytic project that will spur additional revitalization efforts. In addition, TMF received valuable experience that it can leverage throughout the state as it works within the low-income communities that it serves and capital to help it grow as it does so.



Best Practices

Neighborhood Investment and Development Corporation

The City of Manhattan, KS is the home of Kansas State University and nearby Ft. Riley Army Base. The community through its Downtown Redevelopment Steering Committee is guiding a “one of kind” entertainment and retail center that will draw over 1 million visitors to the area annually. The Committee recommended a Prairie Discovery / Visitors Center featuring a Smithsonian exhibit and establishing a number of national and local partnerships to enhance the permanent exhibit space in the facility. The public/private cost of this redevelopment project is over \$160 million. This project, when built out will include the following:

1. Retail Component

The Project will be anchored by 17 new businesses and 200 new living units. The Project consists of approximately 250,000 square feet of retail, which may include up to 15,000 square feet of office space. There will be a number of medium sized retailers (15,000 – 30,000 square feet structures), one large anchor (68,000 square feet), and approximately 6 new restaurants.

2. Residential Component

The Project will also consist of approximately 235,000 square feet of residential space. The residential space will include town homes, condominiums, and apartments. There will be a variety of options for prospective tenants and ownership opportunities as well.

3. Commercial and Infrastructure Projects

The highlighted public projects are described below.

a. Street Improvements – the city has designated a number of street improvement projects to improve the flow of traffic through the downtown business district and to develop better access and parking for new businesses which it hopes to attract as a part of its strategic plans

b. Business Relocation - the city has identified a number of businesses that will need to be relocated in order to allow for the commercial development of strategic business corridors surrounding the main business district. Negotiations with these companies are underway and access to new sites has been secured.

c. Trail Project

The Trail Project encompasses a concrete pedestrian and bike trail ten feet in width from the Union Pacific Depot to Bluemont Avenue. The Trail Project will include the trail itself, landscaping, irrigation, bicycle signage, benches, storm drainage and et cetera. The trail will also be designed as an accessible route.



d. Parking Garage

The City and Developer have agreed to negotiate at a future date in regard to a public/private parking structure, potentially located at the corner of Leavenworth Street and 4th Street. The public portion of the structure would open to the public and most likely will be the ground floor of the structure. It has been estimated that the garage itself will encompass 180 parking stalls, with a potential 60 parking stalls as public. The private stalls of this garage would facilitate the residential and commercial uses of the surrounding properties.

e. Commercial Development - The city's strategic plan calls for specific development phases of the commercial district. The first of these is the redevelopment of a site prior occupied by a steel plant. This site, long abandoned, will now house a Best Buy, Olive Garden, and several other new businesses. The site which fronts a primary business artery and accesses the downtown mall is a key to future development plans. NIDC is proud to be involved in this initial business activity. Working in conjunction with the Valued Advisor Fund, NIDC is helping to provide the catalyst for the city's rejuvenation. This initial financial investment is the first step in moving toward completion of the Downtown Redevelopment District.

4. Summary

The Downtown Redevelopment District will have a positive impact on the local economy by filling current voids in the local retail market, attracting additional visitation to the area; extending the average length of stay; and generating increased retail sales volumes. The Downtown Redevelopment District is designed to serve as a regional tourism destination through operation of the Prairie Discovery and Visitors Center as well as the entertainment and retail component. This critical mass of attractions will elevate Manhattan's regional exposure and generate additional visitors and retail sales to the area. Implementation of the *Downtown Redevelopment Conceptual Plan* would increase visitation to the Manhattan area and assist in capturing trade area and visitor spending currently escaping the community. The elements of the plan are interconnected. The Prairie Discovery and Visitors Center would serve as both a distinctive visitor attraction and a centralized marketing and promotion outlet for Manhattan and the surrounding region, driving increased visitor counts. The Downtown Redevelopment District's planned retail would capture new visitor spending by serving as a major tourism destination through a tenant mix of "one-of-a-kind" destination entertainment and retail in Kansas. Both downtown merchants and the balance of Manhattan's retail trade would benefit from the heightened visitor spending. The Prairie Discovery and Visitors Center would in turn benefit from Manhattan's elevated visitor counts through increased attendance and revenues.

Allco NMTC Equity Partners, LLC

S. W. Energy, LLC

Project Overview

Allco worked directly with the rural community of McCook, Nebraska to help bring jobs and renewed vigor through the enticement of S.W. Energy, LLC (SWE) to site their project there.

SWE has built and will operate a 53 million-gallon-per-year ethanol plant in McCook, Nebraska. McCook was chosen as the site for the project for several reasons: its excellent proximity to corn supplies and the users of the agricultural by-products produced by ethanol plants, the infrastructure, and perhaps most importantly given the competitive drive for the project, state and local economic incentives.

Financing

In 2006, Allco accessed \$2.25 million in convertible debt to help leverage a significant amount of additional financing for this \$100 million project, as well as federal loan guarantees obtained by Allco for the project. The USDA provided a \$10 million 9006 Renewable Energy Systems Guaranteed loan and a \$25 million Business and Industry Guaranteed loan as additional financing for the ethanol facility.



USDA Guarantee Loans

To foster rural economic development and growth, Congress passed the Renewable Energy Systems and Energy Efficiency Improvements Guarantee Program as part of Section 9006 of the 2002 Farm Bill. This program provides financial assistance in the form of a guaranteed loan to agricultural producers and rural small businesses to purchase renewable energy systems or make energy efficiency improvements. Utilizing this program helped bring lower rate debt to the project. Allco also accessed another USDA source of funds, the Business and Industry Loan Guarantee Program providing additional reduction in costs.

Local Impact and Best Practice Summary

The SWE facility has had a positive economic effect on the entire community. The facility created 45 permanent, direct jobs, generating an annual payroll of approximately \$2 million. In addition, due to the increased value of corn among other factors, the facility is projected to have created 100 indirect jobs.

Unlike other renewable energy development projects in the market place, this project was structured in a way that is tax efficient for local owners/cooperative members. This means that local participants in the project were able to realize the value in their investment and not bear an inequitable tax burden that jeopardizes their ongoing participation in the future. Because the SWE plan provides a strong market for corn from farmers throughout the region, its impact extends well beyond the small community in which the facility is located, providing economic benefits to other low-income, non-metropolitan communities.

Clipper Condominiums Rock Island, IL

Project Description

Clipper Condominiums is a first of its kind in downtown Rock Island, with fantastic views of the Mississippi River and Centennial Bridge. The new construction of nine loft style mixed-income residential and two commercial units provided the first owner-occupied housing in downtown Rock Island in over fifty years.

These urban dwellings offer a unique lifestyle option in the Quad Cities in the heart of The Downtown Rock Island Arts & Entertainment District (The District). The building is located at the site of the former Yankee Clipper / Tiger's Den, renowned local nightclubs. Clipper Condos are close to the Great River Trail bike path, gym facilities, outdoor dining at downtown restaurants, art galleries, and specialty stores.

The Clipper Condominiums feature urban-townhouse living including eleven-foot ceilings, stained concrete floors, exposed interior brick, an elevator, balconies, and rooftop decks. A graystone walk-up faux copper corrugated steel roof, archways, and the melding of art and architecture allow the condos to blend with the existing buildings in the neighborhood. Some of the details designed by local artists include copper crests, iron work, and architectural glass.

The nine condominiums ranged from a studio to two-bedrooms and sales prices ranged from \$60,000 to \$210,000 and ranged in size from 450 square feet to 1,600 square feet. Clipper Condominiums provided housing that was affordable to buyers earning less than 60%, 80%, and 120% the area media income as well as market rate.

Impact on Community

Re-inventing one block at a time, this development marks the completion of twenty projects in downtown Rock Island with a total investment of over \$11,000,000 along Second Avenue including 32,000 square feet of new commercial space, 19,000 square feet of renovated commercial space, 28 rental housing units, and 9 owner-occupied housing units. Clipper Condominiums serves as a gateway to The District. A downtown neighborhood has been established that incorporates businesses, renters, and homeowners helping to establish a 24-hour downtown.

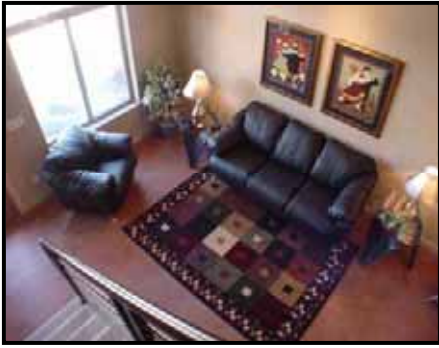
Budget

Contributions from five employers, five other sources and a construction loan at 1% below prime were accessed to complete this \$2,000,000 development.

