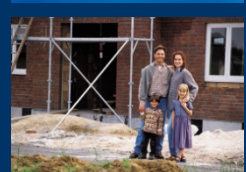
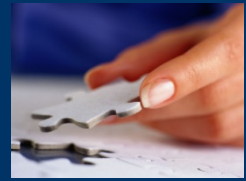


National New Markets Fund, LLC: Argonaut Redevelopment

NH&RA's
New Markets Tax Credit Symposium
March 11, 2009

Deborah La Franchi
President and CEO
Strategic Development Solutions

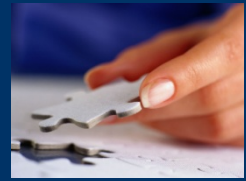
Argonaut Redevelopment



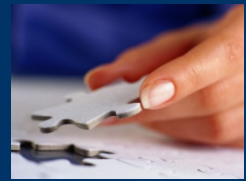
- \$150MM Historic Redevelopment: GM Argonaut Research Laboratory
- Detroit's New Center Neighborhood
 - Commercial District
 - Business hub developed in 1920s
- Sponsor Equity, NMC Equity, NMTC Debt, HTC Equity, Brownfield Tax Credit Investor Equity, Commercial Debt

Challenges

- QALICB Structure
 - ✓ Partnerships
 - ✓ Eligibility
