

# N M T C

## NEW MARKETS TAX CREDITS

### *The Program*

The New Markets Tax Credits (NMTC) Program was enacted by Congress as part of the Community Renewal Tax Relief Act, passed in December 2000 to encourage economic development in low income communities. It can be used to finance commercial and mixed-use real estate projects, for-sale housing, as well as business activities and loans for small businesses in qualifying low income areas.

### *Our Expertise*

CWM professionals have been involved with NMTC since the program's inception. By working closely with CDEs, Qualified Active Low Income Community Businesses (QALICBs), lenders, tax credit investors, accountants, representatives of the U.S. Treasury's Community Development Financial Institution (CDFI) Fund and other industry participants, CWM attorneys have stepped forward as NMTC leaders throughout the developmental stages of this program. Our experience allows us to provide clients with valuable perspectives in evaluating and structuring Qualified Low Income Community Investments (QLICIs) as well as in preparing for compliance, reporting and audits.



### *A Financing First*

CWM attorneys incorporated the *first* qualified Community Development Entity (CDE) in the Commonwealth of Virginia and closed the *first* NMTC transaction in the state. Our talented attorneys were also the *first* in the nation to structure a NMTC transaction using the proceeds of tax-exempt bonds as leveraged debt and the *first* in the nation to utilize U.S. Department of Housing and Urban Development (HUD) public housing funds as leveraged debt in a NMTC structure.

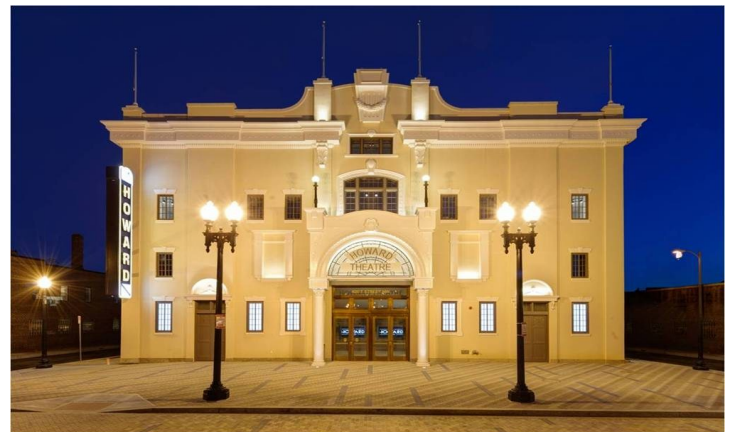


### *SpringHill Suites by Marriott at Old Dominion University Norfolk, Virginia*

In 2006, CWM attorneys established a groundbreaking financial model used to fund the construction of a SpringHill Suites by Marriott hotel near the campus of Old Dominion University in Norfolk, VA. This innovative financing structure combined NMTC and tax-exempt Empowerment Zone bonds to fund a \$13.3 million loan to help complete the 114-room hotel.

### *Jazz@Walter Circle East St. Louis, Illinois*

In 2010, CWM structured the NMTC financing for the development of Jazz@Walter Circle, a 4-story, mixed-use facility located in East St. Louis, one of the most severely distressed communities in the State of Illinois. This innovative and complex transaction was the first to use HUD public housing funds as leveraged debt in a NMTC structure. The project involved multiple sources of funding, including NMTC, HUD and Tax Increment Financing (TIF) funds, and set a groundbreaking precedent that enables housing authorities across the country to raise the equity needed to bring critical services to their low income communities.



Tim Cooper for The Howard Theatre

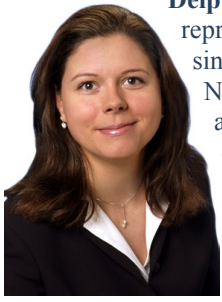
### *Howard Theatre Washington, D.C.*

CWM Attorneys were instrumental in the structuring of the 2011 NMTC transaction which made possible the renovation of the historic Howard Theatre, a venue on the "Chitlin Circuit" known for launching the careers of many famous African-American performers. Involving three CDEs, this complex transaction utilized NMTCs, federal Historic Tax Credits (HTCs), TIF funds, traditional debt and grant monies to bring about the restoration of this 1910 landmark theatre.



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## Attorneys Dedicated to NMTC



**Delphine G. Carnes** has been actively involved in the representation of CDEs, leverage lenders and QALICBs since 2003. She has extensive experience in structuring NMTC transactions, preparing NMTC allocation applications, and providing NMTC training to local debt providers. Ms. Carnes also represents public entities as Issuer's counsel in transactions involving tax-exempt bond financing and in HOPE VI, Low Income Housing Tax Credits (LIHTCs), historic tax credits and mixed-finance transactions. She has structured multiple NMTC transactions, including

real estate transactions that combined NMTC with state and federal HTC's, tax-exempt bonds, HUD public housing funds, traditional debt and debt with equity features.



### *Blue Ridge Medical Center Arrington, Virginia*

In 2011, the use of NMTCs combined with a Health Resources and Services Administration (HRSA) grant enabled the construction of a \$7.2 million medical center and dental clinic which provide comprehensive medical and dental care, as well as rural health outreach programs, to medically underserved communities in rural Virginia.



**Harriet T. Reynolds'** practice focuses on project finance, affordable housing, taxation, public sector and the representation of CDEs in connection with the New Markets Tax Credits program. She also has experience representing governmental authorities in the area of eminent domain and redevelopment law.



### *Kroger Columbus, Ohio*

In 2010, CWM structured an innovative \$9 million NMTC transaction that directly addressed the White House Healthy Food Financing Initiative by financing the construction of a new Kroger grocery store which offers a variety of reasonably priced fresh produce, seafood and other nutritional food options to residents of a low income community in Columbus, Ohio who previously lacked access to healthy, affordable food.



### *Jackson State University (JSU) Mixed-Use Project Jackson, Mississippi*

CWM attorneys assisted Hampton Roads Ventures, LLC with this complex NMTC project to finance the development of new retail and office space as well as student rental housing units. The project is an integral component of JSU's redevelopment efforts.

## CWM IS HERE FOR YOU

Our talented attorneys offer a full array of legal services, including:

- Creation and certification of CDEs.
- Application for NMTC Allocation.
- Structuring transactions, including preparation of syndication and loan documents as well as opinions and other closing documents.
- Combining NMTC with Historic Tax Credits.
- Leveraging NMTC and Tax-Exempt Bonds, federal funding, public resources and/or contributions.
- Negotiation, consultation and legal advice.
- Compliance review and assistance.
- Preparation for CDFI Fund and IRS audits.



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