Funding from eleven sources include:

City of Rock Island	\$260,000
Sales Tax Waiver	\$23,000
Deferred Developer Fee	\$50,000
Department of Commerce and Economic Opportunity	\$8,000
Illinois Housing Development Authority's Accessible Housing Demonstration Program	\$30,000
State Housing Tax Credit Allocation	\$300,000 ***
Modern Woodmen of America	\$50,000
National City Bank's CDC (purchase of State Tax Credits)	\$240,000 ***
Royal Neighbors of America	\$135,000 (loan)
The Doris and Victor Day Foundation	\$8,000
US Bank (low interest loan)	\$1,068,000

** The following contributions to GROWTH's Housing Programs were utilized for a State Housing Tax Credit Allocation which was sold to National City Bank's CDC, contributing an additional \$240,000 to buy down mortgages for 6 units with income restrictions at or below 120% AMI.





Phillips County

Southern Bancorp is a development bank holding company committed to helping transform rural economies by creating new trends of investment in people, jobs, businesses, and property. For over 15 years, Southern has operated a family of banks and development companies that work in concert with one another to promote development in rural Arkansas and the Delta region of Arkansas and Mississippi. With \$500 million in assets, 40 locations in rural Arkansas and Mississippi, and over 250 employees, Southern Bancorp is the largest and most profitable rural development banking organization in the United States.

Southern has owned a bank subsidiary in Phillips County since 1999. Phillips County represents a staggering economic development challenge. It is one of the poorest counties in Arkansas with a poverty rate of 30% and ranks last in the state in virtually every indicator of economic and social well being. In addition, the county has lost 49% of its population in the past forty years and has a history of racial division and social dissension that makes comprehensive development even more challenging. By 2003 Southern leadership began to rethink its development strategy as quality of life indicators continued to spiral downward in the county. The result was a new approach, called the Delta Bridge Project. Formed in partnership with the Walton Family Foundation, the Delta Bridge Project is a targeted geographic approach that integrates Southern's comprehensive rural economic development strategy with local, state, regional, and national programs for the Delta, and, crucially, involves real and substantial involvement on the part of residents of these rural communities. Phillips County became the pilot site for a long-term effort to create a cluster of revitalized communities in the Delta that can support development within a 75 mile radius and, through the conflux of areas of influence, change the region as a whole.

The first steps in the process in Phillips County were to establish a baseline study of the area economy, evaluate past development efforts, asset-map the social, civic and economic infrastructure of the region, and formulate a county-specific developing strategy. Over 8,000 person-hours were expended in this effort, and the result was a determination that Phillips County maintains sufficient critical mass of community assets and population to achieve real development success both for itself and for the surrounding region within a 75-mile radius.

The next step was to initiate a community strategic planning process. Southern hired a facilitator and began the difficult work of engaging the community, which has seen many well-intentioned but ultimately unsuccessful revitalization efforts come and go, in yet another round of discussions about the future of their county. However, Southern's on-the-ground community development staff was a critical factor in overcoming this inertia and getting a broad cross-section of the community to participate. Over an 18-month period, 300 residents participated in over 500 meetings to develop the Phillips County Strategic Community Plan (PCSCP), a document that provides a unified vision and a blueprint for community development with 46 strategic goals and nearly 200 action steps. Since its ratification in January 2005, the PCSCP has received over 80 endorsements from local businesses, academic institutions, non-profits, public organizations, faith based organizations, and civic organizations, plus endorsements from two U.S. representatives, two U.S. senators, and the Governor of Arkansas. In this way, it has become the official development plan for the county.

The goals in the PCSCP are divided into five categories, which together represent the five pillars of community development in Southern's model: economic development (subdivided into traditional economic development and tourism), education, leadership, housing, and health care. Southern has also facilitated the creation of a local infrastructure for implementing the plan, including a Steering Committee, a Local Development Council, and six pillar-specific Goal Teams, which are charged with developing plans for achieving the PCSCP's goals. Southern works with community groups to build their capacity for implementing these plans.

The ratification of the PCSCP brought the Phillips County Delta Bridge Project from a planning stage to an implementation stage, and in just a short time Phillips County has begun to demonstrate the Delta Bridge Project's tremendous potential. The breadth of the Project's goals, the depth of community involvement, and the array of development resources provided by Southern all contribute to a model that is already achieving substantial and lasting results in Phillips County. The Delta Bridge Project has already brought over \$23.5 million into Phillips County for projects ranging from a biodiesel feasibility study, a health and wellness center, and a Boys & Girls Club. A more intangible indicator of progress, but one that is crucial, has been a renewed sense of optimism and civic engagement in Phillips County.

Best Practices

A Little More Cheese Please



This cheese manufacturer/processor was purchased in a leveraged buyout by management and its employees through an employee stock ownership plan. The company was located in a very low-income rural community designated by the SBA as a HUB Zone. After the purchase, the company was short of working capital. As the nature of this industry calls for the owner to hold large quantities of product while it ages for a minimum of nine months, the working capital issue was significant. In addition, the company had also just completed the acquisition of a new facility without inventory or work in process. When the company approached Virchow, Krause & Company, LLP and its affiliates (VKC), it had already tried to raise the needed debt and equity necessary to solve its immediate needs.

VKC reviewed the company's operations and its needs for working capital. To initiate the revitalization of the company, VKC was able to negotiate a plan with a separate company that would buy the un-aged cheese under a purchase agreement allowing the manufacturer to free up working capital trapped in inventory. VKC was then able to negotiate a \$15 million loan to finance the business expansion needs and raise \$7 million in capital from private sources rather than institutional investors. This transaction resulted in the retention of the existing employee base and the generation of over 75 new jobs within 12 months of the financing of the expansion plan.

Rebirth Capital LLC

GULF SOUTH REBIRTH FUND

Project Description:
Hotel utilizing innovative hurricane resistant construction methods and materials

Developer:
South Beach Development LLC

Project Type:
Business

New Markets Tax Credit Allocation:
\$12 million

Total Project Development Cost:
\$600 million+

Projected Job Creation:
257 FTE
1,170 construction

Biloxi South Beach Biloxi



THE PROJECT

Biloxi South Beach Hotel represents the largest non-gaming, private investment on the Mississippi Gulf Coast since Hurricane Katrina. Construction of the first tower is underway and the total investment is expected to exceed \$600 million with more than 800 hotel/condotel rooms and associated shopping and entertainment amenities to be completed over the next five plus years. The project will utilize state of the art building technologies to help protect against future storms. The project is located in a LIC that suffered significant damage from the storm surge and will serve as an important symbol that major investment in the region has begun, influencing others to follow.

FINANCING

The New Markets Tax Credit investment provided a \$12.0 million deeply subordinated equity-equivalent loan to fund the initial land acquisition and development costs of the project. The financing allowed the project to move forward with flexible financing terms despite an increasingly difficult credit market.



COMMUNITY IMPACT

Biloxi South Beach Hotel is a beneficial project that will serve as a model for future development on the Gulf Coast. Positive community impacts include:

- **Job Creation:** 257 FTE Jobs Created/Maintained for retail, food & beverage and hotel management personnel, plus 1,170 construction jobs.
- **Smarter Building:** Innovative construction methods and materials will be utilized to avoid potential future hurricane damage, making the development exceptionally storm-resistant. As such the building will serve as a model for others rebuilding along the coast.
- **Catalytic Effect:** As the first major non-casino project in Biloxi post-Katrina, it is expected to catalyze multiple additional projects. In addition, the NMTC first-round investment will be leveraged approximately 15 times by construction and permanent loans during the project's four planned phases.

The Valued Advisor Fund

Entity Overview

The Valued Advisor Fund's (VAF) primary mission is to fund community driven, high impact projects in partnership with local CDFIs and low-income community stakeholders (local officials, businesses, planners and residents) throughout the nation. VAF concentrates its work in communities that demonstrate no fewer than 3 additional distress criteria in addition to being NMTC eligible. The goal is to simultaneously bring much needed investment to these core low-income communities (LICs) while providing access to capital, investor networks and financial counseling and other services to CDEs and nonprofit and for-profit QALICBs. This combination of funding catalytic projects while building local economic development capacity creates long term value for LICs and their residents.

Project

The Syndicate Trust building is located in the Old Post Office District in downtown St. Louis, MO. Prior to re-development, the 16-story, 450,000 square foot historic property was vacant, dilapidated and threatened the viability of the surrounding property. In 2002, the City purchased the property and began to look at alternatives for its redevelopment. Sherman Associates, a Minneapolis based developer, was selected as the master developer in collaboration with LoftWorks, a local provider. The City worked with the developer team to put together the physical and financial plans to redevelop the aging property.

