

McDonogh 19 | New Orleans, LA

Mixed Use: Education & Community Center & Affordable Senior Housing

Total Project Costs: \$15.9 Million

Total NMTC Allocation: \$11.7 Million

CSDP Allocation: \$5 Million

Groundbreaking: March 2020

Redevelopment of one of the first integrated schools in the deep south into an education and community training center teaching New Orleans' history of desegregation and civil rights, and anti-racism training, along with 25 units of affordable, senior housing. Upon completion, development will serve over 37,500 annually.



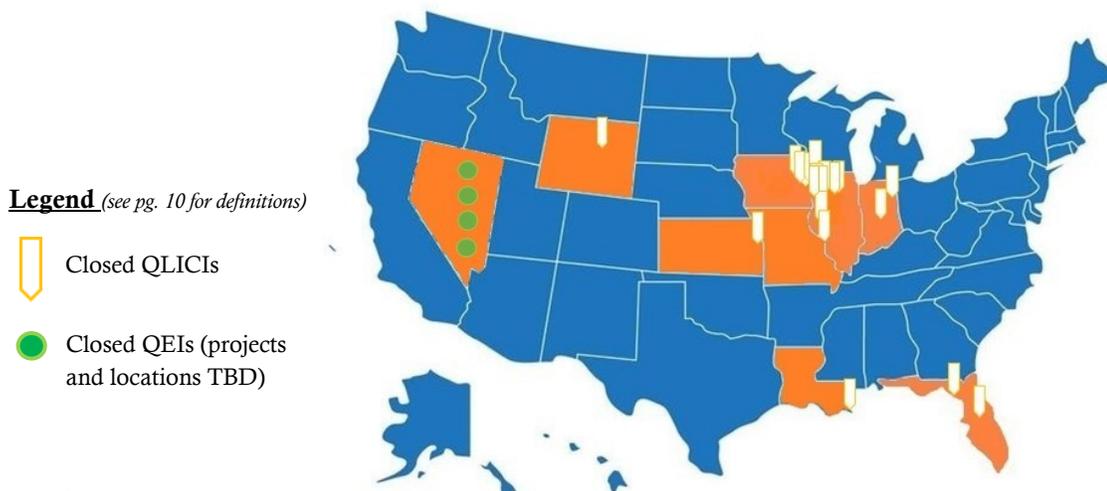
New Market Tax Credits

Central States Development Partners, Inc. is a three time, back-to-back Federal Allocatee of \$100 Million in New Market Tax Credits, a two-time state allocatee of New Market Tax Credits through the State of Illinois, and a recent state allocatee of New Market Tax Credits through the State of Nevada.

CENTRAL STATES
DEVELOPMENT PARTNERS, INC.

Equal Opportunity Provider.

BY THE NUMBERS



Legend (see pg. 10 for definitions)

 Closed QLICs

 Closed QEIs (projects and locations TBD)

May 2019: Awarded \$35 Million in New Market Tax Credits authority from the U.S. Department of Treasury's CDFI Fund. This is Central States' third consecutive allocation, receiving a total of \$100 Million in New Market Tax Credit authority since 2016.

December 2019: Central States is awarded \$11.7 million in New Market Tax Credits through the Nevada New Markets Job Act, closing into QEIs within 2 weeks of being awarded.

Projects financed by Central States Development Partners since 2016 created or retained 6,906 jobs including:

6,906

- 2,705 direct permanent jobs
- 1,560 construction jobs
- 893 indirect jobs
- Retention of 1,748 jobs

\$420 M

Central States' NMTC allocation brought \$420,289,996 in project value to highly distressed areas within eight states.

\$17 M

Central States was able to source allocation from another CDE and directly fund its first New Market Tax Credit transaction in 2012 for \$10 million in NMTC financing. In 2014, Central States also facilitated a \$7 million New Market Tax Credits transaction in Rock Island, where the CDE is headquartered. The two NMTC transactions combined generated 642 jobs.

3

Number of weeks it took Central States to issue 91.4 percent into Qualified Equity Investments for its 2018 New Market Tax Credit award of \$35 million ahead of the Notice of Application Availability (NOAA) published for the 2019 NMTC Application Round.

