



## SITE DESCRIPTION

After a long site evaluation, Mercy Corps chose the historic Skidmore Fountain Building in Portland's Old Town/Chinatown neighborhood. Previously located in six separate buildings, the organization will now be consolidated in a single headquarters location directly on the city's Metropolitan Area Express train line. The existing building will be complemented by a newly constructed addition, and the combined 80,000 square foot facility will include dynamic workspace, environmentally friendly architecture and state-of-the-art technology.

## LOW INCOME COMMUNITY METRICS

- + Unemployment Rate: 8.9 times the national average
- + Poverty Rate: 62.3%
- + HUD designated Enterprise Community (EC)
- + City of Portland Urban Renewal Area
- + Small Business Administration HUB Zone

## PROJECT GOALS

- + Consolidate several Portland locations in a central headquarters facility
- + Create a ground-floor global hunger and poverty learning center/museum that is anticipated to attract 70,000 visitors per year
- + Provide office space for the organization's local economic development group, Mercy Corps Northwest
- + Bring a vital new development to a high-poverty area that has traditionally suffered unsuccessful redevelopment efforts

## ECONOMIC IMPACTS SUMMARY

The allocation of \$24.5 million in New Markets Tax Credits is anticipated to leverage a total project cost of \$39.1 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 Mercy Corps World Headquarters project is anticipated to create \$305.5 million in total economic impact, \$51.6 million in federal and state fiscal impacts, 480 jobs during construction and create and maintain 320 jobs during the first 10 years of operations.

## BENEFIT OF TAX CREDITS

The New Markets Tax Credits program has provided vital economic stimulus to underserved communities nationwide. With the allocation of \$24.5 million in NMTC on the Mercy Corps World Headquarters project, the federal government has effectively foregone the collection of \$9.6 million in federal taxes over seven years. In return, this powerful investment opportunity is estimated to generate 800 jobs, \$168.6 million in wages, and \$33.3 million in new federal taxes during construction and the first ten years of operations.

# “The true greatness of a nation is founded on principles of humanity.”

— Thomas Paine

### 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.

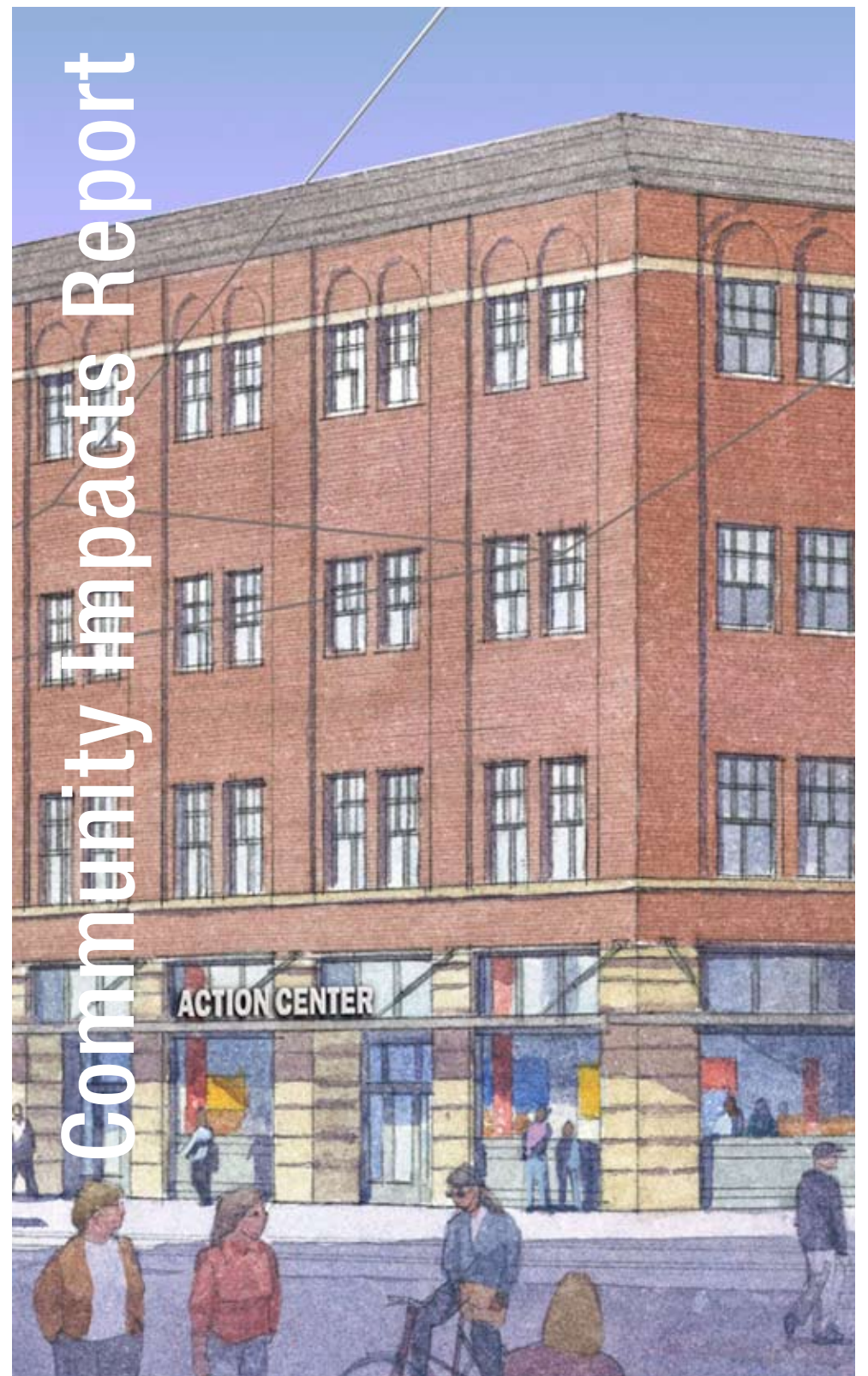
The community impacts contained herein are based on the total project cost. Jobs are measured in hours worked and, using a multiplier, are represented as FTEs (full time equivalents). Construction jobs are temporary and will be spread out over the construction period, depending on the level of construction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