As re-designed, the property features 21,000 square feet (SF) of retail space, 9,000 SF of artist studio space, a theater, fitness center, and 102 for-sale condominiums. In addition, the property includes a low-income tax credit developed housing project with 42 market rate units and 28 affordable units. The project is designed to be energy efficient with a water loop system and efficiency rated HVAC and lighting systems.

The development was financed using a NMTC allocation from VAF, historic tax credits, brownfield credits, tax incremental financing, conventional debt and co-allocation from Capmark Finance. The total project cost was \$70MM. As structured, the NMTC facility is fully separate from the LIHTC funded component of the project.

Local Impact and Best Practice Summary

The project is projected to generate 52 full time jobs, over 200 construction positions and 28 new affordable residential living units. Tax revenues in excess of \$1.5MM are anticipated annually. In addition to this initial impact, the project has generated interest in this downtown corridor. Since its inception, a 21,000 SF grocery and pharmacy facility has been opened and there are three new housing developments within 3 blocks of the site. LoftWorks has purchased additional property and is developing these, including Ludwig Lofts, as an \$8.9MM historic rehab.

This project was funded working in tandem with VAF's local CDFI partner, the Central Bank of Kansas City, a regional CDFI (CBKC). This entity is well known for their entrepreneurial and resident-focused products throughout the region. Since working with VAF, CBKC has received its own allocation of NMTC, and is now positioned to be a major economic development resource provider within its community.

This project is a quality example of economic best practices as it funded a community-based vision, utilizing multiple points of leverage, while working to increase the capacity of a local CDFI.



TEXAS MEZZANINE FUND JOY Foods



TMF is a statewide Community Development Financial Institution and Certified Development Entity based in Dallas. TMF principally provides financing for businesses located in distressed areas that create jobs for low and moderate-income people. Established in 1999, TMF has attracted equity from 12 financial institutional investors since its founding. TMF also provides numerous services to its statewide constituency including financial literacy training and community development seminars.

Project

JOY Foods, Inc. (“JOY”) is a business owned by an African-American female entrepreneur and native of south Dallas, Texas. While JOY was a reasonably successful emerging business selling frozen foods to institutions, it was unable to obtain financing from conventional sources to grow from contracting to direct production. In 2005, the Texas Mezzanine Fund (“TMF”) provided \$400,000 for working capital and equipment and leveraged \$750,000 from a commercial lender to enable JOY to expand. With the additional capital and equipment, JOY was able to better control quality, quantity, and timing of its products, thereby achieving greater reliability of customer expectations. More precision in customer delivery earned greater sales. This, in turn, enabled JOY to subsequently obtain \$2MM in follow-on financing from a venture capital firm to support additional expansion. The additional funding allowed Joy to purchase and build-out a 24,000 square foot, state-of-the-art production facility that is largely dedicated to JOY’s frozen pizza product lines.

Community Impact

The initial financing created 21 jobs in a minority-woman-owned business that supplies food to numerous school districts, the military, and other large customers. The subsequent capital JOY was then able to raise produced over 200 new jobs.

Best Practice

The JOY project highlights the catalytic impact of TMF’s strategic support of disadvantaged businesses. TMF’s mission of funding small local businesses enabled this minority entrepreneur to expand into a primary employer for its community.



Project Description: Manufacturing plant that produces trusses and frames using recycled steel from automobiles.

Total Development Costs: \$3.1 million

Project Financing

MacArthur Foundation \$1 million

Federal Home Loan Bank of Atlanta EDGE \$1 million

Developer

Volunteers of America Southeast, Inc.

Construction Jobs Created: 30 in raising homes

Permanent Jobs Created: 30 in manufacturing

The Project

Following Katrina, the loss of housing along the Gulf Coast Region was significant. The need for an affordable, durable, mold and insect resistant building product became critical. The manufacturing process involves the computer-directed construction of steel construction components. Computer drawings feed the roll-form machines which form the steel into the appropriate shape and length, punch it for wires, plumbing, rivets, etc., and cut it to length. The individual studs are then assembled into wall panels and roof trusses. The walls are numbered and shipped to house sites for assembly.

Launch of the manufacturing facility provided a significant number of new jobs, targeted in particular at low- and very-low income individuals. Finally, income from the venture supports the full range of Volunteers of America Southeast's charitable goals, enabling the organization to achieve greater financial self-sufficiency.

Portable Practical Educational Preparation, Inc. (PPEP) Mississippi Disaster Relief and Recovery Efforts

Portable Practical Educational Preparation, Inc. (PPEP) has been providing portable educational services to rural, low-income individuals and farm workers in Arizona for 40 years. Their mission is to assist the less fortunate by carrying out programs to eliminate rural poverty; mobilize public and private resources in support of these programs; and plan, coordinate, and implement short and long-term strategies for overcoming poverty.

On September 7, 2005, PPEP received a call from their sister organization, the Mississippi Delta Farm-worker Council (MDFC), located in Clarksdale, Mississippi, notifying them of the low-income individuals and farm-workers devastated by Hurricanes Katrina and Rita. The devastation was so wide spread, MDFC received 130 calls for relief in one day.



PPEP immediately went to work to help this devastated area. Together with 900 PPEP Charter High School students and assistance from League of United Latin American Citizens (LULAC) Council 1088 and World Care, they were able to provide relief to the devastated individuals and farm-workers in Clarksdale in the form of 1.5 million pounds of relief supplies. NBC News called their efforts "the largest non-governmental interstate disaster relief effort ever."

In order to store and distribute all of these supplies, MDFC needed a very large storage facility. The Clarksdale Chamber of Commerce was able to provide them with a 55,000 square foot warehouse with three loading bays. PPEP also donated a six-passenger van and five computers for use during emergency relief efforts and re-training of the farm-workers.

Because the warehouse was providing a great service to MDFC, they asked the Chamber of Commerce the cost of purchasing the property. The cost, at \$650,000 was too expensive for a small organization with few assets. PPEP worked with Hector Flores, the President of LULAC, the USDA, HUD and the Department of Commerce to obtain a lease for this regional distribution center until a loan could be secured.

Eventually, PPEP was able to provide MDFC with a \$700,000 loan to purchase the distribution center. This loan was made possible with the help of the PPEP Micro-business and Housing Development Corp. Inc, a regional CDFI.

Through the efforts of PPEP and their partners, over 500 tons of emergency relief and recovery supplies was collected, warehoused and distributed in this massive relief effort. In addition over \$100,000 in donations were solicited to support the work being performed. PPEP was also able to help MDFC, a struggling organization, become the owner of a multi-million dollar facility, which will help them continue to support the farm-workers in their region.

MARINE TERMINAL LOFTS

Project Description:

Brownfield Remediation
Construction of 41,500 SF
of Office/Retail

Project Type:

Commercial Condominium

Total Development Cost:

\$7.86 million

Project Financing:

NMTC Loan \$5.75M
Private Equity 2.11M

Developer:

Mandel Group, Inc.

Construction Jobs:

100

Permanent Jobs:

140-150

Contact Information:

Richard W. Lincoln
Senior Vice President
Mandel Group, Inc.
301 East Erie Street
Milwaukee, WI 53202
414-270-2743
414-750-5456 – Cell
rlincoln@mandelgroup.com



MARINE TERMINAL BUILDING - MILWAUKEE, WI



Background

The Marine Terminal building is located in the Historic Third Ward, a thriving mixed use community immediately south of Milwaukee, Wisconsin's downtown. Built in 1918 at a cost of \$380,000, it was originally constructed as a terminal for the Chicago, Racine & Milwaukee Line, which operated passenger and freight steamers daily between those cities. A promotional brochure from the 1930's emphasized the structure's spaciousness, three freight elevators, the heavy load capacity of its floors, its fireproof construction and its location near downtown and the main thoroughfare, facilitating goods distribution. Over the years, the building has provided numerous businesses with manufacturing, warehouse, dock and office facilities along the Milwaukee River, including wholesale liquor, paper, knitting, leather, auto parts, tool and machine companies, a commercial printer, and an industrial brake maker.

The Project

The 145,000 square foot Marine Terminal building was acquired in 2003 by Mandel Group, Inc., a national-award winning developer based in Milwaukee. The four upper floors, including a two story addition on the roof, contain 83 condominium residences. The ground floor is a separate condominium unit consisting of 41,500 square feet of office and retail space, and incorporates a 420 foot addition to the City of Milwaukee's extensive RiverWalk system, as well as public and private boat docks with direct access to Lake Michigan. The overall value upon completion is over \$40 million.

