

SITE DESCRIPTION

The White Stag Project's neighborhood is known locally as The Skidmore (Old Town) Historic District, which is listed on the National Register of Historic Places, encompasses the city's largest remaining collection of mid-to-late 19th century business buildings and, is considered one of the two premiere cast-iron districts in the US. The district marks the site, through original tomahawk slash marks, of the first claim filed for the city of Portland in 1843. The project's three buildings are the White Stag Building (1907), the Bickel Block Building (1883) and the Skidmore Building (1889)—referred to as "The White Stag Project."

LOW INCOME COMMUNITY METRICS

- + Small Business Administration Historically Underutilized Business (HUB) Zone
- + US Department of Housing and Urban Development (HUD) Enterprise Zone
- + Portland Development Commission Urban Renewal Area:
Downtown Waterfront URA

PROJECT GOALS

- + Catalyze new investment in Old Town
- + Co-locate schools of Architecture and Allied Arts, Journalism, Law, service programs and administration, a library, food center, black box theater/gallery, and ground-floor bookstore with cafe
- + Support of 250 students (expected to reach 400 in 2 years) and 75-100 employees
- + House office space focused on sustainable practices

ECONOMIC IMPACTS SUMMARY

An allocation of \$28.6 million in New Markets Tax Credits leveraged a total project cost of \$30.3 million. The construction and 10 years of operations of the White Stag Project are predicted to produce a total economic impact of \$89.8 million. Investment of these funds are associated with the provision of 483 temporary jobs during the 15-month construction period, and 49 permanent jobs created and retained during 10 years of operations of the new University of Oregon satellite campus and adjoining office spaces. An estimated total of \$37.9 million in direct, indirect and induced wages will be paid during the construction period and ten years of operations. \$21.3 million in Federal, State and Local tax revenues will be generated over the eleven+ years, including \$6.4 million during the construction period, and \$1.5 million annually when fully operational.

BENEFIT OF TAX CREDITS

The restoration of these three historic buildings in Portland's Old Town, which were virtually unused for years, would not have been possible but for financing derived from the use of New Markets Tax Credits from the Portland New Markets Fund and the Historic Rehabilitation Fund. The resulting equity fills the gap between project costs and traditional financing means, and allows historic restoration and sustainable design efforts to proceed at levels consistent with Portland's values. Use of the \$28.6 million worth of the \$0.39 federal tax credits effectively allows \$11.2 million in foregone federal taxes to be utilized to create approximately \$13.5 million in new federal taxes over nearly 12 years, but more importantly, a direct, indirect and induced economic impact of \$89.8 million to Multnomah County during the same period.

“Our progress as a nation can be no swifter than our progress in education. The human mind is our fundamental resource.”

— John F. Kennedy

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.

