



OPENING NEW MARKETS

How the National Development Council uses
the New Markets Tax Credit to Create Jobs
and Opportunity in Underserved Communities

ABOUT NDC

NDC's work focuses on HOMES, JOBS and COMMUNITY. Founded as a national nonprofit in 1969, our mission is to increase the flow of capital to low-income communities. NDC directs resources to the development and preservation of affordable housing; the creation of jobs through training and small business lending; and the revitalization of communities through social infrastructure, mixed-use projects and historic preservation.

NDC uses the Federal New Markets Tax Credit Program, an innovative and flexible financing tool, to realize mixed-used redevelopment projects in the nation's most distressed communities.

We help structure deals, provide tax credits to qualified projects, find the necessary additional financing, and use our relationships with CDE partners to bring additional allocation when we cannot.

Our strong relationships with NMTC investors and our work providing advisory services to local governments ensures that our projects get built as well as maximize the investment by creating jobs and much needed goods and services in low income communities.

HOMES JOBS COMMUNITY



Housing



Lending



Advisory Services



Community Assets

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One Battery Park Plaza
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Suite 710
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212-682-1106

Seattle Office
1218 3rd Avenue
Suite 1403
Seattle, WA 98101
206-254-2800

Cleveland Office
1111 Superior Avenue
East Suite 1114
Cleveland, OH 44114
216-303-7177

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4101 Spring Grove Avenue
Suite A
Cincinnati, OH 45223
513-657-7870



NDC HAS SEEN MANY OF OUR
EARLY INVESTMENTS GROW
INTO MAJOR DRIVERS OF
ECONOMIC ACTIVITY

Above: Flex-N-Gate, a 500,000 sq. ft. manufacturing plant in Detroit.

NDC's NMTC Approach

In October 2018, I had the honor of attending a ribbon cutting in Detroit, Michigan. The first auto-parts manufacturing plant to open in the Motor City in more than 20 years is locating in one of the most distressed neighborhoods in the United States.

Of course, location alone does not guarantee that an economic development project will have a real impact. So the company, Flex-N-Gate, also entered into an agreement with the Detroit Human Rights Department to hire at least 50 percent of its workforce from Detroit, especially from the surrounding neighborhood, as well as to award at least 30 percent of its contracts to Detroit-based suppliers. This 500,000 sq. ft. manufacturing plant created 100 full-time construction jobs, and 500 permanent auto manufacturing related jobs that will increase to 800 at full capacity.

The first employee at the new Flex-N-Gate plant, Tashar Mosby, spoke at the ribbon cutting, and told his story of taking three busses to attend an engineering job training program while working two jobs to provide for his family, including a newborn baby. Through this program he was hired by Flex-N-Gate and

has already been promoted.

This is exactly the type of project that the National Development Council looks for when deciding where to invest our NMTC allocation. And as one of the first organizations to utilize NMTCs, NDC has seen many of our early investments grow into major drivers of economic activity, from mixed-use projects that revive neighborhoods, to urban and rural manufacturing facilities that employ people like Mr. Mosby who support families.

As the US economy continues to bifurcate into areas of opportunity and areas of stagnation and decline, more effort must be made and resources committed to stem the tide of deteriorating opportunity. We believe that one significant step toward reversing this trend would be to make the New Markets Tax Credit program permanent. More importantly it should be expanded, especially given that it provides the federal government with a 15 percent return on its investment through increased economic activity. That by anyone's definition is a win-win.

DANIEL MARSH
President

A handwritten signature in black ink, appearing to read "Daniel Marsh".

NDC provided financing for

88

businesses, community facilities, mixed-use, business incubators, health clinics, and other important community revitalization projects.

NDC deployed a total of

\$1.2B

in New Markets Tax Credit financing to twenty-seven states and Puerto Rico.

NDC projects resulted in

7.9M

sq. ft. of new or rehabilitated real estate.



NDC'S HIGH IMPACT NMTC PROJECTS INCLUDE:



ARTS & TOURISM

29 PROJECTS

COMMUNITY FACILITIES

20 PROJECTS



MIXED-USE

17 PROJECTS

HEALTHCARE

11 PROJECTS



INDUSTRIAL

10 PROJECTS

OTHER

9 PROJECTS



IMPACT

CREATING JOBS

29,873 jobs generated

- 15,834 permanent full-time equivalent jobs
- 14,039 full-time equivalent construction jobs

SPURRING NEW INVESTMENT

\$5.9B investment generated

- \$2.1 billion in total project financing
- \$3.8 billion in additional economic output

EXPANDING HEALTH CARE ACCESS

631k patients served by health care projects

- 1,021,744 sq. ft. of new or rehabilitated health care space

SUPPORTING FAMILIES & CHILDREN

90 nonprofit service providers

- 55 percent of NDC's projects provide space for one or more nonprofits or social service providers

JUMP-STARTING MANUFACTURING

44 industrial businesses supported

- 2.6 million sq. ft. of space renovated, constructed, or outfitted for industrial, manufacturing, and clean-tech businesses

GOVERNMENT RETURN ON INVESTMENT

12-month post-project impact

FEDERAL TAX REVENUE

\$278.9 MILLION

STATE & LOCAL TAX REVENUE

\$180.7 MILLION

CREATING JOBS & GROWING LOCAL ECONOMIES

SUPPORTING RURAL MANUFACTURING

After decades of outsourcing and deindustrialization, small cities and farming towns need to attract firms that are built to last. Over the past fifteen years, NDC has used the NMTC to finance new and refurbished manufacturing facilities from Manati, PR to Neah Bay, WA.