82.3%

82.3 percent of Central States' NMTC projects were located in non-metropolitan and rural counties.

100%

100 percent of New Market Tax Credit projects financed by Central States were in severely distressed census tracts where bankruptcy rates are 25 percent higher than national norms, low wage jobs account for 10 percent more of the job pool, access to capital is up to 17.6 percent lower for small businesses, and food insecurity rates are as high as 15 percent.

BY THE INDUSTRY



9

The NMTC helped manufacturing businesses expand to new facilities, purchase cutting edge equipment, and secure working capital.

Manufacturing/Wholesale/Distribution



5

Central States' provided real estate financing through its Loan Pool to support the rehab of a historic courthouse into a hotel in Missouri; acquisition and purchase of real estate, state-of-the-art equipment and fixtures for two car dealerships in rural Iowa.

Real Estate



3

Community Facilities

With the help of NMTC financing, services are expanded to reach low income persons and low income community residents. Noteworthy projects includes a non-profit expanding services for low-income families, children, and veterans; and a non-profit Minority-serving and Hispanic-serving college expanding to increase access to higher education.



3

Mixed Use

Central States' furthers the mission of its parent non-profit Economic Growth Corporation, by providing NMTC financing that create critical jobs, business growth and affordable housing through mixed-use development activity.



BY THE STATE

Central States is a nationwide CDE focused on revitalizing low-income communities, in the states of Illinois, Iowa, Indiana, Kansas, Missouri, Colorado, Louisiana, Florida, and soon to be Nevada. Central States seeks to work primarily in minor-metro and regions to mitigate dis-investiture in low-income communities by adding opportunities for better amenities, improve access to quality jobs for low income persons and low income residents and increase the tax base.

Since 2016, Central States worked swiftly to invest in highly distressed census tracts that exhibit high rates of housing need or rent burden, low-median worker wage rates compared to the area, high percentages of poverty, and high needs for affordable medical services and fresh food access.

New Market Tax Credit financing by Central States is an integral part necessary for these projects to move forward. Many considerations are given for New Market Tax Credit financing, with prioritization relying predominantly on:

- Level of distress
- Level of job creation, quality, accessibility to low-income people, and advancement opportunities
- Access to goods and services accessible to low income persons, or low-income community residents
- Access to affordable, fresh food or community services
- Project innovation with proven approaches to business growth
- Viability of a project to support the ongoing growth of the community

**Number does not include the \$17 Million of NMTC facilitated capital. See page 9 for detail.*

IMPACT STORY // Loan Pool

Central States in conjunction with Cedar Rapids Bank & Trust, created a \$10 million loan pool that enabled Central States to fund multiple transactions for the seven year New Market Tax Credit compliance period. The loan pool provided non-revolving loan debt from \$750,000 to \$2,500,000 to projects that showed strong community alignment and community impacts.



\$2,200,000 | Rockford, IL

New capacity for a Chem Processing for customers in aerospace, heavy machinery, food processing, medical, oil, gas, and green energy.

\$2,200,000 | Rockford, IL | Manufacturing

Central States provided \$2.2 million in New Market Tax Credit financing to support a 35,000 square feet new manufacturing and warehouse space for a metal finishing company creating new capacity for the company to serve the following industries: aerospace, defense, heavy machinery, food processing, medical, oil, gas, and green energy in Rockford, IL.

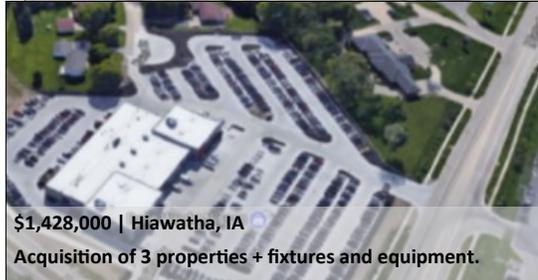


\$2,419,100 | Cedar Rapids, IA

Acquisition and buildout of real estate company.