 - ✓ Impact of HTC Equity
- Size of Transaction
 - ✓ Availability of Financing
- Debt Limitations
 - ✓ Availability of Debt
 - ✓ QALICB Limitations
- Historic Tax Credits

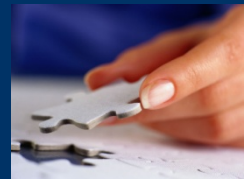


Sample Impacts - CIIS



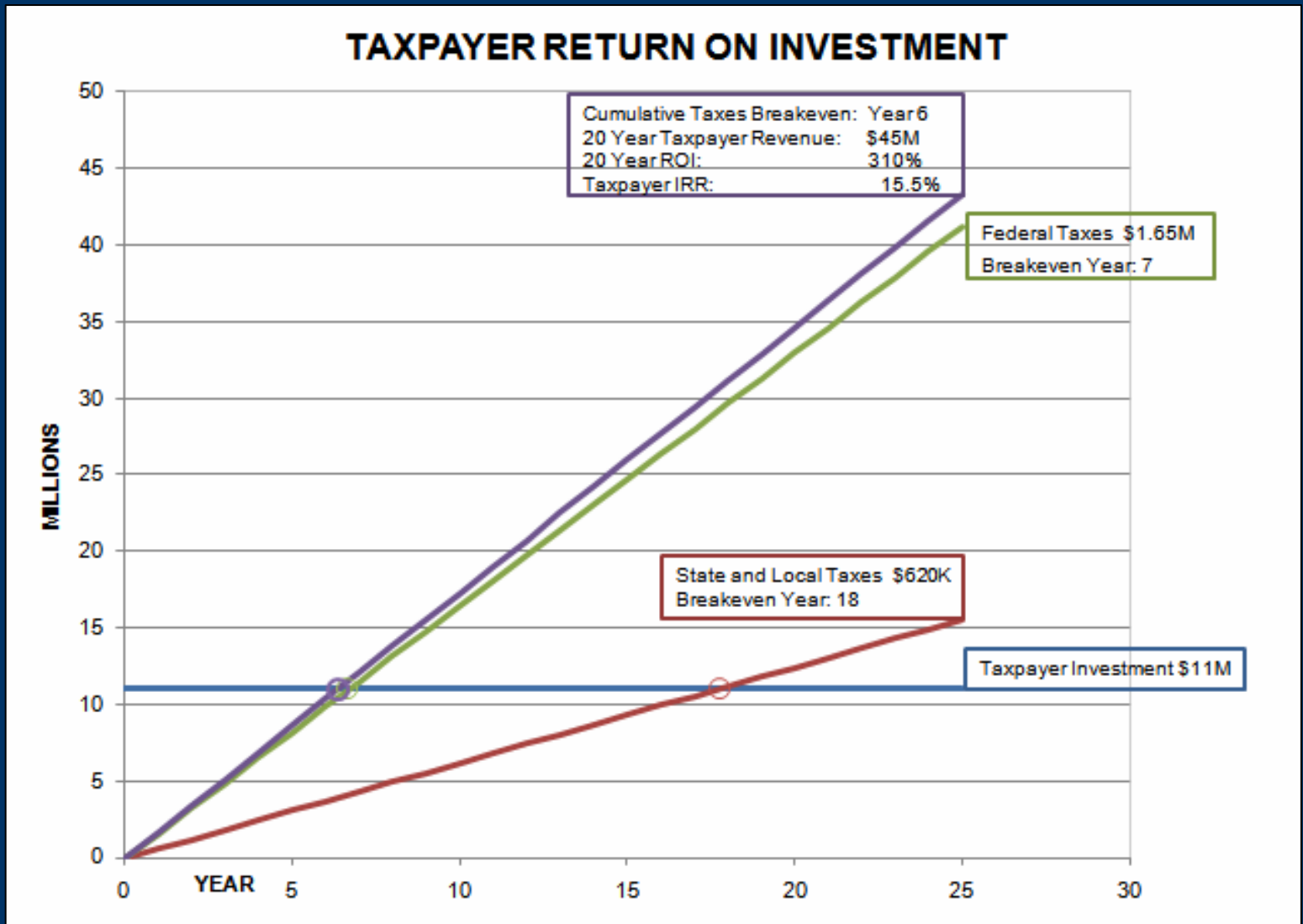
Areas of Higher Distress	
Median Income less than 60% AMI	Yes
Unemployment rate at least 1.25 times National Average	Yes
SBA designated HUB Zone	Yes
CDFI Hot Zones	Yes
Project Level Impacts	
Projected Jobs to be Created – Construction	30
Projected Jobs to be Created at Tenant Businesses	12
Square Feet of Real Estate – Total	20,000
Square Feet of Real Estate – Office	12,912
Asking Rent per Square Foot	\$1.85/sq.ft. Office, \$3.00/sq.ft. retail