Stories



136 permanent jobs
86 construction jobs

Romark Laboratories

Manati, PR

NMTC financing helped convert a warehouse in rural Manati, Puerto Rico into a pharmaceutical manufacturing plant and laboratory. This investment will close a funding gap that has prevented Romark Laboratories from completing the 40,000 sq. ft. space, particularly after partial construction work was damaged by Hurricane Maria.



270 permanent jobs
60 construction jobs

Weidmann Technology

St. Johnsbury, VT

Weidmann Electrical Technology, Inc (WETI) is a global leader in electrical insulation for transformer manufacturers. NMTC-financing helped WETI construct a new manufacturing facility acquire new machinery. Without NMTC financing, WETI was likely to expand its operations in another international location.



175 permanent jobs
35 construction jobs

Severn Peanut

Severn, NC

Severn Peanut Company, Inc. is a producer of peanut based consumer products sold under a variety of brand names in grocery stores as well as in many major and minor league ballparks. NMTC-financing helped construct a new plant with storage space and purchase new roasting, drying and shelling equipment.

ENHANCING THE ENTREPRENEURIAL ECOSYSTEM

Incubators, accelerators and shared lab spaces provide start-up firms and businesses with the shared resources and entrepreneurial environment needed to launch new firms.

Stories



95 permanent jobs
45 construction jobs

Environmental Innovation Center

San Jose, CA

The San Jose Environmental Innovation Center (SJEIC) provides laboratory, office, prototype manufacturing and demonstration space for emerging clean technology companies. As part of the City's Green Vision Plan to nurture emerging "green technology" businesses, SJEIC integrates broad-spectrum workforce training opportunities for local residents seeking to enter the green economy.



50 permanent jobs
30 construction jobs

Shoreway Industrial Park

Cleveland, OH

Shoreway Industrial Park turned a partially occupied truck manufacturing site just south of downtown Cleveland into a logistics and distribution hub. Shoreway is the lead project in an International Trade District (ITD), which will be supported by intermodal logistics and distribution facilities with outstanding highway and rail access.



112 permanent jobs
40 construction jobs

Baker Electric Car Building

Cleveland, OH

The redevelopment of the historic Baker Electric Car Building (1910) transformed this "old-economy" icon into a "new economy" incubator and post-incubator space for emerging technology-based companies. The building includes 52,000 sq. ft. of wet/dry labs and office space to develop intravascular ultrasound technology in association with the nearby Cleveland Clinic.

ENHANCING COMMUNITY SERVICES

EXPANDING HEALTH CARE ACCESS

Rural families do not have adequate access to health care providers. The patient-to-primary care physician ratio in rural areas is only 39.8 physicians per 100,000 people, compared to 53.3 physicians per 100,000 in urban areas. NDC has helped expand or construct nearly a dozen health care facilities, including three rural Washington services providers.

Stories



Therapeutic Health Services

Everett, WA

Therapeutic Health Services is a nonprofit organization in the greater Seattle region that provides drug/alcohol treatment, mental health services, vocational services, children's mental health care, family counseling and wellness programs to over 5,000 clients annually. NMTC financing made it possible for the organization to secure a permanent home by purchasing the building it had previously been renting.



Navos Behavioral Health

Burien, WA

Navos is a full service healthcare provider for adults and children suffering from severe and chronic mental illness. NMTC-financing helped Navos serve an additional 4,000 patients a year by replacing an older, smaller mental health services campus with a new health-care and outpatient building. The project also included a community activities center with an employment program and community meeting space.



Island Hospital

Skagit County, WA

Island Hospital in rural Skagit County provides full-service hospital services in a small acute-care facility. The hospital serves patients from the surrounding areas that would otherwise have to travel up to 80 miles for healthcare. NDC's investment helped finance a new Medical Arts Pavilion, which is part of a larger project to improve vital medical facilities to residents of remote areas of Washington State.

SUPPORTING VULNERABLE POPULATIONS & FAMILIES

Social infrastructure is key to livable communities. NDC provides advisory services and financing to service providers, youth recreational facilities, and projects that expand cultural and educational opportunities.

Stories



Houston Food Bank

Houston, TX

Houston Food Bank (HFB) distributes more than 46 million pounds of food annually through nearly 572 hunger-relief agencies in Houston and the surrounding 18 counties in southeast Texas. NMTC-financing supported a new facility that more than quadrupled their food storage space from 73,000 sq. ft. to 320,000 sq. ft. and allowed HFB to increase distribution by 120,000 pounds and feed 137,000 families per week.