\$2,419,100 | Cedar Rapids, IA | Real Estate

Central States provided \$2.4 million in New Market Tax Credit financing to support the acquisition and build out for corporate administrative offices, adding 32 new employees to its new corporate headquarters, adding to its national 181 employee workforce. The project entailed the relocation of a real estate company into a new mixed-use development located in a highly distressed area that aligns to a larger community redevelopment effort in Cedar Rapids, IA.



\$1,428,000 | Hiawatha, IA

Acquisition of 3 properties + fixtures and equipment.

\$1,428,000 | Hiawatha, IA | Real Estate

Central States provided \$1.4 million in New Market Tax Credit financing to support the acquisition and purchase of fixtures, furniture, and equipment of new facilities that are leased to two car dealerships in a highly distressed area of Hiawatha, IA.



\$825,004 | St. Louis, MO

Rendering of the \$60 million rehab of the municipal courts building into a hotel.

\$825,004 | St. Louis, MO | Real Estate

Central States provided \$825,004 in New Market Tax Credit financing to support a \$60 million adaptive-reuse project turning the municipal court building on Market Street into a 150-room hotel. Central States' New Market Tax Credit contribution was a small piece needed to support the \$60 million in total project costs that includes state and federal historic tax credits, brownfields tax credits, sales taxes from a Transportation Development District and Community Improvement District, Tax Increment Financing, developer equity and private debt.



\$927,896 | Cedar Rapids, IA

Refinance to renovate business real estate

\$927,896 | Cedar Rapids, IA | Real Estate

Central States provided \$927,896 in New Market Tax Credit financing to support a refinance structure of a real estate holding company in its renovation efforts of a mixed-use development in a highly distressed area of Cedar Rapids, IA.



\$2,200,000 | Dubuque, IA

Financing for mixed-use 260,000 SF development

\$2,200,000 | Dubuque, IA | Real Estate

Central States provided \$2,200,000 in New Market Tax Credit financing to support a 260,000 square foot mixed-use development that includes commercial, retail, and entertainment known as Millwork Market Place in the Historic Millwork District, a highly distressed area in Dubuque, IA.

Expansion of Fresh Food in Central FL // IMPACT STORY

\$8 Million in NMTC financing brought a total of \$32 Million in new investment into Florida, creating and maintaining 551 jobs in central Florida located within a severely distressed census tract of Haines City, Florida a community in which experiences a poverty rate of nearly 31 percent.

Aldi Inc.'s distribution center distributes fresh food to its affiliate grocery stores within central Florida. The Project involves an expansion of its existing distribution site in Haines City to reach over 694,000 Square Feet. This expansion was needed in order for Aldi Inc. to meet the trend of their demand in growth by expanding an additional 200,000 Square Feet of its already 494,000 Square Feet distribution center.

By expanding, Aldi Inc. was able to increase the volume of existing products held for distribution, as well as store new types of fresh food products including fresh fruits, vegetables, and other fresh foods.

The project will create 100 new jobs over the next three years, with a 120 total jobs anticipated after the remodel is complete. 100 percent of the jobs are considered quality, paying a livable wage with full benefits available.

In total, 314 (81%) of the positions are or will be accessible to low income persons. Aldi Inc.'s expansion is in direct alignment with the goals of the community that advances the County's Comprehensive Plan. Phase 3, upon completion will be a catalyst for significant job creation in a severely distressed census tract.



Public-Private Partnership that works // IMPACT STORY

McLaughlin Body Company, an Illinois based manufacturer in operation since 1902, consolidated its manufacturing operations in the former International Harvester Farmall plant in Rock Island with the help of the NMTC Program. It's \$10.3 million dollar long term investment strategically aligns with the \$54 million in new investment in the Columbia Park area since 2014. Access to the New Market Tax Credit program provides benefits to the community by:

Retention/Creation of Quality Jobs: Enhancing McLaughlin Body Company's ability to retain and create 50 new jobs, adding to its existing 175-employee workforce, through financial incentives for facility and operational improvements. Quality jobs are increased, creating new opportunities, increasing family stability, quality of life, and overall health and well-being for employees.

