

## HISTORIC REDEVELOPMENT PROJECT ROSHEK BUILDING



Roshek Building  
800 Locust Street, Dubuque, IA 52001



### SITE DESCRIPTION

Dubuque, Iowa, a city of 60,000 once had a thriving economy that declined significantly in the latter half of the 20th century as its milling and manufacturing industries withered. In response, a broad coalition of municipal and civic organizations have developed a comprehensive revitalization plan targeting technical jobs. The Roshek Building, long underutilized, is located in the heart of Dubuque's distressed downtown business district and will house an IBM corporation regional service center headquarters. This project will bring a historic building back to life and will bring 1,300 well-paying technical and support jobs to the city of Dubuque. 10,000 SF of ground floor commercial space will provide retail and service jobs as well.

### LOW INCOME COMMUNITY METRICS

- + Unemployment Rate: 1.52 times the national average
- + Poverty Rate: 24.9%
- + Median Family Income: 58.9% of benchmark
- + Small Business Administration-designated Hub Zone
- + CDFI Hot Zone
- + City of Dubuque Enterprise Zone

### PROJECT GOALS

- + Provide 130,000 SF of office space for IBM's Regional Service Center, over 10,000 SF of new retail space and approximately 63,500 SF of office space for local businesses in downtown Dubuque
- + Serve as a cornerstone for Dubuque's comprehensive redevelopment plans
- + Achieve LEED Gold certification for the building, and LEED Gold certification for IBM's interior office space
- + Provide a significant catalyst for increased retail and commercial activity in Dubuque's downtown core

### ECONOMIC IMPACTS SUMMARY

The allocation of \$30.25 million in New Markets Tax Credits is anticipated to leverage a total project cost of \$45.5 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 Roshek Building project is anticipated to create \$1.6 billion in total economic impact, and \$241.3 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 \$30.25 million in New Markets Tax Credits on the Roshek Building project, the federal government has effectively foregone the collection of \$11.8 million in federal taxes over seven years. In return, this powerful investment opportunity is estimated to generate 2,540 construction and permanent jobs, \$984.6 million in wages, and \$164.0 million in new federal taxes during construction and the first ten years of operations.

“History never looks like history when you are living through it”

— John W. Gardner

### 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 2009 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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**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 ROSHEK BUILDING PROJECT:**

- US Bancorp Community Development Corporation
- United Fund Advisors, LLC
- National Community Fund I, LLC
- US Bank CDE, LLC
- Iowa Community Development

**NEW MARKETS TAX CREDITS ECONOMIC IMPACTS:**

Location	800 Locust Street, Dubuque, IA
Development Type	Office Space & Retail
Size	255,158 SF
Developer	Dubuque Initiatives
Total Project Cost	\$45,500,000
Allocation Required	\$30,250,000
CDEs	National Community Fund I; US Bank CDE; Iowa Community Development
Low Income Community	Unemployment Rate: 1.52 times the national average Poverty Rate: 58.9% Median Family Income: 24.9% of benchmark
Project Timeline	Staged completion through June 2010
LEED Certification Level	Gold

**JOBS\***  
**+2540**

**WAGES\***  
**\$984.6M**

**FISCAL IMPACT\***  
**\$241.3M**

**TOTAL IMPACT\***  
**\$1.6B**

\* 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**

- + Restore a historical building in downtown Dubuque and create momentum for further development in the area
- + Offer rents at 100% below-market rate to prospective business tenants that provide community services such as health, education, neighborhood and community development, and arts and culture
- + Partner with the City of Dubuque to create the "IBM Endowed Fund for a Sustainable Dubuque" which is to be funded out of net-NMTC proceeds to support initiatives that ensure that Dubuque is a viable, livable and equitable community—creating a sustainable legacy for generations to come