



FINANCING PROJECTS WITH NEW MARKETS TAX CREDITS (NMTC)

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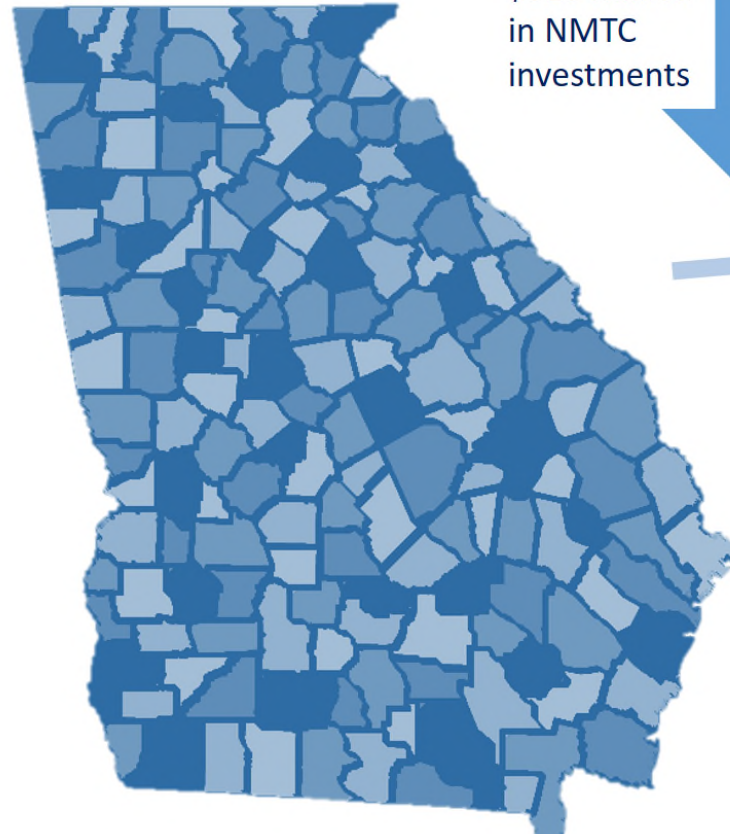
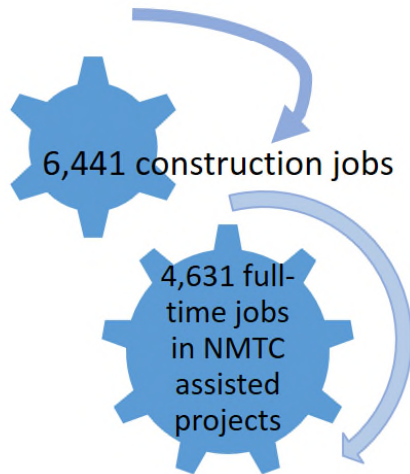
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THE PROGRAM IS FOR REAL

