



## SITE DESCRIPTION

The Portland Armory, built in 1891, is listed on the National Register of Historic Places and is the 2<sup>nd</sup> largest 19<sup>th</sup> century building in Portland, Oregon. The Armory is located in a rapidly developing area which was, just a few short years ago, a highly economically distressed census tract. The poverty rate was 41.3%, and the unemployment rate was over five times the national average, according to 2000 U.S. Census data. The property is also in an Enterprise Community, a Portland Development Commission designated Urban Renewal Area and is a CDFI Fund-designated Qualified Low Income Community.

## LOW INCOME COMMUNITY METRICS

- + Area with unemployment rate at least 1.5 times the national average
- + Median Family Income is less than 80% of benchmarked MFI
- + Federally-designated Empowerment Zone, Enterprise Community, and Renewal Community (HUD Enterprise Community)
- + Small Business Administration designated HUB Zone
- + Urban Renewal Area

## PROJECT GOALS

- + Preserve one of Portland's architectural treasures
- + Create a new home for Portland Center Stage
- + Create the most environmentally sustainable building on the U.S. National Register of Historic Places
- + Create a new community hub and gathering place for entertainment, education and support of the arts

## ECONOMIC IMPACTS SUMMARY

An allocation of \$36.0 million in New Markets Tax Credits leveraged a total project cost of \$36.1 million. The construction and 10 years of operations of the Gerding Theater at the Armory are predicted to produce a total economic impact of \$116.4 million during construction and the first ten years of operations. Investment of these funds are associated with the provision of 510 temporary jobs during the 24-month construction period, and 12 permanent jobs created and then retained during operations of the Portland Armory. In addition, 104 existing theater operations jobs will be retained. An estimated total of \$46.7 million in direct, indirect and induced wages will be paid during the construction period and ten years of operations. \$15.8 million in Federal, State and Local tax revenues are estimated to be generated over twelve years, including \$6.7 million during the 24-month construction period, and \$915k annually over ten years when fully operational.

## BENEFIT OF TAX CREDITS

The Armory had been virtually unused for years when New Markets Tax Credits (NMTCs) provided the key piece of financing to move the project forward. (NMTCs and other tax credits provided approximately 40% of project costs.) Use of the \$0.39 tax credit effectively allowed \$14.0 million in foregone federal taxes to help generate an estimated \$10.2 million in new federal taxes over 12 years, and \$116.4 million in total economic impact during the same period to Multnomah County through this project.

# “It is more important to build great places than great buildings.”

— Dennis Wilde

## NEW MARKETS TAX CREDITS PROGRAM

The New Markets Tax Credit (NMTC) program, established by Congress in 2000 (Omnibus H.R. 4577), was created to encourage private investment in underserved communities in the United States. The NMTC program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities.

The credit provided to the investor totals 39% of the cost of the investment and is claimed over a seven-year credit allowance period. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.

The appeal of the NMTC program is financing availability for projects in underserved geographic areas, with extremely favorable terms, for businesses and real estate developers or owners. The result of these investments is to enable nearly non-financeable projects to be completed, and often to allow projects to be enhanced with community-oriented components, both of which generate measurable community impacts as described in this report.

## METHODOLOGY

The economic, employment and fiscal impacts shown in this Community Impacts Report were generated using IMPLAN® Professional, the industry standard econometric software used by over 1,000 companies, organizations and government agencies to estimate the impacts of an economic event. IMPLAN® uses “input-output accounting” and closely follows the accounting conventions used in the “Input-Output Study of the U.S. Economy” by the Bureau of Economic Analysis (1980) and the rectangular format recommended by the United Nations. Results shown in this report are based on total construction costs and a New Markets Tax Credits allocation amount that are not final. Actual results will vary according to local economic conditions, wages, materials costs, tax rates, and more.

The community impacts contained herein are based on a \$36.1 million total project cost. Jobs are measured in hours worked and, using a multiplier, are represented as FTEs (full time equivalents). Construction jobs are temporary and will be spread out over the construction period, depending on the level of construction spending in each year. Operations jobs are permanent. The fiscal impact figures represent the Federal and State/Local tax revenue resulting from the direct, indirect and induced economic activity during the discrete construction period and the first ten years of facility operations. The total impact figure represents the direct, indirect and induced economic impacts of the discrete construction period plus the first ten years of operations. The total impacts figure does not include the fiscal impact, which is considered separately. All output is in 2007 dollars.

