



SITE DESCRIPTION

The Albina Neighborhood of Northeast Portland, Oregon has long been one of the city's most economically distressed communities. The Marco Industrial Building, a historic structure located on the corner of NE Sumner Ave. and Martin Luther King Jr. Blvd., has been identified by the Albina Community Plan, among others, as a key node for area economic revitalization. However, substantial efforts to redevelop this property for over a decade or more have been unsuccessful.

LOW INCOME COMMUNITY METRICS

- + Federally designated Empowerment Zones, Enterprise Communities, or Renewal Communities
- + SBA designated HUB Zones (if businesses w/HUB Zone certificates)
- + CDFI Hot Zones
- + State or local tax-increment financing districts, enterprise zone programs, or other similar state/local programs targeted towards particularly distressed communities

PROJECT GOALS

- + Redevelop one of NE Portland's key economic nodes to invigorate MLK Blvd.
- + Provide wealth building opportunities through workspace ownership - "business condominiums" for local small business owners
- + Increase retail and foot traffic leading to renewed vitality in the neighborhood
- + Create jobs during construction and operations
- + Create a highly environmentally-efficient mixed use space that benefits workers, shoppers and visitors

ECONOMIC IMPACTS SUMMARY

An allocation of \$8.9 million in New Markets Tax Credits leveraged a total project cost of \$8.7 million. The construction and 10 years of operations of the Vanport Square Project are predicted to produce a total economic impact of \$97.3 million. Investment of these funds are associated with the provision of 134 temporary jobs during the 12-month construction period, and 98 permanent jobs created and retained during 10 years of operations of the new retail businesses and office spaces. An estimated total of \$31.2 million in direct, indirect and induced wages will be paid during this period. \$13.3 million in Federal, State and Local tax revenues will be generated over eleven years, including \$1.6 million during the 12-month construction period, and \$1.2 million annually over ten years when fully operational. The project will utilize 20% Minority-owned, Woman-owned, and Emerging Small Business (M/W/ESB) contracting firms. If enough local contractors and subcontractors can be identified, this threshold will be surpassed.

BENEFIT OF TAX CREDITS

Vanport Partners will utilize equity derived from \$8.9 million in New Markets Tax Credits from Portland New Markets Fund I, LLC, and a \$6.8 million loan from the Portland Development Commission to purchase and develop Vanport Square. Use of the \$0.39 tax credit will effectively allow \$3.5 million in foregone federal taxes to assist in financing the project. These funds will help generate \$7.2 million in new federal taxes over 11 years and, more importantly, bring \$97.3 million in total economic impact during that period to Multnomah County through this project in one of Portland's most challenged communities. The business condominium structure of this project allows the benefits of the tax credits to be passed along to end users.

“Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it’s the only thing that ever has.”

— Margaret Mead

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 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.