WHAT THE NEW MARKETS TAX CREDIT (NMTC) PROGRAM MEANS TO GEORGIA

43

Georgia projects received NMTC financing



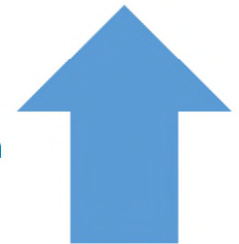
\$529 million in NMTC investments



\$ 1.01 billion total investments in projects

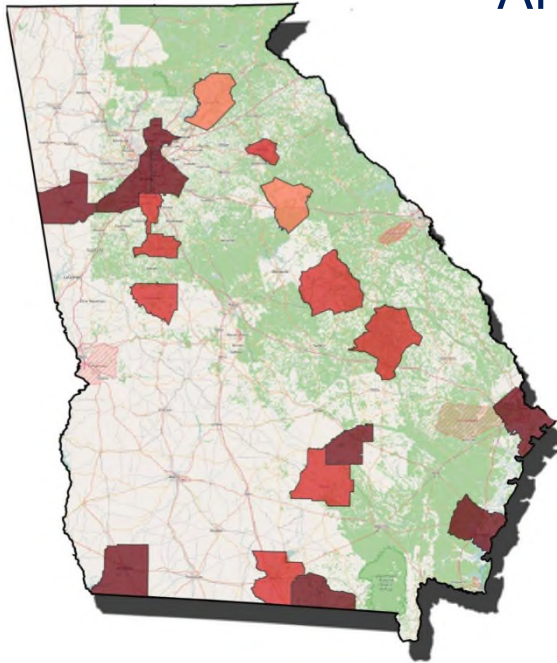


Leveraged another \$485 million from other sources

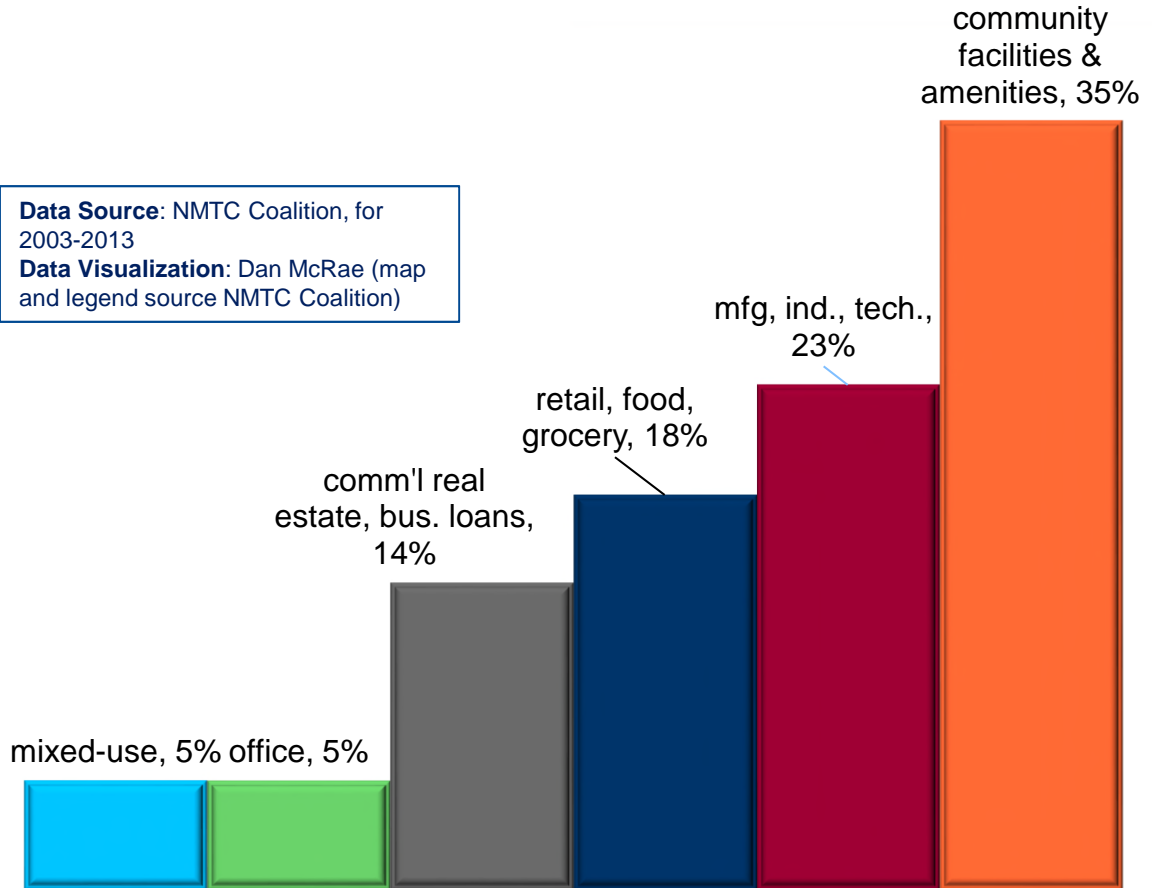
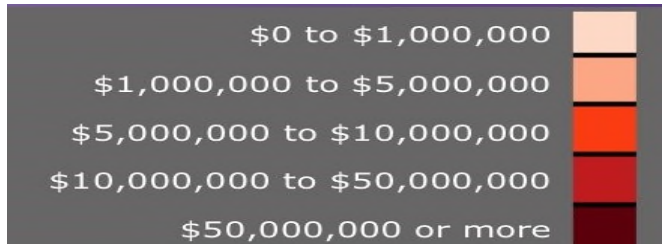


