



Federal Tax Credits Create Hundreds of Northwest Jobs in 2010

Ecotrust CDE Allocates More Than \$60 Million in New Markets Tax Credits from the U.S. Treasury to Innovative Projects in Rural and Distressed Communities

New Markets Tax Credit Program Renewed by Congress for Two More Years

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PORTLAND, Ore.--([EON: Enhanced Online News](#))--Ecotrust CDE, a for-profit subsidiary of the nonprofit Ecotrust, today announced that it allocated more than \$60 million in new markets tax credits this year to Northwest businesses that are creating green jobs in struggling timber communities. In all, more than 300 direct jobs and 500 indirect jobs will be created or saved as a direct result of these investments. Today's announcement comes on the heels of last week's renewal of the New Markets Tax Credit (NMTC) program by Congress. The program was extended at \$3.5 billion per year for two years.

“These tax credits are just the latest good news for the Oregon job market”

The national NMTC program promotes investment in underserved communities by allowing taxpayers to receive a credit against federal income taxes for making equity investments in community development entities such as Ecotrust CDE, which in turn make investments in qualifying businesses. The qualifying businesses in this case include:

- NewWood Corp., which is reopening a closed manufacturing plant in Elma, Washington. More than 150 people will go back to work in this 275,000-square-foot plant formerly owned by Boise Cascade. NewWood will make a plastic-wood composite material that can be used for fruit bins, fencing, pallets and crates. The material is made entirely of waste materials – about half from waste plastic and the other half from waste wood.
- Ochoco Lumber Company, which used the proceeds to refinance debt, expand sawmill operations, and construct a new wood fuel (pellet) mill at the Malheur Lumber Company site in John Day, Oregon.
- ZeaChem Applied Technology, which will construct a \$40 million pilot facility in Boardman, Oregon, to convert wood waste from a nearby poplar sawmill into ethyl acetate to produce products such as ethanol.
- Garibaldi Forest Management, which used the proceeds to acquire Northwest forestland and initiate forest restoration activities including invasive species removal and habitat enhancement. The company is also developing and implementing a long-term plan to improve forest health, carbon storage and the production of high-quality timber and non-timber forest products.

Broad Benefit for the Region

The new market tax credits from Ecotrust CDE were among \$5 billion in allocations made across the country last year by the U.S. Treasury, \$1.5 billion of which was from the American Recovery and Reinvestment Act. Community development entities such as Ecotrust CDE compete for new markets tax credit allocations annually and are awarded the funds based on their experience, capacity and ability to stimulate investment and jobs in economically disadvantaged communities. Historically, these credits are applied to urban areas, making awards for rural community development especially significant.

Ecotrust CDE makes investments in forest-sector businesses where management practices emphasize both job creation and long-term ecological restoration. All investments by Ecotrust CDE occur in areas designated as “economically distressed” by the U.S. Census Bureau. Ecotrust CDE seeks to create jobs, improve forest health, reduce the risk of forest fires, develop markets for waste materials, enhance the profitability of forests that are managed to further the public interest, and assist tribes in repatriating and managing former tribal forestlands.

Support from Northwest Political Leaders

“New markets tax credits translate into job-creating projects throughout the state,” said Oregon Senator Ron Wyden. “With Ecotrust and others providing these projects with access to capital, we will not only jump start new investments, we will help breathe life into the construction trades and create family-wage jobs for Oregonians.”

“The new markets tax credit program is an excellent tool for fostering economic growth in areas of the state that need it most,” said Oregon Senator Jeff Merkley. “By using this tool to provide Oregon companies with capital, Ecotrust has helped put hundreds of people to work in our forests and on construction sites.”

“I am pleased that after much hard work, the new markets tax credit program was renewed,” said Congressman Earl Blumenauer. “This program, and the efforts of organizations such as Ecotrust, are important to saving Oregon jobs and businesses -- particularly those hardest hit by the economic recession. While it was disappointing that we could not sustain the levels of funding from the American Recovery and Reinvestment Act, I will continue to fight for this proven and effective means of sustaining Oregon jobs.”

“These tax credits are just the latest good news for the Oregon job market,” said Congressman David Wu. “Ecotrust will continue to be a vital engine for the job-creation and conservation projects that our state so sorely needs.”

About Ecotrust

Over nearly 20 years, Ecotrust has converted \$60 million in grants into more than \$300 million in capital for local people, businesses, and organizations from Alaska to California. Ecotrust’s many innovations include co-founding the world’s first environmental bank, starting the world’s first ecosystem investment fund, creating a range of programs in fisheries, forestry, food, farms

and children's health, and developing new scientific and information tools to improve social, economic and environmental decision-making. Ecotrust works locally in ways that promise hope abroad, and it honors and supports the wisdom of Native and First Nation leadership in its work. More on the Web at www.ecotrust.org.

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