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National Trust and Bank of America Report First National Investments of Over \$50 Million Using New Markets Tax Credits

(Partnership helping to bring older communities in diverse urban and small town centers in NY, DC, OR, VA, TN, NC, MD back to life)

Washington, D.C. (Jan. 14, 2004) – Doug Woodruff, Bank of America Community Development Banking President and Richard Moe, president of the National Trust for Historic Preservation, announced today that their organizations' successful joint efforts have resulted in the country's first reported investments utilizing New Markets Tax Credits (NMTC), totaling more than \$50 million invested in ten projects around the nation.

The NMTC Program was established by Congress in December 2000 to bring economic stimulus to low-income urban and rural areas. The program is administered by the Community Development Financial Institutions (CDFI) Fund, a division of the U.S. Treasury Department, and is expected to spur the investment of \$15 billion in new private-sector capital into low-income census tract areas over a seven-year period from 2002 to 2007.

In the first round of tax credit allocations announced in March 2003, the National Trust Community Investment Corporation (NTCIC), a for-profit subsidiary of the Trust, received an allocation of \$127 million of the \$2.5 billion made available by the U.S. Treasury Department. NTCIC's award was the sixth largest of the sixty-six organizations that received allocations.

To date, the National Trust and Bank of America have invested \$50 million in equity raised through their New Markets Tax Credit allocation in ten projects, totaling \$236 million in total development costs. The remaining \$77 million in equity raised is already committed to other preservation projects.

“The New Markets Tax Credit Program is a natural match with the federal historic tax credit as so many of the nation's historic properties are found in older, disinvested commercial areas,” said Moe. “We are very excited about this new financing vehicle because it will help the Trust achieve its mission of using historic preservation as an economic development tool in those neighborhoods that need it the most.”

“I am very pleased to see that capital raised through this important new economic development tool is hitting the streets of our nation's low-income communities and already making a difference,” said Tony T. Brown, Director of the CDFI Fund. “The momentum of the Trust and the Bank, and the fact that current applicants requested over \$30 billion in New Markets Tax Credits – an 18% increase over the first round, is evidence that economic opportunity exists in many of our nation's most distressed areas.”

NTCIC's enhanced tax credit approach combines historic rehabilitation tax credits and New Markets Tax Credits to attract private-sector dollars into communities experiencing disinvestment. Bank of America has been the National Trust's largest investment partner in carrying out this approach, helping to make NTCIC and the Bank leaders in the historic and New Markets Tax Credit marketplace.

"This is a tremendous opportunity for private investment in low-income communities. We think that using the New Markets Tax Credit Program along with the historic tax credit will provide a significant source of new capital that will help stimulate local economies and generate new jobs in low-income communities," said Woodruff.

In 2003, the Banc of America Historic Tax Credit Fund closed and reported eight investments to the CDFI Fund involving total development costs of over \$100 million and utilizing \$20,564,223 in NTCIC's New Markets Tax Credit allocation.

HISTORIC TAX CREDIT PROJECTS INCLUDE:

Dia:Beacon, Beacon, NY: rehabilitation of an abandoned box factory into a museum for one of the world's foremost collections of works by major artists of the 1960s and 1970s.

Arthur C. Flemming Center, Washington, DC: adaptive re-use of three former residential townhouses into office space for non-profit organizations and meeting space for senior citizens.

Telegram Building, Portland, OR: rehabilitation of a former evening newspaper building into retail and office space near the central business district of Portland.

Professional Building, Suffolk, VA: rehabilitation of a 7-story former bank office building that had been vacant for ten years and two adjoining properties into upper floor offices and ground floor retail.

Historic Tennessee Theatre, Knoxville, TN: rehabilitation of the 'Official State Theatre of Tennessee', a 1928 movie palace in downtown Knoxville.

In 2003, Banc of America Historic Ventures closed and reported two investments to the CDFI Fund involving total development costs of over \$134 million and utilizing \$29,740,513 in NTCIC's New Markets Tax Credit allocation.

HISTORIC VENTURES PROJECTS INCLUDE:

American Tobacco Historic District, Durham, NC: rehabilitation of tobacco warehouses into a mixed-use complex, a 4,000 seat theatre and courthouse building.

The Hippodrome Performing Arts Center, Baltimore, MD: rehabilitation of a vacant theatre and adjoining two bank buildings into a 2,250-seat center that will host 200 events a year, including the Baltimore Symphony Orchestra, touring Broadway productions and various community functions in Baltimore's West Side.

The transactions described above represent the first use of New Markets Tax Credits in the United States, and reflect efforts by Bank of America and the Trust to further their missions of using advocacy and technical and financial assistance to help revitalize older communities in culturally diverse urban and small town centers.

The **Banc of America Historic Tax Credit Fund** invests in projects eligible for the federal and state historic rehabilitation tax credit. It is also able to offer investors New Markets Tax Credit enhancement on qualifying projects. The Fund targets historic tax credit projects that range between \$4 million and \$30 million in total development costs. It is managed by NTCIC.

Banc of America Historic Ventures is managed by Banc of America Community Development Corporation and the NTCIC. It was established as a conduit that enables Bank of America to receive NMTC enhancement from NTCIC for their direct historic tax credit investments. It is managed by NTCIC.

The **National Trust for Historic Preservation** is a private, nonprofit membership organization dedicated to protecting the irreplaceable. Recipient of the National Humanities Medal, the Trust provides leadership, education and advocacy to save America's diverse historic places and revitalize communities. Its Washington, DC headquarters staff, six regional offices and 25 historic sites work with the Trust's 200,000 members and thousands of local community groups in all 50 states. For more information, visit the National Trust's web site at www.nationaltrust.org.

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History is in Our Hands

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