Data Source: NMTC Coalition
Data Visualization: Dan McRae

WHERE THE GEORGIA PROJECTS ARE THAT GOT “FREE MONEY” FROM NEW MARKETS TAX CREDITS AND WHAT THEY SPENT IT ON



Data Source: NMTC Coalition, for 2003-2013
Data Visualization: Dan McRae (map and legend source NMTC Coalition)



THE CREDITS ARE TURNED INTO CASH

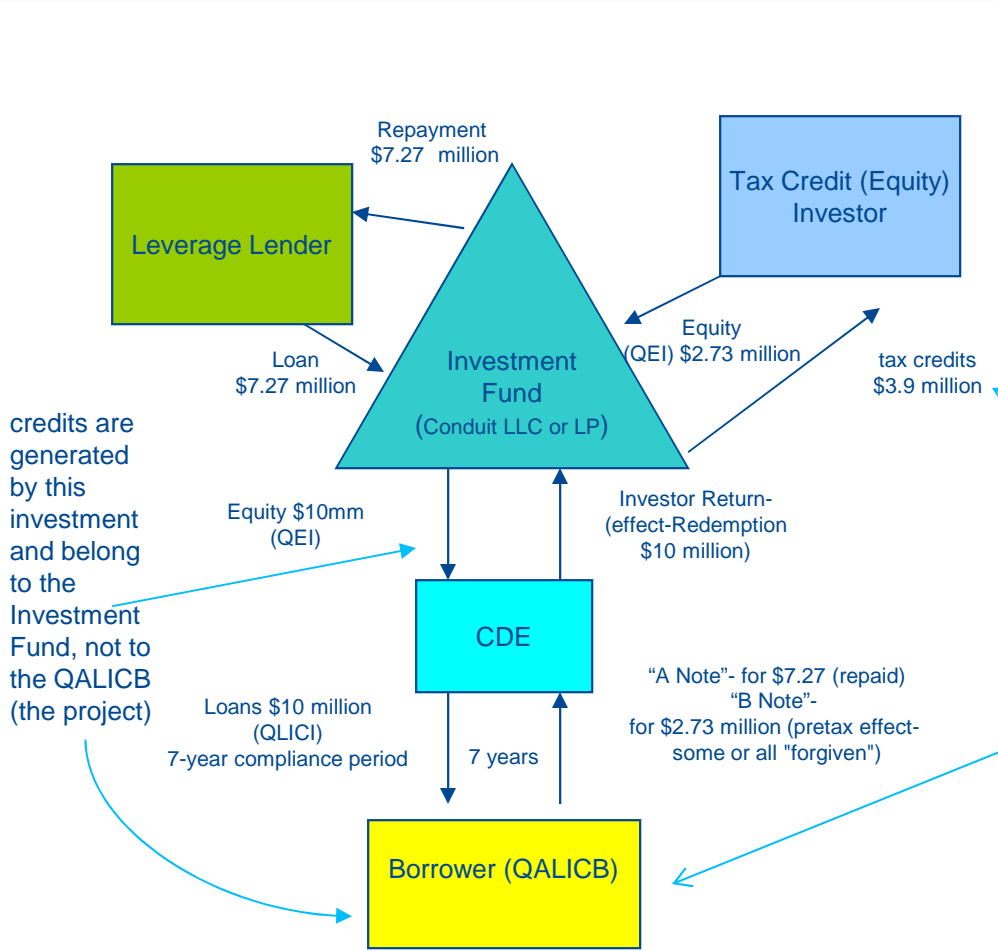
THE PROJECT
TYPICALLY NETS SUB
DEBT ("FORGIVABLE
LOAN") EQUAL TO 20%-
25% OF THE NMTC
ALLOCATION



- Something called a "CDE" holds the allocation of credits and is the conduit.
- Ultimate NMTC benefit should be calculated net of costs and any applicable taxable income on exit.