Further benefits through McLaughlin Body Company's partnership

Providing Down payment and Closing Cost Assistance:

McLaughlin employees can benefit from financial assistance towards the purchase of a home in Rock Island.

Creating Access to Financial / Homebuyer Education:

McLaughlin employees will also have access to receive independent, expert, and unbiased advice that helps promote



News conference featuring partners, community leaders, and elected officials in support of the NMTC program and its benefits to create and retain high quality jobs.



McLaughlin Body's manufacturing facility tour post-NMTC announcement. Central States provided \$10 million in NMTC Financing for its consolidation, adding a minimum of 50 new jobs.

sustainable homeownership and financial literacy.

Support for Small Business: The program provides a community development benefit to Rock Island by providing resources to assist small business and family-owned businesses open, grow, and expand in Rock Island.

IMPACT STORY // New Jobs in Rural Sterling, IL



Having worked with the rural municipality of Sterling, IL for nearly ten years on issues ranging from housing stabilization to economic development, Central States was intimately aware of the huge impact the loss of 263 quality jobs would have on this rural community, where median worker incomes are five percent lower than the county income and incomes are under 62 percent of the area median.

With an expiring lease in 2019 and significant company growth, Halo was faced with an option of moving to a new location with suitable logistics outside its home in Sterling, potential relocating hundreds of jobs. Halo indicated that it would require financial incentive to remain in the community. Due to Halo's location in a low-income rural community and the special purpose nature of a new facility construction, it was reasonable for Central States to determine that other financing options were not a feasible solution for retaining this 66-year old business in Sterling.

In order for the project to be financially feasible, the difference between costs and funding available needed to be subsidized. Central States used New Market Tax Credits as part of that subsidy when other options were not available.

Halo Branded Solutions celebrated their grand opening April 2018, and recently announced it would consolidate executive offices located in New York to its Sterling headquarters, adding 250 new jobs over the next seven years.



New Market Tax Credits made possible a 157,000 square foot expansion, retaining its existing 263 employee workforce and creating 250 new full time jobs.

First Veteran-Centric YMCA in Indianapolis, IN // IMPACT STORY



The new OrthoIndy Foundation YMCA is the first facility of its kind in the nation to offer specialized medical services for veterans. The facility has been in the works for years and has officially opened its doors in December 2018. The 56,500-square-foot center is located in the underserved western Indianapolis, IN metropolitan area.

The facility provides health and wellness, youth development, educational and recreational programs, but most notably will be the first YMCA in the United States to include a dedicated Veterans Affairs medical facility onsite. Serving as a model for the partnership between the YMCA of the USA and the U.S. Department of Veterans Affairs, the YMCA of Greater Indianapolis will provide 5,000 square feet for medical services, such as occupational and physical therapy, will incorporate a VA-centric programming within the YMCA for military service members, veterans, and their families. Over 22,900 anticipated appointments are expected in 2019, of which include 2,290 low income persons.

After conducting a 10-year capital campaign, the YMCA approached Central States to fill a financing gap due to lack of traditional debt coverage due to the operational revenue not supported by fees charged to participants in programming. Construction would have been stalled if not for Central States providing \$8 million in New Market Tax Credit financing.

Outside of employing 175 total persons, the YMCA of Greater Indianapolis expect to serve over 10,000 community members through its annual members. As is the case for all YMCA programs and memberships, programs offered at the YMCA are accessible to individuals of all income levels through a sliding scale fee structure, which will result in an additional 2,760 reduced-fee rate memberships.



Additional Community Benefits



Housing & Financial Education Center, made possible by Central States, offers housing programs, financial counseling, foreclosure prevention for low-to-moderate income individuals.

Fair & Equal Access to Capital, Credit & Wealth Building Opportunities

Through its New Market Tax Credit activity, Central States was able to acquire and open its Housing & Financial Education Center in a highly distressed census tract within its hometown community of Rock Island, IL.

The Housing & Financial Education Center provides fair and equal access to low-to-moderate income individuals to capital, credit and wealth building opportunities through its housing programs such as financial education counseling, foreclosure prevention, credit counseling, and homebuyer education.