Sample One-Page Impact Scorecard



PROJECT SUMMARY CHART			
INVESTMENT OVERVIEW		PROJECT AND AREA PROFILE	
Project Timeframe:	Start Date: 3/2008; End Date: Fall 2009	Location:	Portland, Oregon
Investment Date:	March 19, 2008	Area:	Downtown (Old Town/Chinatown)
Asset Type:	Mixed-Use: Office, Cultural/Learning Center	Site Status:	Underutilized; 75% vacant
Type of Development:	Historic Rehabilitation; New Construction	Previous Use:	Retail/Shopping Center; Parking Lot
Developed Square Feet:	80,000 (4-story facility)	Degree of Blight:	Moderate to Significant Blight
Total Development Cost:	\$34.1M	Unemployment Rate:	18%
NNMF Investment:	\$ 1.9M (net benefit of \$7.5M)	Area Median Income:	68%
Other Financing Sources:	\$10.9M Owner Equity (Cap. Campaign)	Poverty Rate:	46%
	\$ 6.7M Senior Loan	Special Economic Zones:	Downtown Waterfront Urban Renewal Area; SBA HUB Zone; Enterprise Community
	\$ 4.4M Other NMTC allocates (net benefit)	Barriers to Development:	High Crime Area; Historic Building
	\$ 4.3M PDC Grants		
	\$ 3.3M Historic Tax Credit Equity		
	\$ 2.7M Forgivable Loan (Lemelson Fdn)		
2nd Bottom Line: Social and Economic Impacts			
Economic Output for Construction:	\$23.2M	Jobs: 420 Total (220 Construction; 200 Permanent- 150 Existing/50 New)	
Economic Output for Operations:	\$10.9M Annually	Rehabilitates a Historic Property/Blight Eradication	
Employee Compensation for Construction:	\$ 6.1M	Transit-Oriented Development: Located on Light-Rail Path	
Employee Compensation for Operations:	\$ 6.6M Annually	Outreaching to Women- and Minority-Owned Subcontractors	
Construction Tax Revenue:	\$ 3.5M	Working with Local WIB to Hire Low Income Workers	
Operation Tax Revenue:	\$ 2.3M Annually	Increases Region's Nonprofit Infrastructure	
Taxpayer Break Even:	\$ 11M	Finances Real Estate With Flexible Leases/Rent	
Taxpayer 20 Year ROI:	311%	Creates New Tourist Attraction	
Taxpayer Internal Rate of Return:	15.5%	Bolsters Foot Traffic to Support Area Businesses	
Operating Savings from Consolidation:	\$5,000/Month; \$60,000/Year	Retirement Benefits:	
Annual Energy and Water Cost Savings:	\$43,394	Health Benefits:	
3rd Bottom Line: Environmental Impacts			
LEED Gold Certified (Targeting Platinum)		Energy: 37% Reduction in Overall Energy Usage	
CO2 Emissions: 35% Reduction (136 tons of CO2 reduced annually)		Rooftop Solar Panels Generate 7.5% of Energy Needs	
Recycling of Materials:		Green Roof Installation	
Rehabilitates a Historic Building		Mechanical System 50% More Efficient than Code	
95% of Construction Waste Diverted from Landfills		Energy Efficient Glass	
Building Products of High Recycled Content		Energy Saving Light Fixtures	
Promotes Alternative Transportation:		Potable Water Usage Reduction: 44% Reduction in Overall Usage	
Strategically Situated on a Metro Line		Low-Flow Fixtures	
Parking for Fuel-Efficient Cars		Storm Water Filtration and Management	
Bike-Friendly Amenities (Storage, Showers, Changing Areas)		Water Resistant Landscaping	
Environmental and Sustainable Living Education Provided in Action Center			
Reduced Heat Island Effect through Green Roof and Light-Colored Roofing			

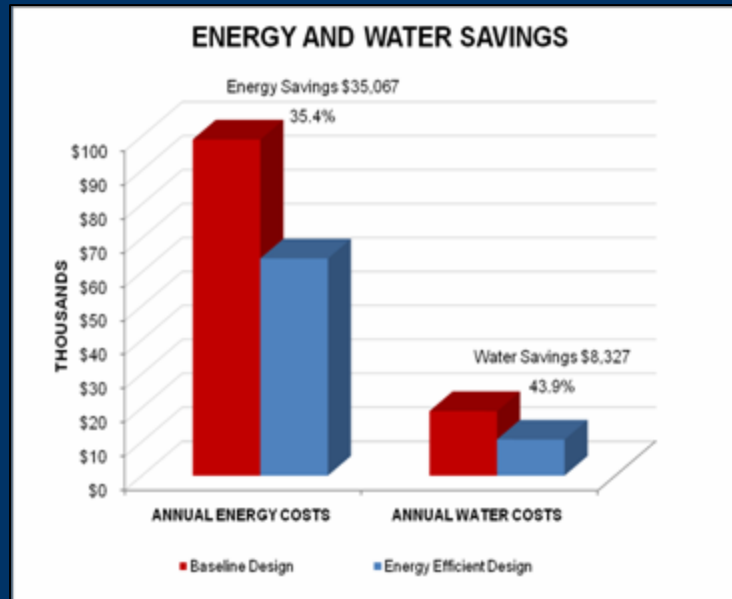
Sample Tax Revenue Break Even Analysis



Sample Project/CO₂ Impacts



Tax Generation Chart		
	Year 1	Year 20
State Taxes	\$572K	\$12.46M
Federal Taxes	\$1.15M	\$32.52M
Total Taxes	\$1.73 M	\$44.98M
20 Year Taxpayer Revenue:		\$45M
20 Year ROI:		310%
Taxpayer IRR:		15.5%



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