HOW CREDITS BECOME SUB DEBT

HOW SUB DEBT BECOMES A "FORGIVEABLE LOAN"



| Year | Amount | Rate |
|--------|----------------------|------------|
| Year 1 | \$500,000 | 5% |
| Year 2 | \$500,000 | 5% |
| Year 3 | \$500,000 | 5% |
| Year 4 | \$600,000 | 6% |
| Year 5 | \$600,000 | 6% |
| Year 6 | \$600,000 | 6% |
| Year 7 | \$600,000 | 6% |
| | \$3.9 million | 39% |

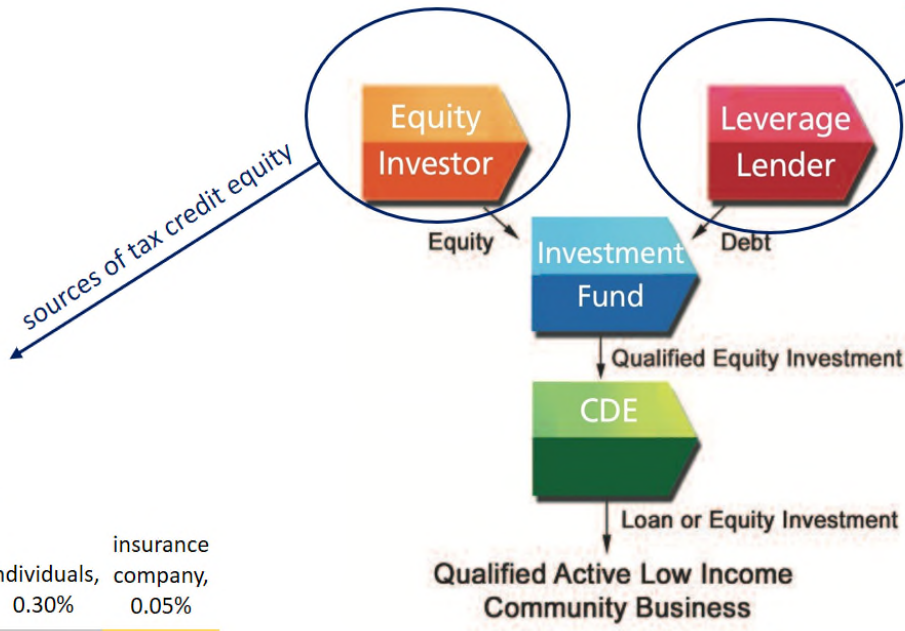
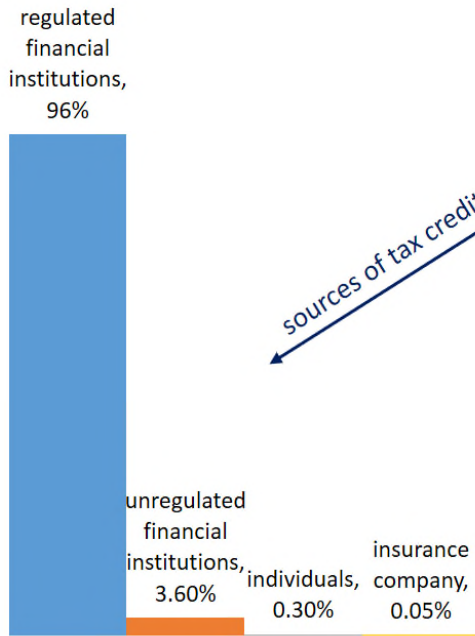
TAX AND OTHER NMTC REQUIREMENTS INCLUDE CENSUS TRACT QUALIFIED AS-
 Most Favored: Severely Distressed
 Practical Minimum: High Distress
 Legal Minimum: Qualified (based on poverty or low income)

If census tract is qualified and low income, then project could be severely distressed if serves Targeted Population to the extent that: (a) such project is 60% owned by low-income persons (LIPs); or (b) at least 60% of employees are LIPs; or (c) at least 60% of customers are LIP (other qualifications/issues might apply)

