



The New Markets Tax Credit Program (NMTC) was designed by Congress to attract private-sector capital investment into the nation's low-income areas to help stimulate economic growth and create jobs by financing community development projects and business expansion.

This program was established by Congress in December 2000 as a credit against federal income taxes for making qualified equity investments in investment vehicles known as Community Development Entities (CDEs). The credit provided to the investor (either corporate or individual) totals 39 percent of the cost of the investment and is claimed over a seven-year period. The CDE's are charged with making investments into qualified projects or businesses in low-income communities.

The program is overseen by the Community Development Finance Institutions Fund, an arm of the US Treasury Department. It is run on a competitive basis, providing the authority to allocate the resource to projects and businesses to the specialized entities noted above- Community Development Entities. Rules regarding the types of businesses that can be funded and the types of funding that can be provided are extensive and it is a function of the CDE's receiving the allocations to make sure that the projects receiving allocations are compliant with the program. Specific exclusions include land-banking, golf courses, massage parlors and tanning salons as well as farms and liquor stores. The resource is often used to help finance the gap on commercial real estate projects and to fund business expansion. Each CDE that receives an allocation has specific guidelines that it must meet in order to remain in compliance with its agreement to use the resource. It is important to find out from the CDE that you may be working with if your project is eligible for their resources early on.

Many projects blend other sources of subsidy with the New Markets Tax Credit. Historic Credit, both federal and state, Brownfield grants and notes and tax-incremental financing are common additional resources that are used to help make transactions more financially viable. One important thing to remember when you are considering a NMTC subsidized project, however, is that this resource is only able to fill a financial gap; it will not make an infeasible project feasible.

For more information, you may contact William (Bill) Dana, Jr. President / CEO of Central Bank of Kansas City, 816-483-1210. For more fund specific information please contact Mike P. Ross at Virchow Krause & Company, LLP – 312-206-9513.

Central Bank of Kansas City NMTC Transaction Form

General Information and Instructions

Central Bank of Kansas City (CBKC) assesses community development opportunities in three reviews. This form is used for the preliminary assessment and is designed to eliminate transactions that:

- Do not meet the compliance requirements of the NMTC program as a whole
- Do not meet the terms of CBKC's allocation agreement
- Do not demonstrate a need for the subsidized financial benefits NMTC provides
- Are not in a position to close on a timely basis
- Are not financially viable with the gap financing available using NMTC proceeds
- Are requesting an amount of allocation that CBKC does not consider appropriate

Transactions proposed that meet the guidelines of the first review will continue to the second level of review for NMTC financing.

This preliminary assessment also allows CBKC to consider alternative financing that may facilitate a community development opportunity and does not require the use of or does not qualify for the NMTC subsidy. If the transaction proposed does not meet the terms noted above, but does demonstrate financial viability and community impact it will proceed to tertiary review for alternative financing and its sponsor/developer will be contacted to describe the types of financing that could be offered.

When a transaction moves forward to the secondary review, additional information will be requested including detailed budget, operating proformas, detailed development/business team information and other pertinent underwriting documentation. CBKC will also discuss the opportunity with potential investors to gauge their interest in the transaction as needed. Conversations with the sponsor/developer, community representatives and other stakeholders will also take place during this level of review.

Transactions move forward from this level of review to the Advisory Board and if approved to the Governing Board for consideration and prioritization in funding. A project that is approved by both Boards and given prioritization for funding will be given a reservation for a NMTC allocation. Some transactions may receive conditional reservations which require them to overcome certain deficiencies or notify them that if allocation becomes available that their project would be considered for funding. As noted above, transactions which do not pass the first tier review would not be considered for funding under the NMTC program.

Application Instructions

Complete the information in requested in part one of the application and submit it to Paula Willett at the fax address noted below or by mail to Mrs. Willett at Central Bank of Kansas City also at the address noted below. This application allows for CBKC staff to perform the first tier review.

If the transaction proceeds to secondary or tertiary review, the sponsor/developer will be contacted for additional information. If the project does not qualify the sponsor/developer will receive written communication regarding the reasons that the project does not qualify.

If you have any questions, please direct them to:

Paula Willett
Central Bank of Kansas City
2301 Independence Boulevard
Kansas City, MO 64124
[Pwillett@centralbankkc.com](mailto:pwillett@centralbankkc.com)
(816) 483-1210
(816) 483-9602 (Fax)

For specific question relative to N.MTC structuring please contact

*Ferri Preston-Koenig at tpreston-koenig@virchowkrause.com or
Michael P. Ross at mross@virchowkrause.com*

Thank you for your interest in Central Bank of Kansas City's New Market Tax Credit program.



