

AMBULATORY CARE FACILITY COMMUNITY MEDICAL CENTER



Community Medical Center
2380 East McKenzie Avenue, Fresno, CA 93701



SITE DESCRIPTION

The Deran Koligian Ambulatory Care Center is being developed by Community Medical Centers, the largest and most comprehensive hospital system in California's San Joaquin Valley. Community Regional Medical Center is CMC's downtown Fresno location and serves a diverse population throughout Fresno County and the contiguous counties. The downtown campus is considered to be the lynchpin of Fresno's downtown development. The addition of the new Ambulatory Care Facility will continue the development of this site, long supported by the City of Fresno's Redevelopment Agency. The hospital maintains extensive community outreach and education programs targeting the region's poor and underserved communities, and works closely with a number of major universities to provide education and training opportunities for their students.

LOW INCOME COMMUNITY METRICS

- + Unemployment Rate: 4.29 times the national average
- + Poverty Rate: 54.9%
- + Median Family Income: 32.2% of benchmark

PROJECT GOALS

- + Increase medical services to an underserved community, providing free care to the uninsured and working poor
- + Relieve pressure on CMC's Emergency Department, which currently treats a large number of patients who would otherwise utilize the ambulatory care facility
- + Retain and create over 200 living-wage professional jobs in the medical sector
- + Increase operational efficiency and reduce operating costs - the project is targeting LEED Silver certification

ECONOMIC IMPACTS SUMMARY

The allocation of \$26.4 million in New Markets Tax Credits is anticipated to leverage a total project cost of \$27.1 million and complete financing for a project that, but for the tax credits, could not move forward. An analysis of the direct, indirect and induced economic impacts resulting from construction investment and first ten years of operations shows that the Community Medical Center Deran Koligian Ambulatory Care Center project is anticipated to create \$626.5 million in total economic impact, and \$82.4 million in federal and state fiscal impacts.

BENEFIT OF TAX CREDITS

The New Markets Tax Credits program has provided vital economic stimulus to underserved communities nationwide. With the allocation of \$26.4 million in New Markets Tax Credits on the Community Medical Center Deran Koligian Ambulatory Care Center project, the federal government has effectively foregone the collection of \$10.3 million in federal taxes over seven years. In return, this powerful investment opportunity is estimated to generate 747 construction and permanent jobs, \$188.3 million in wages, and \$55.6 million in new federal taxes during construction and the first ten years of operations.

“He is the best physician who is the most ingenious inspirer of hope.”

— Samuel Taylor Coleridge

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 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 the 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 2008 dollars.

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



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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 small business, 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, 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 COMMUNITY MEDICAL CENTER PROJECT:

- Community Medical Centers
- United Fund Advisors, LLC
- National Community Fund I, LLC
- Citicorp
- Citibank NMTC Corporation
- Empowerment Reinvestment Fund

NEW MARKETS TAX CREDITS ECONOMIC IMPACTS:

Location	2380 East MacKenzie Avenue, Fresno, CA
Development Type	Ambulatory Care Center
Size	75,824 SF
Developer	Community Medical Centers
Total Project Cost	\$27,100,000
Allocation Required	\$26,400,000
CDEs	NCF I, Citibank NMTC Corp., Empowerment Reinvestment Fund
Low Income Community	Unemployment Rate: 4.29 times the national average Poverty Rate: 54.9% Median Family Income: 32.2% of benchmark
Project Timeline	Project Complete: Winter 2009
LEED Certification Level	Silver

JOBS*
+747

WAGES*
\$188.3M

FISCAL IMPACT*
\$82.4M

TOTAL IMPACT*
\$626.5M

* 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

- + Increase the job base supported by CMC's "Career Development Program" which upgrades entry-level workers to higher paid, skilled positions
- + Expand capacity for on-the-job training opportunities and educational internships with candidates from local universities
- + Spur indirect development efforts in the area—the hospital has already been recognized as a key hub for redevelopment efforts in downtown Fresno, so the addition of the Deran Koligian Ambulatory Care Center will undoubtedly continue to encourage further projects