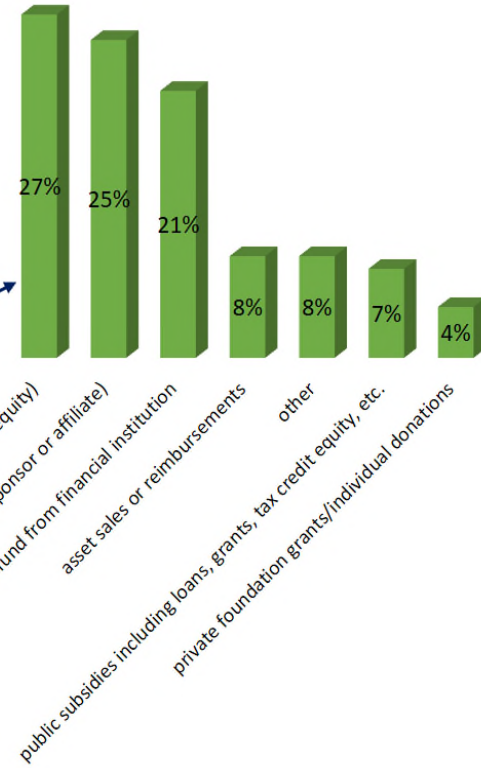
THE HARD PART

NEW MARKETS TAX CREDIT EQUITY

WHERE THE EQUITY COMES FROM
 WHERE THE "DEBT" (LEVERAGE) COMES FROM
 percentages are % of total amount in category for 2015



sources of "debt" (leverage)



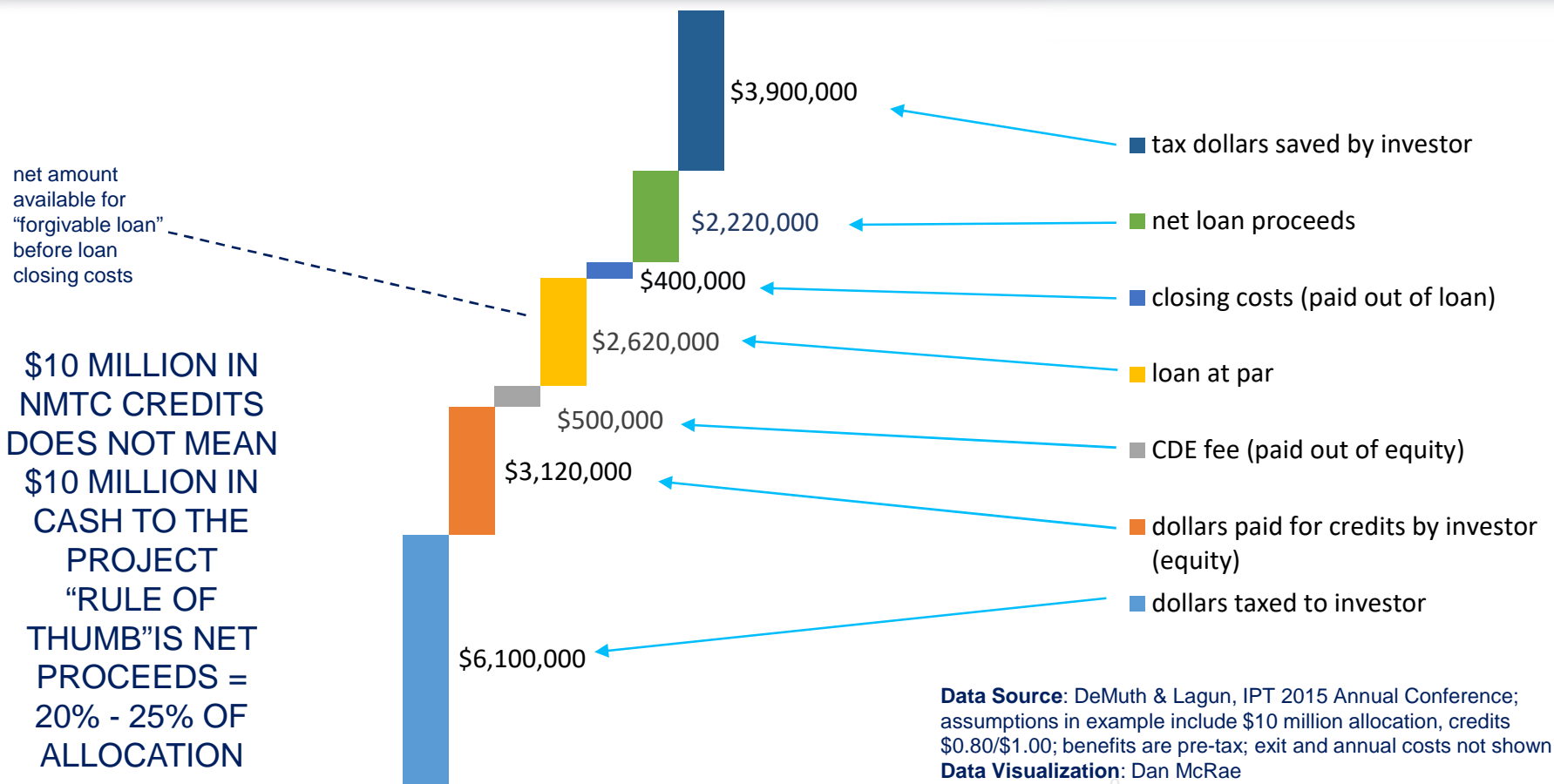
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 Data Visualization: Dan McRae