United Fund Advisors serves as the financial consultant for Portland Family of Funds (“PFF”). PFF is the controlling entity for the New Markets Tax Credits allocatee, Portland New Markets Fund I, LLC.



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# THE GERDING THEATER AT THE PORTLAND ARMORY

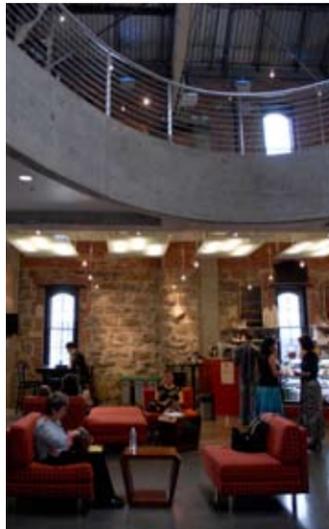


The Gerding Theater at the Portland Armory  
128 NW 11th Avenue, Portland, OR 97209



# THE GERDING THEATER AT THE PORTLAND ARMORY

UFA



# 3BL<sup>SM</sup>

United Fund Advisors<sup>SM</sup> is a financial services firm that provides triple bottom line returns to partners, projects, and communities nationwide.

## TRIPLE BOTTOM LINE RETURNS

**FINANCIAL** UFA transactions are structured to deliver appropriate yields to all types of investors, lenders and project developers. Whether it's a green building or a wind farm, a strong financial foundation allows UFA and its partners to be financially rewarded for building projects that deliver more deeply to the community and the natural environment.

**SOCIAL** While a single UFA project cannot change the fortunes of a city or the world, it is hoped that strong focus on what's best for the people who live there can be a magnet for ideas, improvements and investment. UFA projects create jobs and job training, build wealth and property ownership, deliver healthy buildings and clean energy, provide access to transit, enable historic preservation, and support education and culture.

**ENVIRONMENTAL** Buildings are responsible for approximately 48% of the energy use and emission of greenhouse gases in the United States, and the demand for clean, renewable energy is increasing rapidly. UFA is making change by creating tax-advantaged investment opportunities which result in financing for projects with reduced energy costs and enhanced property values.

### PARTNERS OF THE GERDING THEATER AT THE PORTLAND ARMORY PROJECT:

- Portland Center Stage
- Portland Historic Rehabilitation Fund I, LLC
- US Bancorp Community Development Corporation
- Portland Development Commission
- GS New Markets Fund
- Armory Theater Fund
- Portland Family of Funds
- Gerding Edlen Development Company

### NEW MARKETS TAX CREDITS ECONOMIC IMPACTS:

Location	128 NW 11th Avenue, Portland, OR
Development Type	Theater and Performance Venue, Historic Rehabilitation
Size	55,000 SF
Owner   Developer	Portland Historic Rehabilitation Fund, Gerding Edlen Development Co.
Total Project Cost	\$36,100,000
Allocation Required	\$36,000,000
CDEs	GS New Markets Fund, Historic Rehabilitation Fund
Low Income Community	Unemployment Rate: 1.5 times the national average Median Family Income: less than 80% of benchmark
Project Timeline	Urban Renewal Area
LEED Certification Level	Project Complete: October 2006
	Platinum

**JOBS\***  
**+522**

**WAGES\***  
**\$46.7M**

**FISCAL IMPACT\***  
**\$15.8M**

**TOTAL IMPACT\***  
**\$116.4M**

\* Figures shown are direct, indirect, and induced impacts of construction and first 10 years of operations. Please see [www.unitedfundadvisors.com](http://www.unitedfundadvisors.com) for more information.

### + ADDITIONAL COMMUNITY IMPACTS

- + Preservation of Oregon's largest Armory, listed on the U.S. National Register of Historic Places
- + The building's 4,000 sq. ft. lobby space is open for extended hours and is used for multiple functions by the community
- + New park adjacent to the building will serve as a water filter for rainfall, and as the only green park in the immediate area
- + New jobs and wages for local residents
- + Retention of creative jobs in Portland
- + Support of the education and outreach activities of Portland Center Stage
- + Support of the successful operations of a significant historic building