Street Squash

Bronx, NY

StreetSquash is an innovative and successful urban youth enrichment program combining academics, community service and squash for boys and girls grades 6-12. The organization provides participants with the tools to help them succeed in school and move on to active and productive lives. NMTC financing supported a new 18,000 sf building that serves more than 500 Harlem public school children each year.



Ronald McDonald House

Ft. Worth, TX

The Ronald McDonald House (RMH) of Fort Worth provides housing to over 832 families with critically ill children in nearby hospitals at little or no cost. Each room provides two beds, a bathroom and an area where families can rest and regroup during their challenging time. With NMTC financing the construction of 20 new private rooms will allow the RMH of Ft. Worth to house 300 additional families each year.

GENERATING RETURN ON INVESTMENT

TAX REVENUE GENERATED

	Direct Impacts	Indirect Impacts	Induced Impacts	Total
State Tax Revenue	\$77,478,117	\$47,074,620	\$56,151,155	\$180,704,352
Federal Tax Revenue	\$164,847,186	\$42,030,910	\$71,989,174	\$278,867,270
Total	\$242,325,303	\$89,105,530	\$128,140,329	\$459,571,622

Direct effects gauge the impact on the industry that is immediately affected by an NMTC investment. Indirect effects concern intra-industry economic impact up and down the supply chain from an NMTC investment. Induced effects measure the economic impact of increases in household spending as a result of an NMTC investment

Stories



66 permanent jobs
200 construction jobs

East Ohio Gas

Cleveland, OH

East Ohio Gas is a mixed-use redevelopment of the vacant 350,000 sq. ft. East Ohio Gas building into a combination of retail and housing, including 45 affordable units. The project is located in the heart of a redevelopment district that the City has identified as critical to the stabilization of the downtown area. Renovation of the building increased its taxable market value from \$2.4 million to \$16 million and generated an additional \$497 thousand in state and local tax revenue in the first year after project completion.



1,400 permanent jobs
1,500 construction jobs

Continental Tire

Sumter, SC

NMTC financing helped Continental Tire develop a one million sq. ft. truck tire manufacturing facility that is one of the most environmentally sustainable tire production plants in the world in Sumter, SC. The project generated an estimated \$7.4 million in state, local, and federal tax revenue in year one and is expected to generate over a half a billion dollars in economic activity in the region.



400 permanent jobs
180 construction jobs

Cascade Plaza

Ithaca, NY

Cascade Plaza is a 9-story, 175,000 sq. ft., mixed-use project in the heart of Ithaca's Urban Renewal District. The development is the result of a partnership between the City of Ithaca and Cornell University aimed at encouraging redevelopment of the downtown area. The project is expected to generate \$4.6 million annually in new retail and food/beverage sales, increase the City's annual sales tax revenue by \$281,000 and provide \$500,000 annually in property taxes.

JOB CREATION

	Direct Impacts	Indirect Impacts	Induced Impacts	Total
Operational	9,507	2,179	4,148	15,834
Construction	9,973	1,468	2,598	14,039
Total	19,480	3,648	6,745	29,873

Operational jobs: Permanent jobs created that contribute to the operation of a business. Construction jobs: Temporary construction jobs are reported in terms of "person-years" of labor.

INVESTING IN PEOPLE

Community Space

	Nonprofit Office Space	Healthcare Space	Other Community Space	Total Community Space
Square Feet Constructed or Rehabilitated	220,449	1,021,744	1,626,780	2,868,973

Stories



38 permanent jobs
50 construction jobs

Spartanburg Community College

Spartanburg, SC

Houston Food Bank (HFB) distributes more than 46 million pounds of food annually through nearly 572 hunger-relief agencies in Houston and the surrounding 18 counties in southeast Texas. NMTC-financing supported a new facility that more than quadrupled their food storage space from 73,000 sq. ft. to 320,000 sq. ft. and allowed HFB to increase distribution by 120,000 pounds and feed 137,000 families per week.



36 permanent jobs
300 construction jobs

Ed Roberts Campus

Berkeley, CA

Bay Area disability nonprofits joined together to create the Ed Roberts Campus, a universally designed, transit-oriented campus. NMTC-financing supported the construction of the 80,000 sq. ft. complex, which houses the offices of the collaborating organizations as well as fully accessible meeting rooms, a computer/media resource center, a fitness center, a cafe, and a child development center.



76 permanent jobs
44 construction jobs

Lutheran Community Services Center

SeaTac, WA

Lutheran Community Services Center Northwest (LCSNW) is one of the region's largest social service providers, offering a full range of emotional, physical and spiritual health services in support of its mission to partner with individuals, families and communities for health, justice and hope. NMTC-financing helped LCSNW construct a new 32,000 sq. ft. facility serving 12,000 people every year.



The Houston Food Bank feeds 800,000 people annually