



SITE DESCRIPTION

After 23 years of nomadic travel from one rented space to another, the Museum for African Art has secured a permanent location on New York City's "Museum Mile" at Fifth Avenue and East 110th Street. The \$41.1 million, 75,000 SF facility will include gallery space featuring both traditional and contemporary African art, art work shops and adult education, and increased operations for free or discounted programs. The building will also include a new Education Center, a library, a restaurant, a gift shop devoted to African design, two classrooms, and an African Discovery Hall. The innovative, mixed-use development will also include 116 market-rate condominium units above the museum. The financial data and impacts numbers included in this report only reflect the NMTC-leveraged museum construction.

LOW INCOME COMMUNITY METRICS

- + Unemployment Rate: 2.28 times the national average
- + Poverty Rate: 29%
- + Median Family Income: 47% of benchmark
- + HUD designated Enterprise Community
- + New York State Empire Zone

PROJECT GOALS

- + Add a new cultural museum in Harlem devoted to African art - the first addition to Museum Mile in 50 years.
- + Create numerous, new educational opportunities for residents of New York City and visitors.
- + Realize a long-held dream of creating a permanent and appropriate home for the museum collection, which is currently warehoused in Long Island City.
- + Create a new and vibrant community space that will link Museum Mile with Harlem's African, African-American and Latino communities near the top of Central Park at Duke Ellington Circle.

ECONOMIC IMPACTS SUMMARY

The allocation of \$18.83 million in New Markets Tax Credits is anticipated to leverage a total project cost of \$41.1 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 Museum for African Art project is anticipated to create \$180.0 million in total economic impact, and \$19.9 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 \$18.83 million in NMTC for the Museum for African Art project, the federal government has effectively foregone the collection of \$7.4 million in federal taxes over seven years. In return, this powerful investment opportunity is estimated to generate 500 construction and permanent jobs, \$87.1 million in wages, and \$13.3 million in new federal taxes during construction and the first ten years of operations.

“The strange power of art is sometimes it can show that what people have in common is more urgent than what differentiates them.”

— John Berger

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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CULTURAL MUSEUM AND RESIDENTIAL COMPLEX MUSEUM FOR AFRICAN ART



Museum for African Art
1280 Fifth Avenue, New York, NY 10029



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 MUSEUM FOR AFRICAN ARTS PROJECT:

- Museum for African Art
- United Fund Advisors, LLC
- National Community Fund I, LLC
- New York City Economic Development Corporation
- Wachovia Bank

JOBS*

+500

WAGES*

\$87.1M

FISCAL IMPACT*

\$19.9M

TOTAL IMPACT*

\$180.0M

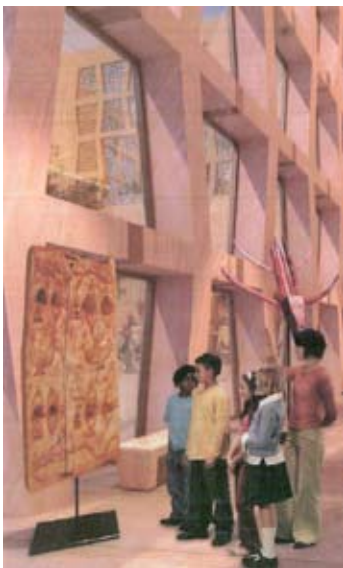


ADDITIONAL COMMUNITY IMPACTS

- + Bring positive economic impact to Harlem, where the condominium residents, museum employees and visitors will access local businesses and amenities
- + Create an African Discovery Hall, which will house the Passport to Africa, a semester-long immersion program that will educate children on the art, history, culture and geography of different African cultures
- + Act as a catalytic economic development project that will encourage other housing and business opportunities in the area
- + Provide a semi-enclosed roof garden which will serve as a year-round, revenue-generating event space

NEW MARKETS TAX CREDITS ECONOMIC IMPACTS:

Location	1280 Fifth Avenue, New York, NY
Development Type	Museum/Housing
Size	75,547 SF
Developer	Museum for African Art
Total Project Cost	\$41,112,100 (for the Museum core and shell only)
Allocation Required	\$18,830,000
CDEs	National Community Fund I, LLC; Wachovia Bank
Low Income Community	Unemployment Rate: 2.28 times the national average
Project Timeline	Poverty Rate: 29%
LEED Certification Level	Median Family Income: 47% of benchmark
	Project Completion: Winter 2010
	Gold target



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