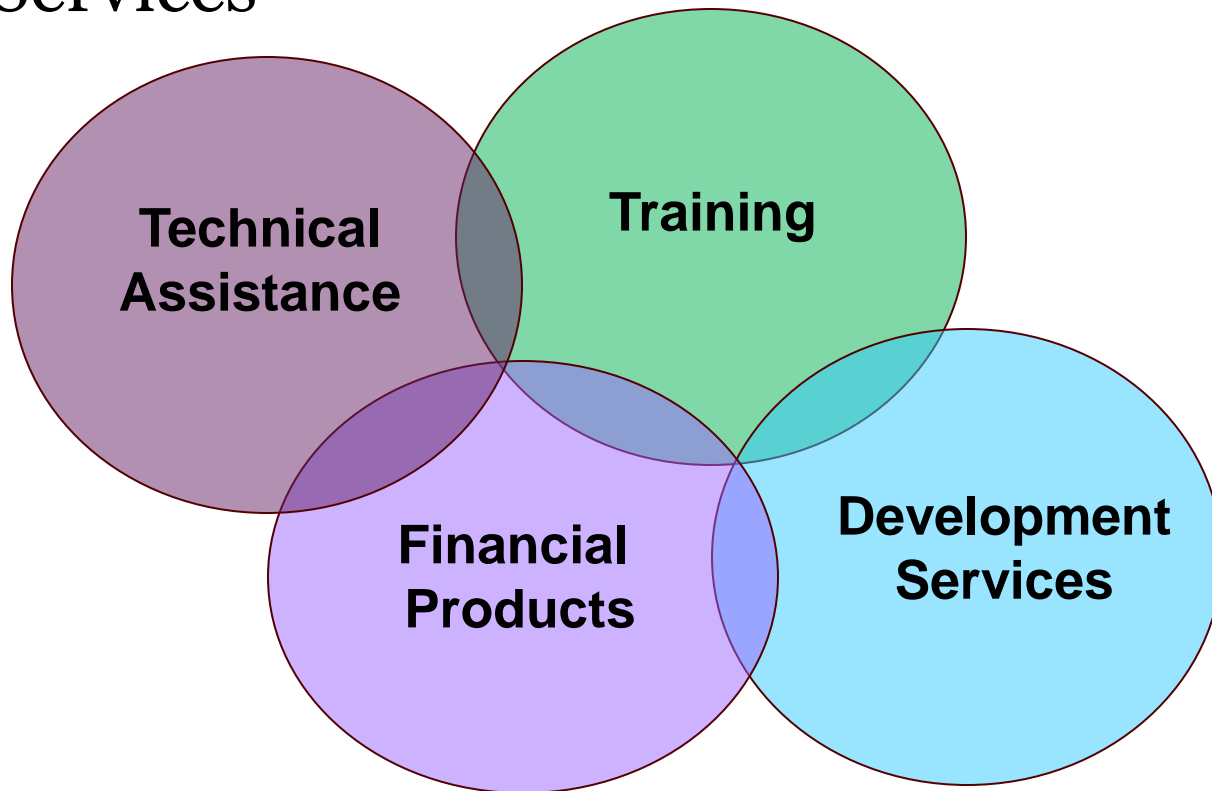


Who Is NDC?

- Established in 1969
- The National Development Council is the nation's leading non-profit provider of community development technical assistance and training
- Offices nationwide
- Serving over 100 different client communities

Who Is NDC? (cont.)