Additionally, single family programs are offered providing downpayment assistance and owner-occupied rehabilitation assistance to improve aging housing stock of low-to-moderate income individuals, particularly assisting seniors and individuals with disabilities.



Discounted Furniture, Microloan Recipient, is a small business located in a highly distressed census tract

Microlending

Central States' requested its Qualified Active Low Income Businesses to make a charitable contribution to Bridge Investment Community Development Corporation, a Community Development Financial Institution (CDFI), which created an innovative micro-lending program offering a short-term, low-interest loan up to \$10,000 to small businesses to expand their operations. One hundred percent of the microloans went to businesses located in highly distressed census tracts. The funding supported the first phase of Bridge Investment's microloan program, originating loans to nine businesses, creating or supporting 41 jobs, and leveraging \$555,000 in additional capital.



Celebrate, Microloan Recipient, graduated from GROWTH's small business incubator and tripled her square footage, creating new jobs in her new store-

9
Microloan Recipients

41
Jobs Created/ Supported through Microloan Program

\$69,400
Total Loans Originated to nine (9) Businesses

\$555,000
Leverage

DOT Foods // Mt. Sterling, IL

A major employer in Mt. Sterling, IL was deciding to expand or relocate. Working with its strategic partners, the owners of Dot Foods, the nation's largest food distributor, stayed true to the company's founder by making a commitment to this rural community and expanding in its home town, despite the economic advantages of relocating based simply on logistical costs of moving product to market. Central States was able to intercede and work with the employer to structure a \$10 million New Market Tax Credit transaction to help finance Dot Food's \$16 million expansion. While Central States did not have its own allocation at the time, it was able to source allocation from another CDE and directly fund the expansion to help the business put together a capital plan to complete the expansion and construction of its freezer, warehouse, and distribution space.

The company furthered its community commitment by opening a grocery store in Mt. Sterling's downtown, called Dorothy's Market, a community market named after Dorothy Tracy, co-founder of Dot Foods.

Most recently in 2018, DOT Foods celebrated another 60,000 square foot expansion to accommodate its 2,500 employee workforce, and also includes 125,000 square feet of outdoor/green space.

Hill & Valley // Rock Island, IL

Hill & Valley consolidated its operations from three existing buildings into one, 136,000-square-foot bakery, office and warehouse enabled the company to expand its capacity, reduce its reliance on third-party warehouses, and provide enhanced food safety and product quality.

In February 2014, Hill & Valley officially opened in its \$16 million, 136,000 square foot bakery, office and warehouse and operation space, in a highly distressed underserved area creating a boon for the company, and a huge lift for its hometown, Rock Island, IL. Central States facilitated NMTC financing using another CDE, coupling the transaction with TIF funding from the City of Rock Island, were key components that kept a local company in the state of Illinois and allowed it to grow, creating 87 new full-time equivalent jobs with an additional 50 full time jobs through the creation of a third shift.



\$17 M facilitated NMTC

\$32 M Total Project Costs

642 Total Jobs

72% Accessible to Low Income Persons

BOARD OF DIRECTORS

All the management and investment decisions related to NMTC deployment rests with Central States' staff and its Governing Board of Directors, who identify borrowers and investees, evaluate businesses for credit worthiness and provide financial counseling and other services to NMTC borrowers. The Governing Board relies heavily on the recommendations issued by Central States' Advisory Board, who ensures that NMTC investments are occurring in low-income communities within highly distressed census tracts and providing new opportunity for its low-income residents for quality job creation and advancement.