The commercial condominium on the ground floor contains offices of the developer, as well as the headquarters of HGA Architects & Engineers, a prominent architectural firm. Renovation was completed in 2006.

New Markets Tax Credit Financing

New Markets Tax Credits from Johnson Community Development Company resulted in \$5.75 million of below market interest rate financing for the \$7.86 million commercial condominium project. The 83 residential condominiums in the Marine Terminal building were financed through conventional sources.

Community Benefits

The Marine Terminal building was a brownfield redevelopment, with asbestos, lead based paint and manufacturing residuals which had to be removed. The building is located in an area of area-wide remediation to abate groundwater contamination from a nearby former manufactured gas plant operation. The Marine Terminal building is located within a National Register Historic District, as well as a locally designated historic area. The City of Milwaukee includes the area in the Third Ward Redevelopment Project area and Tax Increment Financing District. More than 400 feet of public, handicapped-accessible RiverWalk was added, and nearly 150 permanent jobs were created or retained in the downtown. The Marine Terminal building added more than \$40 million to the City's tax base, including \$7.8 million attributable to the commercial condominium unit.

Best Practices ACCION Texas

There are thousands of small businesses in Texas that do not have access to capital from traditional financial institutions. Additionally, many have little or no training about business plans, financial statements and other business related activities.

ACCION Texas is a CDFI nonprofit microlender that lends to small businesses in Texas. ACCION Texas has offices in 10 locations throughout the state. There are 44 Small Business Development Centers in Texas that provide training and technical assistance to small businesses, but do not have funds to disburse.

At an annual SBDC convention on May 17, 2005, ACCION Texas proposed a partnership between SBDC's and ACCION Texas. SBDC's received training and booklets on the ACCION Texas loan process. The result has been that Texas small businesses have been able to learn the fundamentals of business from the SBDC and concurrently can apply for funding from ACCION Texas.

The result of this partnership is that ACCION Texas has been able to extend its services without hiring additional people through the 44 SBDC's in Texas. In some areas distant from ACCION Texas offices, SBDC representatives actually close an ACCION Texas loan and hand the business owner an ACCION Texas check. This partnership has worked to the advantage of ACCION Texas, the SBDC's and thousands of small business owners and demonstrates the power of teamwork among organizations and people.

So far, \$12 million has been deployed in 1,500 fixed interest business loans with average term of 30 months.

Almost without exception, the biggest challenge to any small business owner is access to capital. Many do not qualify for bank loans for various reasons (start up business, industry to which banks don't lend, credit not up to bank standards, prior bankruptcy, etc). Not surprising, many of these businesses are minority, women owned, or startup business.

Aside from capital, many small business owners do not have the education, training or experience in the business world. This is where the Small Business Development Center provides the essentials and the "how to" of managing a business in a fiscally responsible manner.



*ACCION Texas; 2014 S. Hackberry; San Antonio, TX 78210
Gary Lindner, 210-226-3664, glindner@acciontexas.org*

The partnership between ACCION Texas and SBDC's is a powerful combination that puts a small business owner on the right track from day one. The SBDC's are vital in spreading the word about ACCION in the rural parts of the state. Every one of the 254 Texas counties has small business owners who need the services of ACCION Texas and the SBDC.

A loan from ACCION Texas ripples across families, communities, and even generations. ACCION loans create jobs, promote income stability, improve client credit scores, help clients become bankable, and generate public revenues. In 2002, an independent study quantified the social and economic impact of an ACCION Texas loan. As an example, a \$25,000 loan from ACCION generates \$39,977 in total economic activity, \$15,203 in labor compensation, 4 new and sustained jobs, and \$2,703 in tax revenues.

Forty percent of ACCION clients report that if it weren't for their businesses, they would probably rely on welfare, disability, retirement, or minimum wage work for income. In communities across Texas, we witness the positive effects of a loan in the life of a small business owner. We also see the increase in income, equity, and self-esteem.

Thank you for considering the ACCION Texas and SBDC Loan Partner Program as a best practice. Together we make a dramatic and positive difference in the Texas small business world every day.



*ACCION Texas; 2014 S. Hackberry; San Antonio, TX 78210
Gary Lindner, 210-226-3664, glindner@acciontexas.org*

Small Business Financing for CDFIs.

Product terms:

The Opportunity Finance Network, with a \$10 million investment from Bank of America, will finance CDFIs, which in turn will use the proceeds for business financing in their local communities. The primary product available is a senior loan with terms ranging from five to ten years, and interest rates ranging from 4.0% to 4.75%. The Opportunity Finance Network will discuss other products with CDFIs.

Eligibility:

To be eligible for financing, CDFIs must:

1. Have a primary mission of community development and/or serve economically disadvantaged people and communities.
2. Have a track record of at least two years of community development financing.
3. Be an Opportunity Finance Network Member (application process is easy and can take place during the underwriting process).
4. Be located in one of Bank of America assessment areas throughout a 32-state area (full list of assessment areas is available). Product implementation will initially occur in California.

Application Process:

To apply, please forward your organization's most recent audit and interim financial statements, portfolio reports with aged receivables, and business plan to the Opportunity Finance Network at the address listed below. Upon review of these materials, the Opportunity Finance Network will contact you to discuss financing eligibility and, if applicable, possible loan terms. If eligible, the Opportunity Finance Network will forward a list of required documents and set up due diligence interview calls and/or site-visits. Please contact Beth Lipson (215.320.4315 or blipson@opportunityfinance.net) or Wendy Weiss (215.320.4311 or wweiss@opportunityfinance.net) with questions.

Send Materials to:

Wendy Weiss, Senior Associate, Financial Services
Opportunity Finance Network
620 Chestnut Street, Suite 572
Philadelphia, PA 19106

Underwriting:

During the underwriting process, the Opportunity Finance Network analyzes the following areas to assess the CDFI's organizational capacity:

- Capitalization
- Asset Quality
- Management
- Earnings
- Liquidity
- Impact

In addition, the Opportunity Finance Network uses the following information to evaluate CDFIs:

- Capital structure, character and diversity of capital, capitalization strategies;
- Portfolio performance including write-offs and delinquencies, portfolio composition, portfolio management policies, underwriting process and criteria;
- Strategy, management depth and leadership, staff experience, tenure, and structure, Board and Committee meeting minutes, Board composition and skills, governance structure, and infrastructure and information systems;
- Three years audited and latest interim financial statements, ratio and trend analysis, methodology for matching assets and liabilities, systems for financial and information management;
- Historic loan productivity, pipeline, and impact information; and
- Interviews with key staff and Board.

About Opportunity Finance Network:

The Opportunity Finance Network of 167 financial institutions finds and finances opportunities that others overlook. We are community development financial institutions (CDFIs) and other opportunity finance institutions who work just outside the margins of conventional finance to bring those markets into the economic mainstream and to help the economic mainstream flow into those markets.

Through fiscal year-end 2004, the Opportunity Finance Network had loaned and invested \$9.6 billion to create economic opportunities for women-owned, minority-owned, and other small businesses; quality, affordable housing; and essential community facilities and services. That financing has generated or maintained 141,000 jobs and 28,900 businesses, 317,000 housing units, and 4,700 community facility projects in urban and rural neighborhoods in all 50 states.

Central Station – Memphis, TN



Community Need/Project Description

Built in 1914 and designed by famed architect Daniel Burnham, Memphis' Central Station has always played an important role in the vitality of the city. The station served not only as the main passenger rail hub for the region, but also as the offices and headquarters of several railway companies. However, the station had been consistently falling into disrepair since the 1970's. The neighborhood, in response to its landmark, began to go downhill as well.

The revitalization effort took into consideration the rich history and feeling of pride surrounding Central Station - the Main Hall was painstakingly restored down to the last detail, including the original arrival and departure board. The final product includes 63 apartment residences and 35,000 square feet of commercial space. The facility continues to serve as an Amtrak Passenger Station. Additionally, the Memphis Police Department and Memphis Area Transit Authority now call Central Station home. Sitting on the south end of Memphis' downtown trolley line, Central Station also hosts the city's weekly farmers market, and has once again become a focal point in a resurgent downtown

The Alexander Company, Inc., 145 E. Badger Rd., Suite 200, Madison, WI 53713

Matt Meier, 608-258-5580, mdm@alexandercompany.com



Memphis Collaborative/Creative Nature of Project

The support of the City of Memphis proved key in the development of Central Station, providing not only the property but \$18 million in public subsidies through the Memphis Area Transit Authority. The inherent difficulty in the project was the fact that although the Memphis Area Transit Authority (MATA) had \$18 million to restore the building, it was not enough. Moreover, MATA could not get access to Federal Historic Tax Credits (which added an additional \$3.34 million) or a for-profit equity investor (another \$3 million) due to its status as a non-profit organization. The Alexander Company was able to structure the deal in such a way that MATA would retain control of the property, which was required in order for it to keep its federal funding, while leveraging \$6 million additional dollars in private debt and equity. The City of Memphis provided aid to the project in the form of 10-year tax abatement, while a grant was given by the Federal Transit Authority for the inclusion into the project of a multi-modal transportation hub within the building. This hub includes an Amtrak station, bus transfer station, and light rail (trolley) stop.