NDC's Services



Technical Assistance: NDC's Core Service

- NDC creates economic development finance systems
 - Business credit
 - Real estate investment
 - Affordable housing
- Deal structuring
- Negotiation and loan packaging

Central Community Redevelopment Agency

- CRA created in July 2000
- 7 Goals addressed in CCRA Master Plan:
 - Landscaping and community appearance
 - MLK Avenue as a “community main street”
 - Business development
 - Business attraction
 - Community facilities
 - Crime and community safety
 - Prevention of) displacement and relocation
- *The Minnie L. Rogers Plaza addresses 4 of these goals through the careful comprehensive retail plan, attention to design details, and local job training plan for the plaza.*

The Project: Minnie L. Rogers Retail Plaza

- 16,000 square foot Save A Lot
- 9,600 square feet of retail
- Urban appropriate design dictated by form based code
 - Strict architectural design standards
 - Focus on multi-modal transportation access
 - Public art
- Diverse public / private funding
 - NMTC
 - Leveraged loan
 - CRA land / TIF contribution
 - HHS / OCS grant

The development team

- Developers
 - New Start Community Development
 - Endeavour Group
 - Upward Development Corporation
- CDC of Tampa
- City of Bradenton

New Markets Tax Credits

- NDC's NMTC Community Development Entity (CDE)
- Invests in NMTC-eligible low-income communities (LICs) throughout the nation
- Has received allocation in seven of the nine rounds to date
- With a total allocation of \$639 million, NDC is one of the largest program recipients nationwide

New Markets Tax Credits Overview

- Federal tax credit to spur private investment in LICs
- Investors get tax write down
- Businesses and projects get equity or below market loans
- Primarily for economic development but mixed use also eligible

NMTC Overview (cont.)

- Investors provide up front equity to projects in exchange for receiving tax credits worth 39 percent of their investment over a seven year period

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
5%	5%	5%	6%	6%	6%	6%

- A substantial portion of this investment reaches businesses or projects as equity or low-interest loans

NMTC Overview (cont.)

- Administered by CDFI Fund, a division of the US Department of Treasury
- NMTCs are awarded to qualified Community Development Entities (CDEs) – not to states or projects
- CDE's then make investments in Qualified LICs

NMTC Overview (cont.)

- CDEs compete to receive annual awards of tax credit based upon Congressional appropriations
 - \$2.5 to \$5 billion approved through 2011
- NMTC is not a permanent program
- Program extended for 2012 for \$3.5 billion of authority and 2013 for \$3.5 billion of authority

Eligible Projects

- Loans and investments in operating businesses located in LICs
- Development of commercial, industrial and retail real estate in LICs
- Mixed-use projects where commercial income exceeds 20 percent of the gross income of the property