Central States Development Partners // ADVISORY BOARD

JIM BERGMAN | D.D. Development of Sterling
CHARLOTTE FLICKINGER | Char Flickinger & Associates, LLC
IRVIN HENDERSON | National Community Reinvestment Coalition
DONALD JOHNSON | Destiny Baptist Church
STELLA SCHNEEKLOTH | ProjectNOW
RICK SEIDLER | Bridge Investment Community Development Corporation
SHELLY SHEEHY | River Cities Development Services

Central States Development Partners // GOVERNING BOARD

DARYL EMPEN (Chair) Gas & Electric Credit Union	LINDA GOLDEN Neighborhood Resident	DARRYL THOMPSON House of Fire Ministries
JANE SCHNEIDER (Vice Chair) Ruhl Mortgage	DENISE ISAAC Juris Doctor Candidate 2021	BERLINDA TYLER-JAMISON Rock Island County NAACP
JAN MASAMOTO (Past Chair/ Treasurer) JTM Concepts	AMY JONES Royal Neighbors of America	SHELLY TUCCIARELLI Turtle Clan Development
PHYLLIS SCHWINDT (Secretary) Arthur J. Gallagher & Company	ALVARO MACIAS Ascentra Credit Union	STELLA SCHNEEKLOTH Project NOW
AMETRA CARROL-CASTANEDA Rock Island Community Caring Conference	LINDSEY RAMOS IHMVCU	SHELLEY SHEEHY River Cities Development Services
DAMITA DAVIS WREN Davis Wren CPA & Associates	LORI RODERICK Augustana College	
PHIL DENNIS KeyStone Neighborhood	KATHY SPRINGER Illinois Casualty Company	

KEY TERM

Qualified Equity Investment & Qualified Low Income Community Investment | Private investors make Qualified Equity Investments (QEIs) into CDE's. CDEs take the proceeds and invest them in businesses and revitalization projects in low-income communities. Investors (typically regulated financial institutions) receive a federal tax credit of 39 percent taken over seven years. Because the investment is taxable and is taken over seven years, the net costs to the federal government of each dollars of NMTC allocation is about 26 cents.* A QLICI is a Qualified Low-Income Community Investment. The CDE must invest the QEIs in QLICIs. The investment typically is capital or equity investment in, or loan to, any qualified active low-income community business. *NMTC 2017 Progress Report/ New Market Tax Credit Coalition

NMTC TEAM



Brian Hollenback
President & CEO

Mr. Hollenback has over 35 years experience in economic development, real estate, and construction. As President & CEO, Mr. Hollenback is directly responsible of all New Market Tax Credit activity for Central States, closing Central States first NMTC transaction in 2012. He also serves as the President & CEO for Economic Growth Corporation, the controlling entity for the CDE. As a real-estate veteran, Mr. Hollenback has deployed over \$428 million into urban core development projects, serves on many various national Advisory and Governing boards focused on community and economic development.



Cindy Berg
Chief Financial Officer

Ms. Berg has over 20 years experience in financial management, and has overseen the structuring and reporting for \$178.6 million in projects. In her capacity as CFO, Ms. Berg oversees the management of GROWTH's \$133.35 million portfolio, which includes \$91.2 million in New Market Tax Credits supporting \$430MM in total development costs. Ms. Berg is responsible for all aspects of the financial operation of the company, and has vast experience in federal and state regulations and grant compliance. She is responsible for risk management for the company's assets.

Strategic Partners

Central States relies on our professionals from Baker Tilly (CPA's and consultants) and Applegate & Thorne-Thomsen (legal and tax counsel) to provide technical expertise with borrower loans and with assistance in structuring the overall NMTC transaction. Central States is grateful for the experts from Baker Tilly and Applegate & Thorne-Thomsen for their assistance with highly technical aspects of NMTC compliance, loan servicing and reporting. Having them as part of our NMTC team



Equal Opportunity Provider

In accordance with federal law and the U.S. Department of the Treasury, Central States Development Partners, Inc. is prohibited from discriminating on the basis of race, color, national origin, sex, age or disability. To file a complaint of discrimination, write to Department of the Treasury, Office of Civil Rights and Diversity, 1500 Pennsylvania Ave. NW, Washington D.C., 20220 or call (202) 622-1160.

FAST FACT

Macroeconomic Benefits | By providing a shallow, low-return tax credit to investors, the NMTC allows conventional lenders to venture into new markets, tap into promising business opportunities, and expand their investment footprint. These new investments generate regional macroeconomic effects. According to an analysis of NMTC transactions between 2003-2014- 4,000 NMTC projects totaling \$63 billion in economic activity [1] by inducing consumer spending and supporting businesses down the supply chain. *NMTC Progress Report / New Market Tax Credit Coalition [1] "A Decade of the NMTC". Report by the NMTC Coalition, 2014.