24 NW First Avenue, Suite 470  
Portland, Oregon, 97209  
T: 503.226.1370 F: 503.796.5865  
www.unitedfundadvisors.com

# WORLD HUNGER RELIEF ORGANIZATION MERCY CORPS WORLD HEADQUARTERS



Mercy Corps World Headquarters  
16-28 SW 1st Avenue, Portland, OR 97209



# 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 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 MERCY CORPS WORLD HEADQUARTERS PROJECT:**

- Mercy Corps
- Portland Development Commission
- United Fund Advisors, LLC
- National Community Fund I, LLC
- US Bancorp Community Development Corporation
- USBCDE, LLC
- US Bank Commercial Real Estate
- National New Markets Fund, LLC
- Green Building Services

**NEW MARKETS TAX CREDITS ECONOMIC IMPACTS:**

Location	16-28 SW 1st Avenue, Portland, OR
Development Type	World Hunger Relief Organization Offices and Headquarters
Size	80,000 SF
Developer	Shiels Oblatz Johnsen
Total Project Cost	\$39,100,000
Allocation Required	\$24,500,000
CDEs	National Community Fund I, LLC; USBCDE, LLC; National New Markets Fund, LLC
Low Income Community	Unemployment Rate: 8.9 times the national average
Project Timeline	Poverty Rate: 62.3%
LEED Certification Level	City of Portland Urban Renewal Area
	Project Completed: October 2009
	Platinum Target

**JOBS\***

**+800**

**WAGES\***

**\$168.6M**

**FISCAL IMPACT\***

**\$51.6M**

**TOTAL IMPACT\***

**\$305.5M**

\* 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**

- + Provide a headquarters for a nonprofit that employs 3,400 staff worldwide and reaches 14.4 million people in 35 different countries
- + House Mercy Corps Northwest which assists local low-income entrepreneurs
- + Offer educational opportunities to visitors through the creation of a global poverty and hunger museum and learning center that will incorporate state-of-the-art interactive exhibits
- + Bring positive economic impact to the Old Town neighborhood in Portland, where the organization's employees and visitors will access local businesses and amenities
- + Act as a catalytic economic development project that will encourage other businesses to relocate to the area

