The much-discussed New Markets Tax Credit (NMTC) is now starting to facilitate the flow of capital into low-income communities in tangible ways. The three transactions highlighted below are just a few of the ways the NMTC is coming to life in the 12th District.

**Market Creek Plaza**

The [Clearinghouse CDFI](#) recently funded a $15 million dollar permanent loan to the Jacobs Center for Neighborhood Innovation (JCNI) for the new Market Creek Plaza shopping center in the Lincoln Park area of San Diego. Wells Fargo Bank was the tax credit investor on the unique project and has agreed to open a bank branch in the center. The center was conceived, designed, built, and will soon be owned in part by over 2,000 local neighborhood residents. Market Creek Plaza is a 20-acre commercial and cultural center that will serve 88,000 residents in ten surrounding neighborhoods.
The First Security Building is a 12-story historic steel and glass office tower located in downtown Salt Lake City. The $21 million rehabilitation includes a seismic retrofit, new telecommunication systems, and exterior work.

Financing sources include a $13 million construction/permanent loan, developer equity, and a $2.8 million historic and New Markets Tax Credit equity investment. Both the construction/mini-permanent loan and tax credit equity is being provided by Bank of America, with debt financing from Commercial Real Estate Lending Group of Las Vegas, NV. The Fund is managed by National Trust Community Investment Corporation, a subsidiary of the National Trust for Historic Preservation.
The Portland Armory, originally constructed in the 1890’s and listed on the National Register of Historic Places, is one of Portland, Oregon’s finest and largest 19th century buildings.

By attracting US Bancorp Community Development Bank in St. Louis to invest equity in the project, and combining New Markets Tax Credits with Historic Rehabilitation Tax Credits, Business Energy Tax Credits, and other financing, the Portland Family of Funds was able to successfully structure a financing package. The Armory transaction will provide over 300 new jobs, with a combined payroll of $11 million, and an infusion of $9 million of new equity into Portland’s economy.

The New Markets Tax Credit Program: How This Incentive Can Strengthen America’s Cities is a report written by Jim Miara and published by CEOs for Cities that describes the program objectives of the New Markets Tax Credit (NMTC) and how it compares with other subsidies. The report details how the program is administered, qualifying investments and how NMTCs are allocated. The report also describes the financial structure of two closed deals and analyzes currently pending deals that could use the help of NMTCs.

For more on the New Markets Tax Credit program, and to download the study, go to the CEOs for Cities website.