HOW NEW MARKETSTAX CREDITS “STACKS UP”

WHERE THE MONEY GOES

BEFORE

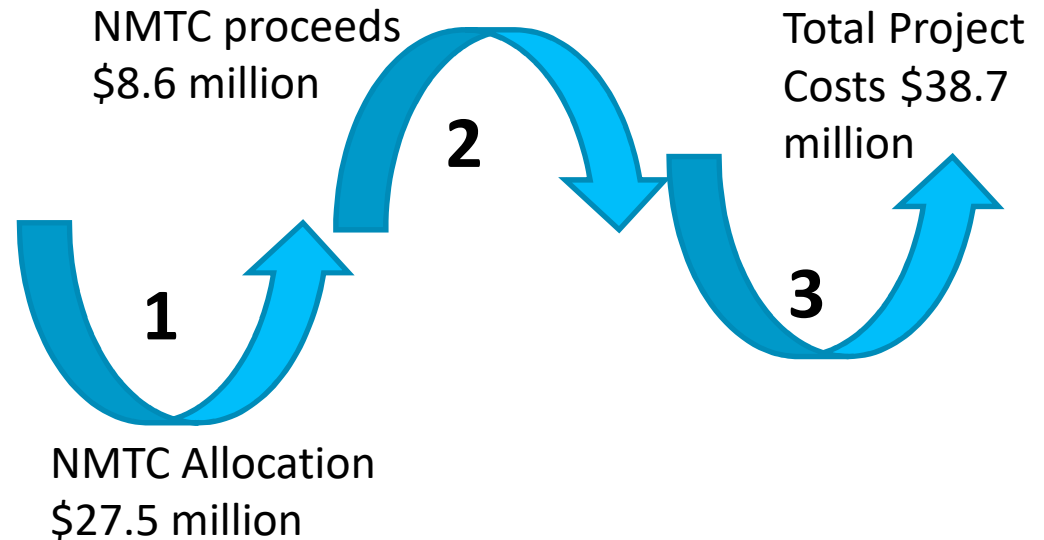
THE PROJECT GETS ITS
“FORGIVABLE LOAN”



CLOSE TO HOME EXAMPLE



Meridian Bioplastics, Inc. (Meridian) is a green technology company that uses byproducts of the timber and agricultural industry to create bioplastics. Meridian utilized NMTC financing to acquire new equipment and expand from their previous facility to a 190,000 square-foot industrial, office and research facility in Bainbridge, Georgia. The continued success and growth of Meridian is vital to the economic health of the city of Bainbridge, and the new facility has brought significant investment into a low-income community in rural Georgia. Source: Meridian



MORE INFORMATION



QUESTIONS?

If you have any questions or comments on this presentation, please do not hesitate to let me know.

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SCOPE

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