Best Practices

Central Station represents a true commitment to community development by the private partner, The Alexander Company, and the public, the City of Memphis and MATA. Although the financing was extremely complex, both sides worked collaboratively to come up with a beneficial solution.

A clear example of inner city rehab and a building that has long been seen as a landmark in Memphis, negative during its less fortunate years, Central Station provided a type of housing that at the time of completion was singular in its location, but since has spawned a multitude of spin-off ownership and high-end rental housing in the immediate area. Local retail has also begun to thrive, following in Central Station's footsteps, and the housing of a branch of the Memphis Police Department in the building provides increased neighborhood security. Once more, Central Station is positive landmark in the city of Memphis.

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Rebirth Capital LLC

GULF SOUTH REBIRTH FUND

Project Description:

Ticketing software solutions for arenas, theaters, stadiums and universities

Project Type:

Business

New Markets Tax Credit Allocation:

Two separate investments totaling \$11.4 million

Projected Job Creation:

160 high-wage FTE
200 call center employees

Enta Campus and Enta USA



THE PROJECT

Enta Campus and Enta USA (the Enta Companies) are related startups located in Baton Rouge, LA that will provide event ticketing services and associated IT procurement solutions to colleges, universities, performing arts and theatrical venues. The Enta Companies were the first major startup technology companies to locate in the GO Zone post-Katrina. Headquartering in a severely distressed LIC, Enta will provide lower cost event ticketing services to colleges, universities, and performing arts venues nationwide.

The New Markets Tax Credit investment enticed the Enta Companies to locate in the GO Zone and also led to TicketSwitch, a similar technology company, deciding to place its headquarters in New Orleans because of both NMTC funds and the city's skilled (and underemployed) tourism services labor pool. Both Enta and TicketSwitch will catalyze additional investments in the area as their businesses expand, and they serve as examples for other technology companies considering the GO Zone.



FINANCING

The New Markets Tax Credit investments provided Enta USA with \$6.7 million and Enta Campus with \$5.3 million, both in the form of convertible debt and equity-equivalent subordinated debt with numerous flexible and non-conventional features. The NMTC financing enabled the Enta Companies to significantly reduce their cost of capital, particularly when compared to the venture capital funding they explored as a potential alternative. The savings will be used to grow the companies, thus creating a larger impact on the LIC in which they are located. Furthermore, they were able to avoid an investor-mandated exit strategy, which may have resulted in the companies leaving the GO Zone and selling prematurely.

COMMUNITY IMPACT

The Enta Companies will have numerous positive impacts on the LIC where they are located, including:

- **Job Creation:** Over 160 high paying technology jobs with wages almost double averages in the area. In addition, Enta expects to employ up to 200 call center employees in the same LIC by the end of the 3rd year of operations.
- **Economic Impact:** Enta estimates that its services will save universities and performance venues, many of which are located in LICs, over \$350 million in ticket commission expenses over its first 7 years.
- **Catalytic Effect:** As the first major startup technology companies to located in the Go Zone post-Katrina, they serve as examples for other technology companies considering this area.

Best Practices Self-Help Credit Union

This project was a new construction loan to allow a charter school in Rio Grand Valley to expand their facility. The school serves 82% economically disadvantaged children and 95% Hispanic children. The school is recognized by the State of Texas for its academic achievement.

This deal utilized the New Markets Tax Credit, the USDA Rural Community Facilities Loan Guarantee Program and a US Department of Education Charter School Credit Enhancement Grant.

By incorporating a number of federal subsidies – New Markets Tax Credit, loan guarantee and credit enhancement grant – we were able to make a loan to a borrower in a rural area with where limited collateral value made it difficult to obtain conventional financing. Our staff provided extensive technical assistance to the borrower and provided customized deal packaging. Our in-house construction advisors have expertise in developing charter schools and assisted with the construction process. In addition to evaluating the borrower's financial strength and management, we also assess the school's academic performance and effectiveness in serving low-wealth students. Pending final approval from the USDA, Self-Help will also refinance a second parcel loan of ~\$2 million to consolidate the school's debt and lower debt payments and interest rate.



Project Description:

Brownfield Remediation
Construction of 85-90 Apartments
And 25,000 SF of Retail

Project Type:

Mixed Use

Total Development Cost:

\$26.1 million

Project Financing:

Conventional Loan	\$18.8M
NMTC Equity	6.0M
Private Equity	1.3M

Developer:

Mandel Group, Inc.

Construction Jobs:

100 – 200

Permanent Jobs:

50-75

Contact Information:

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THE NORTH END – PHASE II - MILWAUKEE, WISCONSIN



Background

The former Pfister & Vogel Tannery occupies eight acres and a quarter of a mile of frontage on the Milwaukee River at the northern edge of downtown Milwaukee, Wisconsin. Operating as a leather tannery for nearly one hundred fifty years, tanning operations ceased on the site in 2000. Comprised of more than fifty buildings containing 400,000 square feet of obsolete and contaminated space, the property was acquired from the bankruptcy court in 2001 by Mandel Group, Inc., a national-award winning developer based in Milwaukee. A \$5 million demolition and environmental remediation program was completed in the Spring of 2008. This effort resulted in the elimination of the City's largest blighted industrial brownfield.

The Project

The master plan for The North End calls for the phased development of a \$175 – \$200 million mixed use community that will ultimately contain more than 500 new residences – both apartments and condominiums – and 40,000 to 50,000 square feet of retail spaces serving residents of The North End and surrounding neighborhoods. The North End is a catalytic development that represents the largest private investment in the City's Park East Redevelopment Project area and Tax Increment Financing District. Approximately 38% of the buildable land is dedicated to public uses, including new streets, public squares and parks and a major addition to the City's RiverWalk system.

Phase II of The North End will consist of 85 – 90 apartments and 25,000 square feet of retail space, including a national drug store tenant. Construction is expected to begin in the Fall of 2008, and be completed by the Fall of 2009. Twenty percent of the apartments will be rented to low and moderate income residents.

New Markets Tax Credit Financing

New Markets Tax Credits in the amount of \$22 – \$24 million are being sought from multiple allocatees, with the goal of delivering approximately \$6 million of leveraged equity into the Phase II development.

Community Benefits

The North End is a catalytic development that will recycle the City of Milwaukee's largest and most visible brownfield, and will add \$175 – \$200 million to the City's tax base. The North End is a public-private partnership with the City of Milwaukee and the State of Wisconsin, dedicating 38% of the site to public open spaces. The North End will create hundreds of construction jobs and 100 to 150 permanent jobs. The North End is utilizing a substantial number of minority-owned firms in the design and construction, and is partnering with the City and community organizations on a job training and minority business development program. The North End is a showcase for sustainable development, having been selected by the U.S. Green Building Council as a Pilot Project in their new LEED-Neighborhood Development program.

Best Practices Federal Home Loan Bank of Atlanta

YMCA of Selma, Inc., Selma, AL

This project provided permanent financing for a 41,500 square foot state-of-the-art facility to allow one of the first YMCA's in the country to continue providing services.

A subsidized-rate loan was provided by FHL Bank Atlanta to The People's Bank and Trust so they could make a \$1,250,000, 15-year loan at 2.5%.

This project represents a best practice because a community bank is working with the local YMCA and other funders to insure needed services continue for low to middle income residents.

Greater Peace Childcare Center, Opelika, AL

This project provided permanent financing for a 5,400 square foot daycare center for 75 children – infants to 8 years of age, plus after school care.

A subsidized rate loan was provided to AmSouth Bank by FHL Bank Atlanta so they could make a \$488,750, 20 year loan at four percent.

This project created a partnership between a CDC and AmSouth Bank, and provided childcare for 2-3 shifts at a local manufacturing plant.



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Background:

The New Mexico Finance Authority (“Authority”) will participate in 49% pari-passu construction and permanent loans that Western Bank is making to Kurt Albershardt, Julianna Flynn and The Murray Hotel, LLC. The loans will be used for the renovation, construction and furnishing of the Murray Hotel in Silver City, New Mexico.