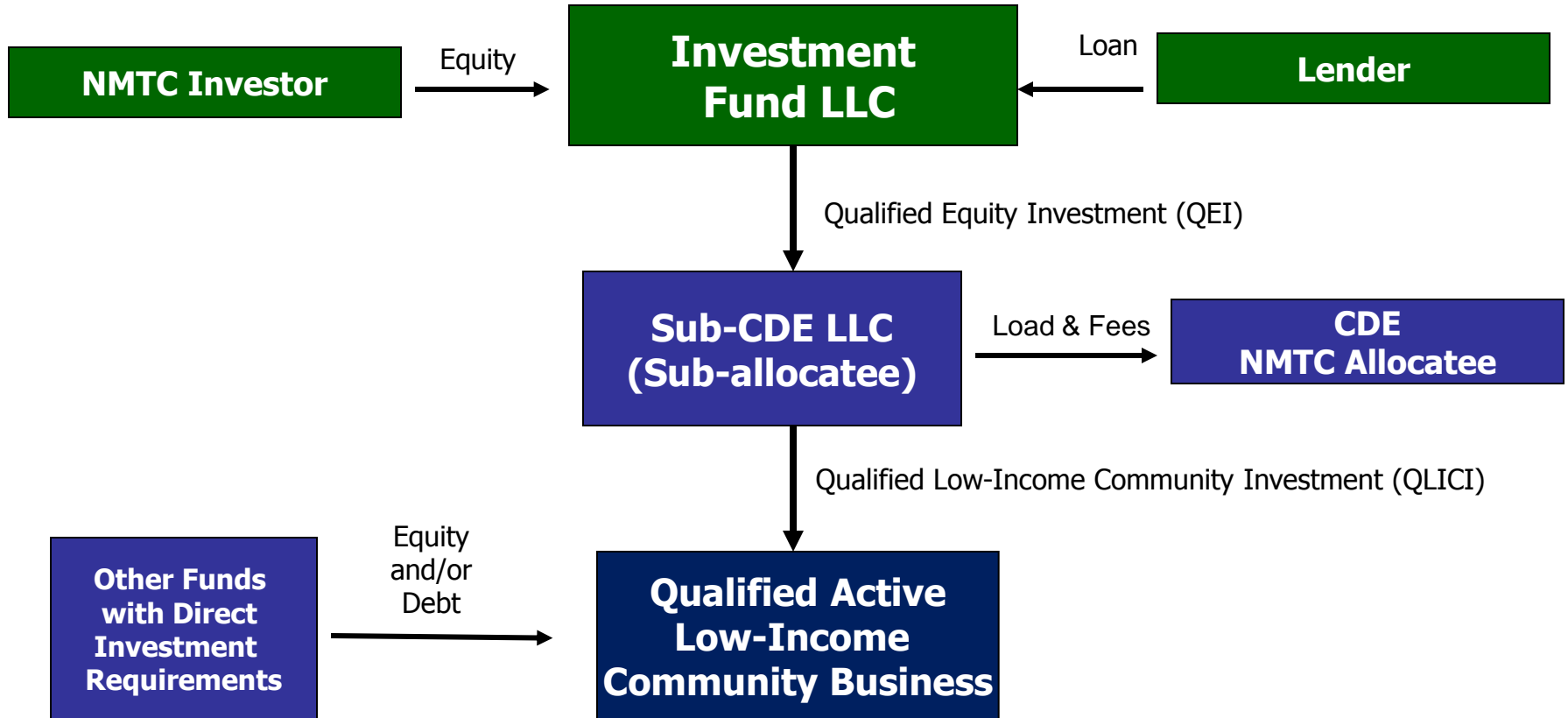
NDC New Markets Portfolio Summary

Total Program.....	\$639,000,000
Total Invested to Date.....	\$639,000,000
Projects.....	77
Minority Owned Businesses.....	7
Women Owned Businesses.....	12
States.....	24
Rural Projects.....	11
Investors.....	18
Jobs Created.....	5,886
Square Feet Developed.....	7,472,470
Community Investments....	\$1,514,346,649

NMTCs

- NMTC program is a gap filler – not 100 percent financing
- CDEs are the link
- Find eligible businesses or projects with some capital committed
- Attract investors
- Provide NMTCs to investors in exchange for up front equity to fund projects

NMTC Basic Leveraged Flow of Funds



NMTC Terms – Alphabet Soup

- CDFI Fund: U.S. Treasury Community Development Financial Institutions Fund
- LIC: Low-Income Community
- IF: Investment Fund entity
- CDE: Community Development Entity
- QEI: Qualified Equity Investment
- QALICB: Qualified Active Low -Income Community Business
- QLICI: Qualified Low-Income Community Investment

QEI

- Qualified Equity Investment
- Amount of equity invested into CDE by investor or investment fund
- Basis for calculating tax credits: 39 percent of QEI over seven years
- Equity cannot be a loan and cannot be collateralized
- Must remain invested for seven years
- Can receive a return on but not a return of equity

CDE

- Community Development Entity
- Certified by CDFI Fund
- Primary mission to benefit Low Income Community (LIC)
- Eligible to apply for NMTC allocation from CDFI Fund
- Accountable to LIC through an advisory group or governing board