New Markets Tax Credits Project Application

Please provide as much information as possible and deliver a signed copy via **mail or fax** to **Paula Willett, Central Bank, 2301 Independence Blvd. KCMO 64124, fax # 816-483-9602, e-mail: pwillett@centralbankkc.com.**

A. NMTC Eligibility

Date of Submission: _____

1. General Information:

Project/Business Name: _____

Project/Business Specific Address(s): _____

(Be sure to include the full nine digit zip code for the property address)

Project/Business Specific Census Tract(s): _____

(Where multiple addresses are involved please submit a separate listing of addresses and associated census tracts)

2. Developer/Sponsor Contact Information:

Name: _____

Title: _____

Office Phone: _____

Cellular: _____

E-mail: _____

Website: _____

Type of Business Entity: (nonprofit, for-profit, LLC, partnership, etc.) _____

Number of principals: _____

Names of principals: _____

Please provide resumes for the principals and for other members of the development/management team that would allow Central Bank to assess the capacity of the team relative to the proposed transaction.

B. Description of Qualified Active Low-Income Community Business (QALICB)

1. Does the project/business location meet any of the following criteria? If so please note and attach documentation supporting this knowledge.

- Federally Designated Brownfield Redevelopment area
- Within a HOPE VI Redevelopment plan area
- To the extent that the project will include health service related activities e.g. Federally designated medically underserved area
- To the extent that the project will include SBA HUB zone fundable businesses, located in an SBA HUB zone
- State, Local distressed designations such as enterprise zones and tax-incremental financing districts or other designations of economic distress

2. Sector in which the QALICB operates: Commercial real estate development
 Manufacturing Retail Services
 Other: _____

3. Products or services offered by the QALICB: _____

4. Year the QALICB began operations: _____

C. Status of Investor/Lender Interest / Commitment

1. Do you have documented interest from investors/Lenders for your project? Yes No
(If Yes, please respond to part B; if No, please skip to part C)

2. Please indicate the type of documentation currently in hand for your project and provide the requested details in an attachment to this application.

Commitment letter(s) from sources of funding (representing _____ % of estimated financing required)

Letter(s) of interest from sources of funding (representing _____ % of estimated financing required)

Verbal declaration(s) of interest from sources of funding (representing _____ % of estimated financing required)

Please list the amount of public funding (if any) your project will be receiving and the source of the funds:

(i.e.: TIF; CDBG, etcetera) _____

3. Please explain the reasons this project should receive priority in receiving a NMTC allocation. In particular, address why, if for any reason, the project/business might not proceed without such an allocation: _____

D. Project Information

1. Purpose of financing: Business expansion Business start-up Business Retention
 Commercial real estate development Other: _____

2. Total project size: \$ _____

3. Projected amount of NMTC-facilitated financing: \$ _____

4. Form of proposed NMTC-facilitated financing: Debt Equity

5. Status of other potential sources of financing (please provide information on all that apply to your project):

- Bank loan for real estate – amount committed: \$ _____
- Bank loan for equipment – amount committed: \$ _____
- Bank loan for working capital – amount committed: \$ _____
- Owner’s equity – amount committed: \$ _____
- Other equity – amount committed: \$ _____
- Community/nonprofit funds – amount committed \$ _____
- Financing gap: \$ _____

6 Name of NMTC Investor(if identified) and level of interest:

Contact Information:

Name: _____

Phone: _____ FAX: _____

Entity Name: _____

Email: _____

Address: _____

7. **Estimated timing for start of project:** Within six months Within one year In excess of 12 months

Are all elements required for appropriate zoning in place? Yes No

Has the project procured an appraisal? Yes No

Where appropriate, has a market study been performed? Yes No

Where appropriate, has a financial feasibility study been performed? Yes No

8. **Does this project/business funding fit within the community's renewal plans? Please provide information to document how the project fits within these plans.**

9. **Have you met with the community representatives and other stakeholders regarding your plans? If so please attach a narrative describing the date, time, persons present at the meeting and the outcome. Please provide primary contact information for the stakeholders at the meeting.**

E. Description of Measurable Outcomes

1. **Square footage of commercial real estate/business expansion:** _____ square feet

2. **Full-time jobs projected to be:**

Created: _____ average wage level: \$ _____

Retained: _____ average wage level: \$ _____

3. **Temporary/construction jobs projected to be created:** _____ average wage level: \$ _____

4. **Additional community impact anticipated/other factors that make project compelling (please describe):** _____

F. Project Contact Information if different from Developer/Sponsor information

Contact name: _____ Title: _____

Company: _____ Address: _____

Telephone: _____ Fax: _____ Email: _____

Contact role in project; representative of: QALICB Local CDE Other: _____

G. How did you learn about Central Bank of Kansas City's NMTC program? Website

Article in newspaper/publication Through business network From another CDE

Other: _____

Signature Line: _____

Date: _____

Developer or Developer's Representative