Western Bank’s loan approval is contingent on this participation request and a SBA 504 loan for 30% of the total project costs in a second lien position.

Business Summary:

The Project

The Murray Hotel is a 52,000 square foot, five-story building located in the historic downtown district of Silver City. It was constructed in 1938 and operated until the early 1980’s. The building has been vacant for many years and has been deteriorating from vandalism and weather.

The previous owners removed 160 tons of rubble from the building, repaired the roofs and completed an extensive asbestos remediation. The current owners took possession of the hotel in April, 2005 and have been doing renovations since August, 2005. At project completion the hotel will be a full service 84-room business and tourist attraction in downtown Silver City and will have a banquet capacity of up to 450 people. It will be the only full service quality hotel in the historic downtown district. The renovation will consist of:

- ◆ Major redesign of public areas
- ◆ Second floor restaurant with an adjacent 5,000 square foot terrace
- ◆ 200 square foot full service Spa
- ◆ Expected to receive LEED Gold Certification at project completion

Sources & Uses

Construction Loan:

Sources:

Western Bank (51%, pari-passu)	\$ 1,479,000
NMFA’s Loan Participation (49%, pari-passu)	1,421,000
Owner’s Equity	<u>719,277</u>
	\$3,619,277

Uses:

Construction & FF&E	3,185,777
Professional Fees	161,500
Contingencies	<u>272,000</u>
Total Uses	\$3,619,277

Permanent Loan

Sources:

Western Bank (First Priority Security Interest)	\$ 1,809,640
Western Bank (51%, pari-passu)	922,916
Smart Money (49%, pari-passu)	886,724

SBA 504 Loan (Subordinated Security Interest)	1,085,783
Owner's Contributed Equity	<u>723,855</u>
Total Sources	\$3,619,277

Uses:	Construction & FF&E	3,185,777
	Professional Fees	161,500
	Contingencies	<u>272,000</u>
	Total Uses	\$3,619,277

Best Practices-

While the Murray Hotel project had a tremendous amount of planning and investment already contributed by the owners; the loan from Western Bank, the Authority's participation, and the SBA 504 subordinating an interest in the permanent financing are integral in the completion of the project. The benefits and positive impact to the town and its citizens are hugely important in a community that was dependent on a copper mine that was once in production and has slowed down over the years subsequently reducing employment and income. The Murray Hotel will diversify the local economy, create new jobs and retain existing jobs, attract new business, and ensure a more stable economy.

The Silver City Main Street project is the longest continuously-operating Main Street program in New Mexico. It has been active since 1985 and is focused on economic development and infrastructure improvement projects in partnership with the Town of Silver City. The Murray Hotel is a cornerstone anchor and landmark in the town.

Tangerine Plaza Shopping Center Development St. Petersburg, FL

Project Description:
Development of a Shopping Center

Project Type:
Real Estate – Retail

LISC Program:
Tampa Bay Area

Investor:
**Fifth Third Bank
 BB&T Bank**

Lender:
**City of St. Petersburg
 HHS Office of Community Services
 Private Contributions
 LISC**

Developer:
Urban Development Solutions, Inc.

COMMUNITY IMPACT BY THE NUMBERS

**NMTC Investment:
 \$9.2 million**

**Commercial Space:
 47,000 sq. ft.**

**Permanent Jobs:
 90**

Community Details

**Median Income:
 56% of Area Median**

**Poverty Rate:
 28%**

SBA HUB Zone

CDFI Fund Hot Zone

□ The Project

Tangerine Plaza is a 47,000-square-foot strip shopping center in St. Petersburg's Midtown neighborhood. It is anchored by a 38,000-square-foot Sweetbay Supermarket, featuring a bakery, deli, ethnic foods, natural foods, produce, seafood, and a pharmacy. The additional 9,000 square feet is available to smaller local businesses operated by community residents. Urban Development Solution, Inc., a nonprofit developer, is dedicated to fostering sustainable development in distressed communities and was originally formed in 2003 to complete Tangerine Plaza. Midtown is a historic hub of retail trade.



Sweetbay Supermarket

Tangerine Plaza – the first significant commercial investment in Midtown in 30 years – is the centerpiece of a major comprehensive neighborhood redevelopment plan. It represents Phase I of a commercial node that, when completed, will cover three corners of the intersection at 18th Avenue South and 22nd Street. The node is designed to re-invigorate retail and commercial development in the heart of Midtown.

The project lies within a census tract where median income is 56 percent of the area median income and the poverty rate is 28 percent. This tract has been designated a “Hot Zone” by the Community Development Financial Institution Fund and a “HUB Zone” by the Small Business Administration. Tangerine Plaza is projected to generate 90 full time jobs for local residents, provide basic retail services, and act as a strategic catalyst in Midtown's renewal.

□ NMTC Financing

Using \$9.2 million of its New Markets Tax Credit award, LISC obtained equity capital from Fifth Third and BB&T which, when combined with loans from a number of sources, including financing from the Federal Home Loan Bank of Atlanta's EDGE program, which BB&T provided to the project, Neighborhood Lending Partners, the City of St. Petersburg, and the HHS Office of Community Services, allowed LISC to increase the capital available to the project in order to provide the nonprofit developer with working capital and funds for tenant concessions to attract local entrepreneurs.

WHEDA
Madison Community Health Center

MCHC was incorporated in 1982, and is a federally funded full-service clinic providing comprehensive primary medical and dental care. Since 1982, MCHC has been providing quality primary health care for people living in Dane County who would otherwise be unable to access care.

MCHC offers primary health care, prenatal care, pediatric services, chronic disease care, mental health services, wellness and preventive care such as well-child exams and immunizations. In addition to these services, MCHC staff coordinates referrals to local providers and pharmaceutical companies so their patients are able to obtain free or low-cost medications and diagnostic testing.

MCHC provides services in a way that breaks down barriers to care. Uninsured patients receive services based on a sliding-fee scale. Interpreters are in the clinic daily and over one-half of MCHC's staff is bilingual in English and Spanish. Mental health, case management, social work and health benefits services are offered by MCHC to patients to address other barriers that might prevent them from accessing care.

Cries for dental care heard from their own patients and well-publicized in local papers have been heeded. In March of 2003, MCHC hired a new bilingual dentist and began offering comprehensive dental services.

In 2004, over 4,300 Dane County residents visited MCHC over 17,000 times. Two-thirds of the persons served were from Madison and one-third from greater Dane County. MCHC served Dane County residents who:

- The majority of whom had incomes below 200% of the federal poverty level
- Fifty-four percent were women and 46% men
- Thirty-nine percent were under the age of 18, 43% between the ages of 18 and 44, 16% between the ages of 45 and 64, and 2% over the age of 64

In spite of this success, MCHC's existing facility on Park Street prohibited them from increasing staffing and patient caseload levels. Therefore, the first step for MCHC was to increase its physical capacity. The Board and staff determined that a new east Madison facility was needed to support expansion plans and to better serve the target population evident in Madison's northeast medically underserved area.

MCHC now owns and operates the William T. Evjue Clinic ("WTEC"), a 15,000-square-foot health clinic building in northeast Madison, WI, used to deliver primary health-care services to Dane County's low- and moderate-income citizens. The building also contains MCHC's administrative offices. MCHC is seeking to refinance debt it incurred in buying and renovating the building in 2004.



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It also wants to expand the building with a 3,000-square-foot addition. The expansion would add to the brick building's operating areas in the following amounts: dental--900 sq. ft.; medical--600 sq. ft.; pharmacy--500 sq. ft.; and general--1,000 sq. ft.

MCHC is currently the building's sole occupant, and would continue to be the sole occupant after the addition's completion.

By the end of fiscal year 2005, MCHC expects to have had nearly 25,000 patient visits. With the expansion of the northeast Madison site, MCHC expects overall annual patient-visit volume to increase to 45,000 by 2012.

William T. Evjue Clinic - Madison

Community Impact Criteria: The property is located in a/an CDFI Housing and Economic Project Hot Zone; area with median incomes of less than 60% of area median income; area with an unemployment rate at least 1.5 times the national average; and a brownfield redevelopment area. The clinic expansion will create at least 20 jobs, of which 60% will provide annual salaries of at least \$30,000.

- A. Jobs Created/Retained: Created: 20; Retained: 20
- B. Temporary Jobs Created: Construction: 25
- C. Additional Impact Where Applicable: Due to its current limited capacity, MCHC turns away an average of 400 people each month who are trying to access health care. The clinic expansion would allow MCHC to increase its patient service volume by approximately 100% over projected fiscal year 2005 levels by 2012.

