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## **Central States Development Partners, Inc. Awarded \$45 Million in New Market Tax Credits from the U.S. Treasury's CDFI Fund**

Rock Island, IL– Central States Development Partners, Inc. is proud to announce being awarded \$45 million in New Markets Tax Credit (NMTC) authority from the U.S. Treasury's CDFI Fund. Central States will have an impact assisting economically distressed communities in Illinois, Iowa, and Indiana with employment opportunities and healthcare, grocery and housing access. **This is the first time Central States has been awarded New Market Tax Credits, and has a potential to make an impact in excess of \$250 million and create and support over 1,950 jobs in the states of Illinois, Iowa, and Indiana.**

“Our community-driven efforts have consistently been directed at creating jobs, supporting neighborhoods and strengthening the community fabric in ways that sustains and promotes long-term viable economic success. We are proud that the CDFI Fund recognizes the work we’ve accomplished and has entrusted us with these tax credits to continue expanding,” said Brian Hollenback, President and CEO of Central States Development Partners, Inc.

The New Markets Tax Credit program helps economically distressed communities attract private investment capital by providing investors with a federal tax credit. Over the past decade, our nation’s low-income communities have suffered more than other due to factors such as dormant manufacturing facilities, vacant commercial properties, and lower property values. As a result, many of these communities find it difficult to attract the necessary capital from private investors.

Investments made through the NMTC Program are used to finance businesses and real estate projects, breathing new life into neglected, underserved communities. The NMTC Program catalyzes investment where it’s needed most. These are communities with low median incomes and high rates of unemployment, and the NMTC investments can have a dramatic positive impact. **For every \$1 invested by the Federal government, the NMTC Program generates over \$8 of private investment.**

Since its formation in 2009, Central States has always sought to bring critical jobs, services and goods to established neighborhoods, lifting them up rather than seeking to move the population out, and working to integrate higher incomes into these areas, rather than relocate lower incomes out.

**Central States' business strategy for deploying the \$45 Million in NMTC remains consistent by having an emphasis on manufacturing, repurposing of underutilized structures, providing opportunities for business expansion with projects that remove blight, have strong community alignment, attract additional investment, create jobs, empowerment, and provide support for small businesses.**

**Central States' pipeline concentrates its efforts in three of its seven primary service area states of Illinois, Iowa and Indiana, with an eye toward improving distressed communities to mitigate disparate impact by investing in low-income neighborhoods, adding opportunities for better amenities, improving access to jobs and services, while increasing tax base and public school revenues.**

Central States' has a focus on funding manufacturing/industrial, health care clinics, grocery-anchored retail and community facilities that provide workforce training/education services. Specifically:

- **Bringing investment and employment opportunities to distressed/ low income communities:**
  - manufacturing
  - education
  - healthcare
  - fresh food
- **Creating jobs:**
  - Quality jobs (considered not less than 130% above median worker wage)
  - and accessible jobs (considered less than 80% area median income)
- **Bringing fresh food to urban areas with:**
  - industrial disinvestment
  - poverty concentration
  - low wage levels
  - low levels of education

#### **Timeline and About Central States Development Partners, Inc.**

Central States Development Partners, Inc. is a nationwide Community Development Entity (CDE) organized in 2009, with a primary mission to serve distressed, low-income communities and low-income individuals.

The decision to create Central States Development Partners, Inc. was made in 2008 when Rock Island Economic Growth Corporation's (GROWTH) Board of Directors determined that having a well-versed entity in New Market Tax Credits use was valuable, especially with the flexibility this financing provides, that advanced the goals and mission of GROWTH: creating jobs, supporting neighborhoods and strengthening the community fabric with necessities such as jobs, healthcare, grocery and housing access in ways that sustain and promotes long-term viable economic success.

Certified by the Department of Treasury in 2010, Central States originally served as a conduit in which to access to New Market Tax Credits. Below demonstrates the timeline of activities and capacity building of Central States Development Partners:

- In April 2012, Central States Development Partners, Inc. closed its first New Market Tax Credit transaction with DOT Foods, Inc. in Mt. Sterling, IL. DOT Foods added 50,000 square feet of freezer warehouse space to an existing distribution center in Mt. Sterling, IL. The project entailed a \$16,000,000 investment in a newly constructed distribution center for healthy food and other food products in a non-metro Low Income Community. The project also added 50 permanent well-compensated jobs (\$43,000 average salary) and 193 construction jobs. The closing of DOT Foods, Inc. advanced Central States capacity as a CDE, and opened the door to new opportunities for Central States.
- In February 2015, Central States Development Partners, Inc. and the City of Rock Island facilitated Hill & Valley, Inc.'s expansion and relocation into its new location at 320 44th Street, Rock Island. Central States facilitated a \$7 million NMTC transaction and the City provided \$2.4 million in Tax Increment Financing through LRC Developers, the owner and lessor of the new facilities. The \$16 million project kept the business in Rock Island and added 45 new jobs to the company's existing 140-employee workforce.
- In December 2015, Central States' Advisory Board and Governing Board approved an application for \$48 million in allocation for New Market Tax Credits.
- In April 2016, Central States partnered with the Business Valued Advisor Fund, Boston Community Capital, New Market Tax Credit Coalition, Chase Community Development Banking to host a New Market Tax Credit forum at the Holiday Inn- Rock Island. More than 70 attended the event from as far away as Chicago, breaking a record in attendance. The same week the New Market Forum was held, the CDFI Fund announced it was combining the 2015 and 2016 rounds into a single \$7 billion round, with announcements pending in late-2016.
- On November 17, Central States was notified of its \$45 Million NMTC award.

Information about Central States Development Partners, Inc. is available at [www.economicgrowthcorporation.com](http://www.economicgrowthcorporation.com).

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