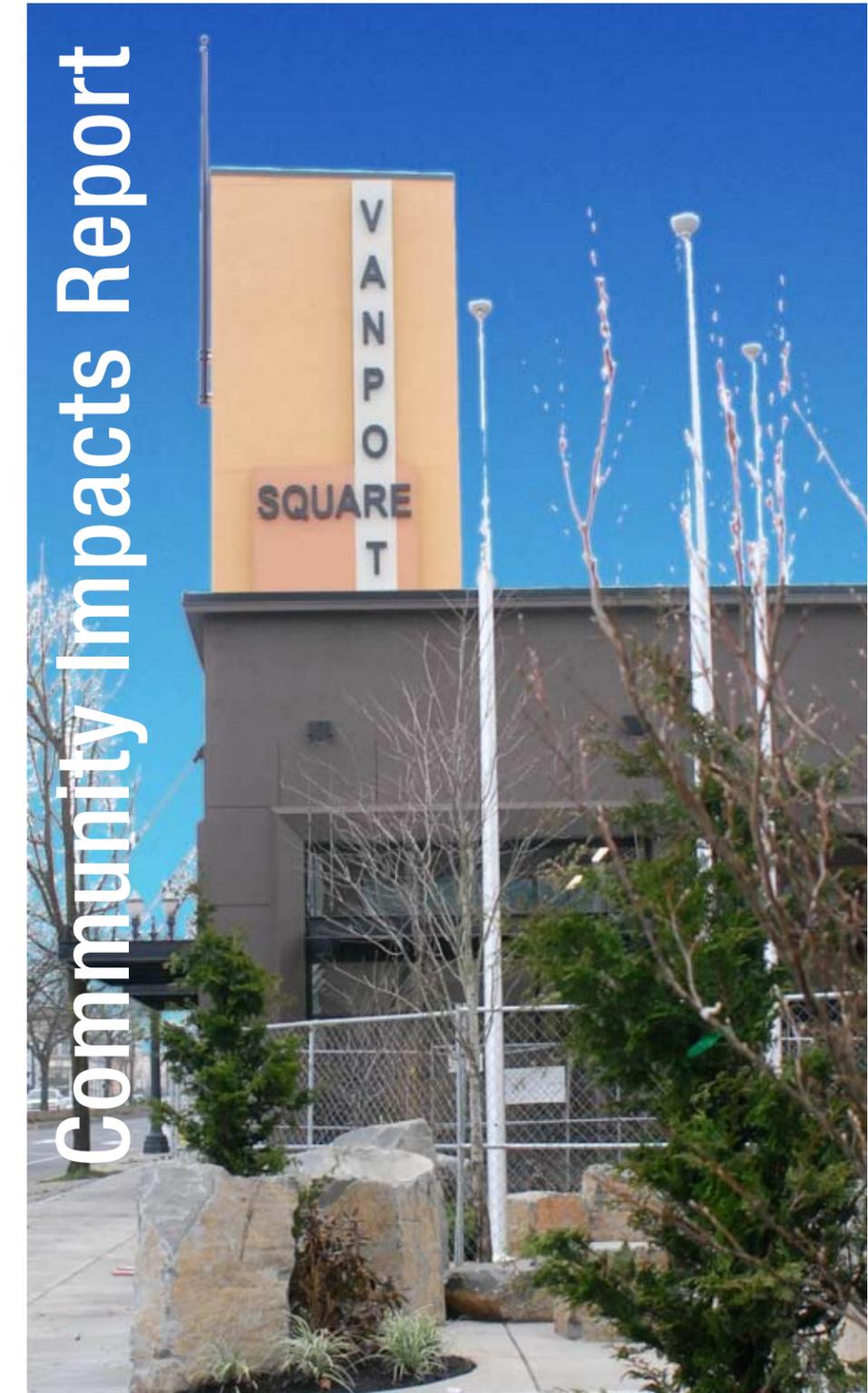
The community impacts contained herein are based on a \$8.7 million total project cost. Jobs are measured in hours worked and, using a multiplier, are represented as FTEs (full time equivalents). Construction jobs are temporary and will be spread out over the construction period, depending on the level 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 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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REDEVELOPMENT PROJECT VANPORT SQUARE



The Vanport Square Redevelopment Project
5225 NE MLK Jr. Blvd., Portland, OR 97211





3BLSM

United Fund AdvisorsSM 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 IN THE VANPORT SQUARE REDEVELOPMENT PROJECT:

- Portland New Markets Fund I, LLC
- Portland Development Commission
- Wells Fargo Bank Community Development Corporation
- Vanport Partners, LLC

NEW MARKETS TAX CREDITS ECONOMIC IMPACTS:

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| Location | 5225 NE Martin Luther King Jr. Blvd., Portland, OR |
| Development Type | Mixed Use Office and Retail |
| Size | 40,000 SF |
| Owner Developer | Vanport Partners, LLC |
| Total Project Cost | \$8,700,000 |
| Allocation Required | \$8,900,000 |
| CDEs | Portland New Markets Fund I, LLC |
| Low Income Community | Urban Renewal Area |
| Project Timeline | Small Business Administration designated HUB Zone CDFI Hot Zone |
| LEED Certification Level | Project Complete: Winter 2007 |
| | Gold |

JOBS*
+232

WAGES*
\$31.2M

FISCAL IMPACT*
\$13.3M

TOTAL IMPACT*
\$97.3M

* Figures shown are direct, indirect, and induced impacts of construction and first 10 years of operations. Please see www.unitedfundadvisors.com for more information.

+ ADDITIONAL COMMUNITY IMPACTS

- + Fulfills the longtime neighborhood demand to encourage the success of local business owners
- + Project will provide the business owners the opportunity to own their own space, thus building wealth in the community
- + Leveraging NMTCs to create small business ownership opportunities is a leading edge concept that distributes benefits deeper into underserved communities
- + New jobs and wages for local residents