QLICI

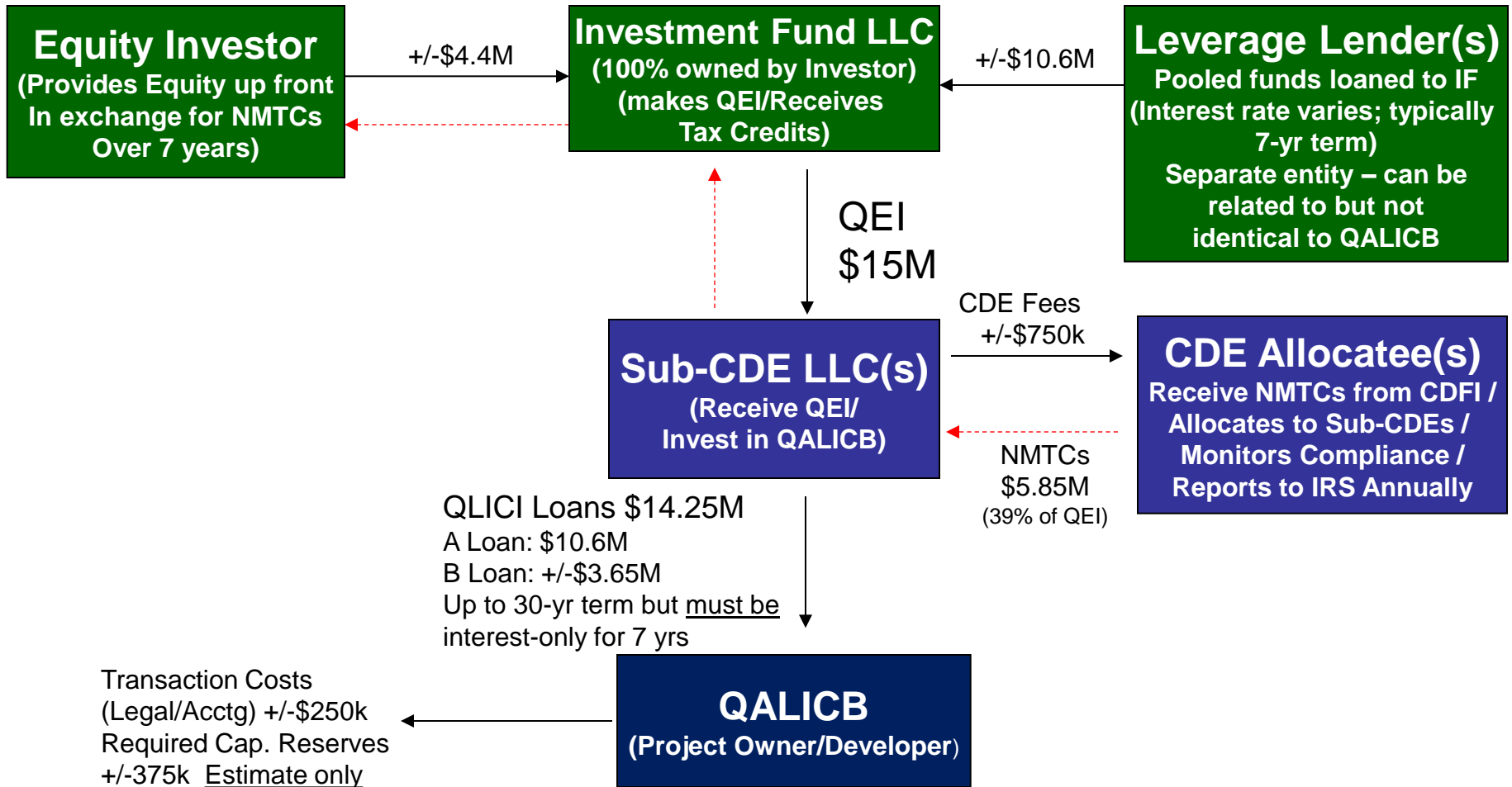
- Qualified Low-Income Community Investment
- Loan or equity investment by the CDE into QALICB
- CDE must invest substantially all (85 percent) of QEI in QLICI
 - Additional five percent may be kept in reserves
- $QLICI = QEI - CDE \text{ Fees}$

QALICB

- Qualified Active Low-Income Community Business
- Business (or project) must have substantial connection to low-income Community, measured by percentage of gross income, tangible property and/or services
- Real estate deals in LIC qualify

NMTC Leveraged Transaction

Typical Flow of Funds



NMTC Resources

CDFI Fund: www.cdfifund.gov

New Markets Tax Credit Coalition:
www.newmarketstaxcreditcoalition.org

CohnReznick: www.cohnreznick.com

Novogradac & Company LLP: www.novoco.com