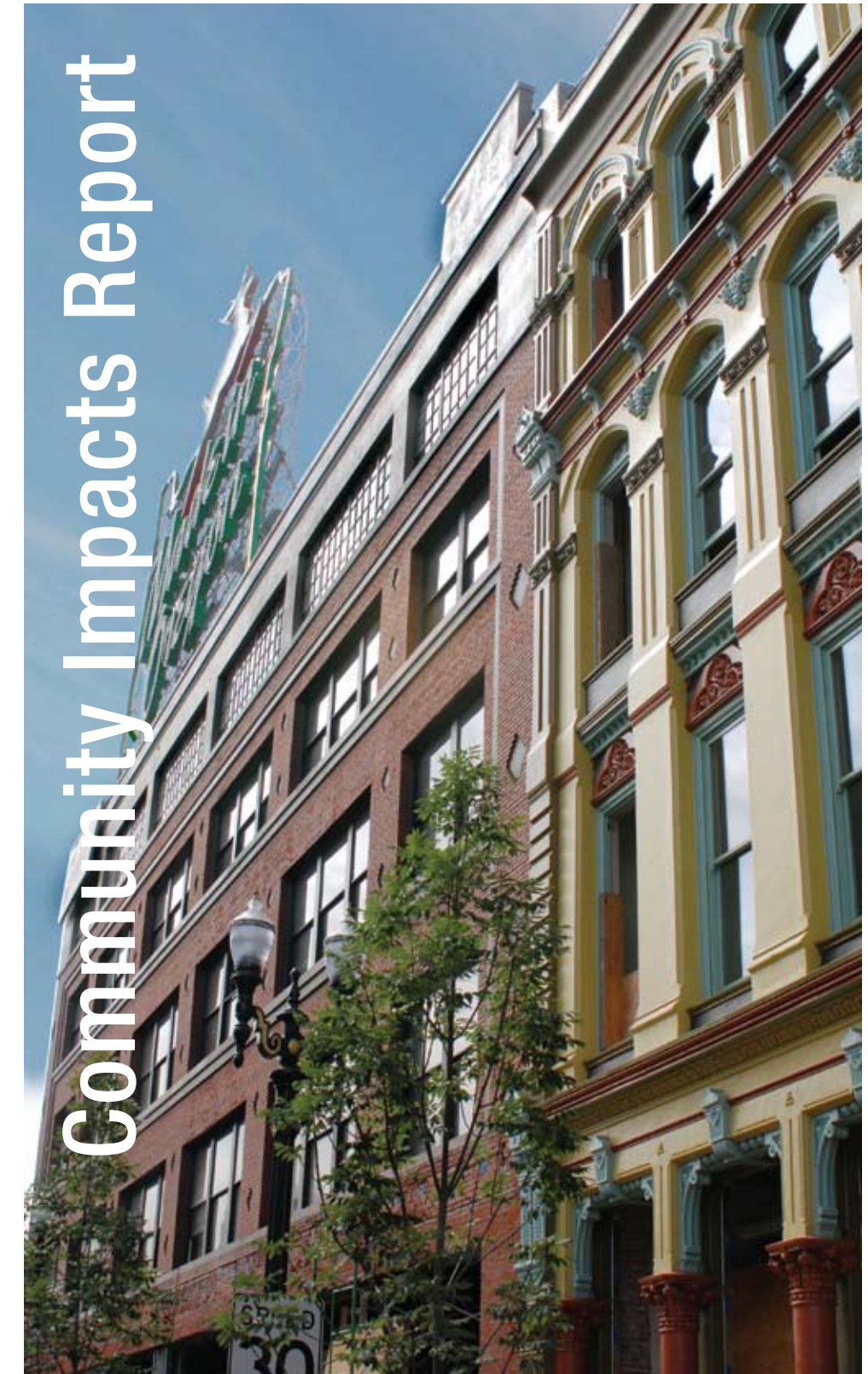
The community impacts contained herein are based on the total project cost. Jobs are measured in hours worked and, using a multiplier, are represented as FTEs (full time equivalents). Construction jobs are temporary and will be spread out over the construction period, depending on the level of construction 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 2007 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, Portland New Markets Fund I, LLC.



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Community Impacts Report



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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 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 WHITE STAG BUILDING PROJECT:

- The University of Oregon
- Venerable Properties
- Portland Family of Funds
- Portland New Markets Fund I, LLC
- Historic Rehabilitation Fund I, LLC
- Portland Development Commission

NEW MARKETS TAX CREDITS ECONOMIC IMPACTS:

Location	23 - 33 NW Naito Parkway, Portland, OR
Development Type	Historic Rehabilitation, University, Office Space
Size	123,000 SF
Owner / Developer	Venerable Properties, University of Oregon
Total Project Cost	\$30,300,000
Allocation Required	\$28,600,000
CDEs	Portland New Markets Fund I, LLC; Historic Rehabilitation Fund I, LLC
Low Income Community	Unemployment Rate: 5 times the national average
Project Timeline	Poverty Rate: 41.3%
LEED Certification Level	HUD Enterprise Community, Hot Zone, Urban Renewal Area
	Project Complete: May 2008
	Building: Silver Target Office Space: Platinum Target (interior)

JOBS*
+532

WAGES*
\$37.9M

FISCAL IMPACT*
\$21.3M

TOTAL IMPACT*
\$89.8M

+ ADDITIONAL COMMUNITY IMPACTS

- + Preservation of three nationally significant historic structures which are premiere examples of cast-iron architecture
- + Investment in higher education
- + Catalytic economic development in an underserved area
- + Transit-oriented development reducing the use of autos and their resultant costs, greenhouse gases, parking stresses and traffic congestion
- + Environmentally sustainable design: LEED Gold; LEED-CI Platinum target for Skidmore Building

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