NMTC Financing to be Provided

- A. Purpose of Financing: To enable MCHC to double the current number of patient visits it currently provides by the year 2012.
- B. Use of Financing: The financing will be used to refinance purchase-money debt and fund a 3,000-square-foot addition to MCHC's William T. Evjue Clinic.
- C. Total Projected Project Cost: \$2,200,000
- D. Total New Markets Tax Credit Allocation Requested: \$2,200,000
- E. Form of NMTC financing (Debt or Equity): The financing will take the form of a leveraged structured with \$628,812 (less \$163,000 in NMTC-related fees) of investor equity, \$220 of managing member equity, and \$1,571,188 of NMTC debt.

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American Tobacco Phase I – An Urban Solution

Struever Bros., Eccles & Rouse, Inc.



The Project: The American Tobacco Campus is a historic sprawling area that once housed the enterprises of a Durham, North Carolina tobacco company. Its 13 buildings served as a manufacturing facility from 1874 to 1987. Capital Broadcasting Company and Struever Brothers, Eccles and Rouse have worked together to bring the vision necessary to revitalize this once desolate spot in the city's landscape into a bustling landscape of activity.

Capital Broadcasting acquired the property and completed Phase I of the project, which involved the redevelopment of seven of the buildings into 614,000 square feet of class "A" office and retail space. Struever Bros. Eccles & Rouse, Inc. acquired and initiated Phase II which includes the adaptive re-use of four existing historic structures into 50 apartments, 12 condominiums and 170,000 square feet of commercial space. A marquee element of the project includes the conversion of the coal shed into a glassed-in, high-end restaurant offering unique architectural amenities to the site. Additional phases include a performing arts theatre, 450 new residential units and additional commercial office and retail space.

The property is 92% leased to quality tenants such as GlaxoSmithKline, Duke University and other tenants including advertising and software firms, while still offering lease rates affordable to smaller business owners. This project represents North Carolina's largest historic rehabilitation project to date.

Financing: The project involved the use of historic tax credits, new markets tax credits, public funds, owner equity and conventional debt. The NMTC allocation and principal financial structuring streamed various Lenders and NMTC Allocatees, involving Wachovia, SunTrust, Capmark, US Bank, Self-Help Ventures Fund, National Trust and Bank of America.

Community Impact: Located across from the multi-modal transit hub, the site offers flexible amenities for employees and employers alike. Over 2,200 permanent jobs will be generated by this phase of the development in addition to the residential growth opportunities, the refurbishment of the community's tax base and the removal of the blight and stabilization of this corridor within the community. Additional phases will spark even more catalytic opportunity from this once abandoned and derelict site.



Small-Scale Redevelopment: A Pilot Initiative in the GO Zone

Capmark Community Development Fund

Community leaders in the Gulf Opportunity (GO) Zone agree, almost universally, that housing must be rehabilitated in order for the local economy to recover from Hurricane Katrina. Even local commercial developers acknowledge that the Gulf Region redevelopment strategy must first “get the people back home” as quickly as possible and, to that end, federal subsidy should prioritize the housing effort. Thus far, the pace of the housing recovery effort has been slow, and it is clear that New Orleans does not have the resources to provide services to residents across the entire footprint of the city.

Recognizing the need to stimulate neighborhood redevelopment, Capmark Community Development Fund (Capmark CDF) has developed New Markets Tax Credit (NMTC) subsidized products that support smaller scale efforts to rebuild housing. Based on observation and experience, Capmark CDF believes that small development companies, not driven by institutional rates of return, are willing to engage in neighborhood redevelopment today. Accordingly, Capmark CDF is using the New Markets Tax Credit program to implement a more focused “one neighborhood at a time” strategy in the private sector by concentrating the New Markets Tax Credit subsidy in a particular area. As the loans are repaid, the tax credits will revolve and be reinvested into another focused geographical area.

The New Markets Tax Credit program has been used to support a broad range of asset classes, including commercial real estate, community facilities and operating businesses. NMTC participants are just beginning to understand how this program can be utilized to support for-sale and mixed-use housing projects.

In March 2007, Capmark CDF made a \$1.5 million NMTC investment to Cypress Realty Partners, a small, local Louisiana housing development company engaging in its first project. This private company is using the financing to construct approximately 15 affordable for-sale homes in Baton Rouge, LA (“the Cypress Park Development”), and the units will benefit families displaced from Hurricane Katrina.

The Cypress Park Development is being constructed in an area where the average income is 49 percent of the area median income (AMI), 40 percent of the residents are at or below the poverty line and 90 percent of the residents are minorities. In addition, all 15 homes will be affordable to families at 80 percent of AMI. The new homeowners will receive financial counseling and downpayment assistance.

The housing models offered in the development are based on a partnership between Lowe's Home Improvement and designer Marianne Cusato, also known in the industry as the Lowe's Katrina Cottage Series. The Lowe's Katrina Cottage Series offers an excellent affordable housing solution. Based on Cusato's original Katrina Cottage design, for which she recently won the Smithsonian Cooper-Hewitt National Design Museum's People's Design Award, the Katrina Cottage housing kit includes pre-made architectural and engineering drawings. Additionally, it includes delivery of all the materials—down to the individual screws and nails—to the building site. The floor plans come in two-bedroom, one-bath and three-bedroom, two-bath layouts, and range from 544 to 1,200 square feet. Perhaps most importantly, these permanent homes have not been prefabricated nor are they classified as mobile homes. They can be built by any contractor in six to eight weeks.

The pre-made designs have been deemed by the National Trust for Historic Preservation to fit the historic architecture of many areas in the GO Zone and can withstand wind speeds of up to 140 mph. FEMA has identified this concept as a strong potential solution for rebuilding housing after major disasters. Cypress Realty Partners currently is working with FEMA to build Katrina Cottage models in other areas of Louisiana.

The Cypress Park Development is a pilot investment intended to provide a proof-of-concept for a program designed to utilize NMTC subsidies in support of small, less capitalized developers of affordable housing in the GO Zone. Small developers, if properly organized, potentially are capable of achieving significant impact with respect to the housing recovery effort in the GO Zone. The site in Baton Rouge was chosen for the pilot because of the large number of hurricane-displaced low-income families living in the area. The concept currently is being deployed in the New Orleans market on a larger scale.

Cypress Realty Partners stated that the project already is stimulating further revitalization of the area. Furthermore, Cypress Realty Partners has indicated a willingness to partner with other state and local entities, both in the GO Zone and across the nation, to develop workforce housing based on this model.



University Park of Jackson West Jackson Redevelopment Project

Jackson State University

Sponsor: Jackson State University Development Foundation. (“JSUDF”)

Developer: University Park of Jackson II, LLC. (“UPJ”)

Owner’s Representative: UniDev, LLC (“UniDev”)

CDEs: LISC & Hampton Roads LLC

NMTC Syndicators: TransCapital & MuniStrategies, LLC

Scheduled Close – May 15, 2008

Mixed Use Building

- Development of 78 student housing rental units in a mix of 1-bedroom and 2-bedroom configurations
- ~23,000 sq. ft. of new retail and office space at the corner of Dalton Street and Lynch Street directly across from the new on-campus, JSU Campus Union building.

Residential Subdivision (Phase II – Scheduled Close Q3 2008)

- 84 for-sale workforce housing units, 40 townhouses and 44 small-lot single-family detached units north of Lynch Street adjacent to the roundabout off Terry Road.



Overview

Student Housing. UniDev’s current development plan for West Jackson includes 78 student housing units as part of a 4-story mixed-use facility adjacent to the JSU campus. During peak student demand for housing, in anticipation of the next school year, a waiting list for the 1 & 2 bedroom apartments develops. The Jackson State University Development Foundation has guaranteed that the facility will generate revenue sufficient to create a 120% debt coverage ratio.

Retail Space. The first floor of the mixed-use building contains 25,000 sq. ft. of retail space as part of a 4-story mixed-use facility.

Sources of Funding

Trustmark Bank will provide the first \$15.7 million in NMTC financing for the project. The \$15.7 million will be provided in two forms; \$6.3 million in New Markets Tax Credit Equity (which includes \$2.4 million of Mississippi NMTC equity) and \$9.4 million in conventional debt.