15 Non-Profits Gifted Charitable Contributions

Central States Development Partners is a nationwide CDE formed by its parent non-profit, Economic Growth Corporation (GROWTH) to help meet its overall mission to create jobs, support neighborhoods, and strengthen the community fabric of low-income communities in ways that sustain and promote long-term viable economic success. Additional benefits for communities are being realized where NMTC transactions are occurring, as charitable contributions are being realized through Central States and its New Market Tax Credit (NMTC) activity. Each time that Central States closes a NMTC transaction, charitable contributions are generated to deploy within low-income areas, creating jobs and opportunity for those living there.

As part of its 2017 New Market Tax Credit allocation, Central States made a special effort to assist our nation's at-risk populations by requesting Qualified Active Low Income Businesses make charitable contributions to help underserved children, advance mental health initiatives, support arts, and help other community-minded non-profits that help strengthen low-income neighborhoods by focusing to support and secure sustainable growth through assisting low-income populations with resources that helps increase their quality of life.

As parent organization for Central States, GROWTH's Board of Directors were tasked with nominating projects that meant something to each of them personally and created opportunity for those in need. Those projects were then presented, voted for and approved by the full board. Some examples of the Charitable Contribution recipients are demonstrated below:



National YoungArts Foundation (YoungArts) to help advance its mission of identifying and nurturing the most accomplished young artists across the country.



SAL Family and Community Services Open Door advancing initiatives with poverty-trained mentors who share resources that will help, skills to benefit, and encourage to motivate those that are in crisis.



Boys and Girls Club of the Mississippi Valley to help empower and serve needs of area youth through the promotion of health, social, education, vocation and character development.



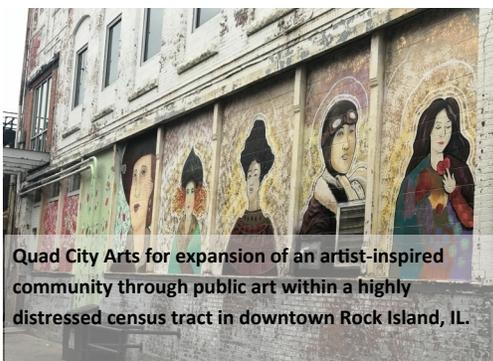
Broadway Historic District in support of historic neighborhood revitalization efforts in a highly distressed census tract.



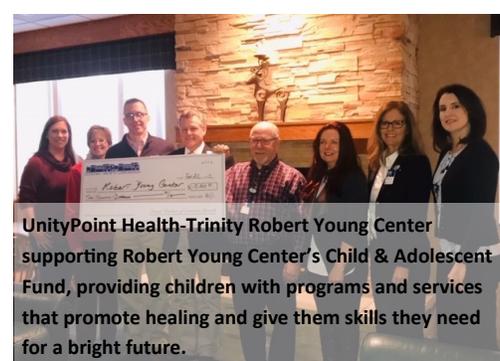
Community Caring Conference to help empower residents to improve Rock Island, IL neighborhoods (two time awardee)



Transitions Mental Health Services' Suzanne R. Golden Wing expansion that provides housing, counseling, and job training to those with mental illnesses.



Quad City Arts for expansion of an artist-inspired community through public art within a highly distressed census tract in downtown Rock Island, IL.



UnityPoint Health-Trinity Robert Young Center supporting Robert Young Center's Child & Adolescent Fund, providing children with programs and services that promote healing and give them skills they need for a bright future.



Triumph Kids to help advance programming as well as physical, occupational, and speech therapy for kids with Autism Spectrum Disorder (ASD) or other developmental delays.

Central States Development Partners | 100 19th Street, Suite 109 | Rock Island, IL 61201

www.EconomicGrowthCorporation.com/CentralStatesDevelopmentPartners

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