Community Impact

# of construction jobs		140
# of full-time jobs		155
10-year revenue for JSU	\$	5,854,665
Wealth Created for Homebuyers	\$	20,839,489

Project Description:
Construction of a Senior Community Center and Commercial Space

Project Type:
Real Estate – Community Facility & Retail

LISC Program:
Washington Statewide

Investor:
US Bancorp CDC

Lender:
City of Seattle

Developer:
Pike Place Market Public Development Authority

COMMUNITY IMPACT BY THE NUMBERS

**NMTC Investment:
\$4.1 million**

**Commercial Space:
20,040 sq. ft.**

Community Details

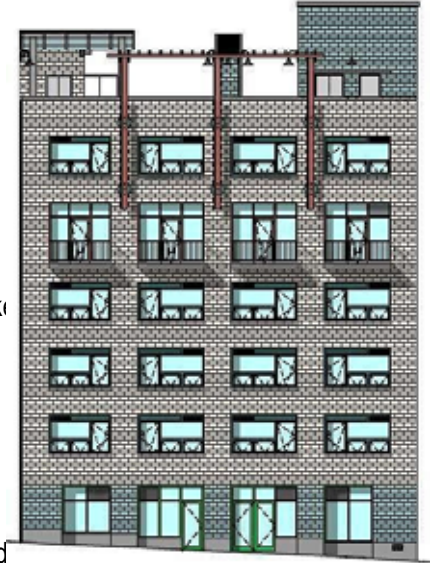
**Poverty Rate:
35%**

SBA HUB Zone

WA State Enterprise Community

□ **The Project**

This project is the first major development in the Pike Place Market Historic District in 15 years. In addition to increasing the amount of commercial space, it will offer a larger and more accessible space for the Pike Place Senior Center. The project is being developed by the Public Development Authority (PDA), which is chartered by the city of Seattle and mandated to preserve, redevelop, and manage the Pike Place Market. The PDA strives to preserve the market's traditional character, use, and physical appearance; to provide goods, services, and housing for low- and moderate-income people; and to promote small, owner-operated businesses.



La Salle Project Rendering

The \$4.1 million project represents the commercial and community component of a larger \$17.2 million rehabilitation of the historic LaSalle Hotel and the construction of a new 6-story, 30,000-square-foot addition on the adjacent city-owned Creamery lot. The other component consists of the renovation of 40 units of affordable housing and the creation of 24 new units. A significant portion of the financing for the housing is being obtained by means of federal Low-Income Housing Tax Credits (LIHTC). National Equity Fund, Inc., a LISC affiliate, is providing the LIHTC equity.

The project lies within the State Enterprise Community in a census tract where unemployment is greater than 1.5 times the national rate. The census tract also has a poverty rate of 35 percent and has been designated a "HUB Zone" by the Small Business Administration.

The PDA is using LISC's NMTC financing to create an additional 20,040 square feet of commercial space. In addition to offering new retail and restaurant opportunities, the expansion will provide 6,777 square feet of space for the Pike Place Senior Center at rents well below the market rate. Not only is this space larger than the current Center, it is also more accessible for senior citizens, many of whom live in the adjacent senior housing project.

□ **NMTC Financing**

Using \$4.1 million of its New Markets Tax Credit award, LISC obtained equity capital from US Bank Community Development Corporation which, when combined with loans, including one from the city of Seattle, allows it to provide financing to the project on the favorable terms needed to rent space to the Pike Place Senior Center at a significantly below market rate.



Entity Overview

The mission of Commonwealth Cornerstone Group (CCG), a 2006 NMTC allocatee, is to support and enhance neighborhood and community revitalization efforts in core urban, minor urban and non-metropolitan communities throughout the Commonwealth of Pennsylvania. Working in concert with local planning officials to leverage funding from federal, state, county and local resources, CCG focuses on the revitalization and coordinated growth plans within low-income communities (LICs) that result in the creation of jobs and the provision of services. The goal is to fund projects that provide a focal point or act as cornerstone initiatives within community renewal plans.

Project

Market Square Place is located in an area of significant decline in Pittsburgh, Pennsylvania. Since the fall of the steel industry, this area has seen significant erosion of employment opportunity and commercial and industrial flight. Of the residents living in the targeted census tract, 34% are living below the poverty line, which is over three times the poverty rate reported for the MSA as a whole. The development of Market Square Place includes residential, commercial and retail uses. In addition, the downtown Pittsburgh YMCA will relocate to this site providing additional neighborhood amenities and community facilities. This project is a significant catalyst for future development in this low-income community.

Market Square is a Leed Certified development with total project costs in excess of \$27MM. CCG partnered with another CDE to provide much needed NMTC allocation to this project, which was leveraged by nearly \$7MM in state and local resources.

Best Practice Summary

When completed, the project will provide 46 units of workforce housing and over 60,000 square feet of new retail and commercial space. Projected permanent jobs created are 125 as well as 133 construction jobs and nearly \$1,000,000 in annual tax revenues.

This project exemplifies an economic development best practice by combining state and local initiatives with private capital to significantly modify the landscape of an abandoned neighborhood. These efforts have resulted in measurable and immediate catalytic investment impact.

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WHEDA
Riverside Center/Logistics Health

Riverside Center, LLC is a proposed 100,000-square-foot commercial structure that provides 55,000 square feet of space as headquarters to Logistics Health, Inc. Logistics Health, Inc. is a creative health care services company that provides solutions for employers and employees alike. Logistics is a leader in the field of military medical readiness and bio-terrorism support. With a network of over 20,000 occupational medical providers nationwide and additional field offices in Atlanta, Richmond and Washington, DC, Logistics is a large and active employer. Contractual services are provided to agencies such as the Department of Defense; Centers for Disease Control; United States Army; National Guard; Federal Emergency Management Agency; and many other federal, state and local agencies as well as commercial clients.



LHI is a committed member of its community, actively participating in the Children's Museum of La Crosse, the Coulee Region United Way Campaign and the Giving Tree Campaign, among other philanthropic efforts. The company is also a certified Development Zone employer committed to hiring targeted group members and following equal opportunity laws. They provide a comprehensive benefits package based on position and hours per week worked.

NMTC Financing

- A. Purpose of Financing: To retain a significant business asset, Logistics Health, Inc., in the La Crosse area, and provide for its expansion over the next 24 months. Also, to add the amenity of the restaurant and compatible retailer on the ground floor in a prime location.
- B. Use of Financing: The financing will be used fund a 90,000-leasable-square-foot facility to house their new headquarters. Roughly 55,000 square feet will be occupied by LHI in the first year. An additional 15,000 square feet will be rented to a restaurant and a compatible amenity business at a discounted rate. The remaining 20,000 square feet will be held for expansion by LHI over the next two years.
- C. Total Projected Project Cost: \$11,420,000
- D. Total New Markets Tax Credit Allocation Requested: \$4,000,000
- E. Form of NMTC financing (Debt or Equity): The financing will take the form of a leveraged structured with \$1,094,647 (less \$340,000 in NMTC-related fees) of investor equity, \$400 of managing member equity, \$1,528,953 of other owner equity and \$2,905,353 of NMTC debt and \$6,230,647 of conventional debt.

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F. Terms of NMTC Financing

1. Disbursement: Disbursement of \$2.25 million is anticipated at closing, with the remaining QEI is expected to draw down within the first nine months of funding.
2. Repayment (Rate, Amortization, Collateral): The debt piece will have a rate of 7.50% (average variable cost of funds); require interest-only payments; and mature in 84 months. The equity piece will also fund as a note, with a 30-year term carrying a 1% rate, accruing through year seven.
3. Non-Traditional Terms: The debt piece will be extended for seven years, interest only. A sinking fund will be established beginning in year four to provide for an enhanced exit strategy on the economic debt portion. The equity note will provide for a present value payoff at the end of the seven-year period, allowing the actual economic value of the credit to be derived by the project at that time. The overall combined debt rate will be roughly 6.2%. The primary value of the new markets tax credit is provided at the end of the transaction through the investment fund putting its membership interest to a related party of the project. The value provided to the project is projected to be roughly \$323,000 in present value, net of costs and exit fees, which is approximately \$0.21 per gross credit dollar.

Specific Measurable Description of Outcomes and Expected Reporting:

Square Footage of Commercial Real Estate: 100,000 total square feet of new construction building.

Jobs Sustained/Created – Wage Level Impacted: Create: 210; Retained: 225; 120 construction jobs. An estimate of the impact on vendors based on growth in activity at MSI has not been completed at this time. However, it is anticipated that a ripple effect of roughly 40 additional jobs could easily be documented based on the medical nature of the facility and the addition of the restaurant and compatible retail on the ground floor.

Leverage:

Conventional Financing- \$6,230,647

State Enterprise Zone Tax Credits- \$1,750,000

Office of Community Services Financing- \$600,000

City of LaCrosse Financial Support
(TIF, Brownfield clean up, land acquisition)- 11,000,000

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