

Dr. Martin Luther King Jr. Community Center and Health Center



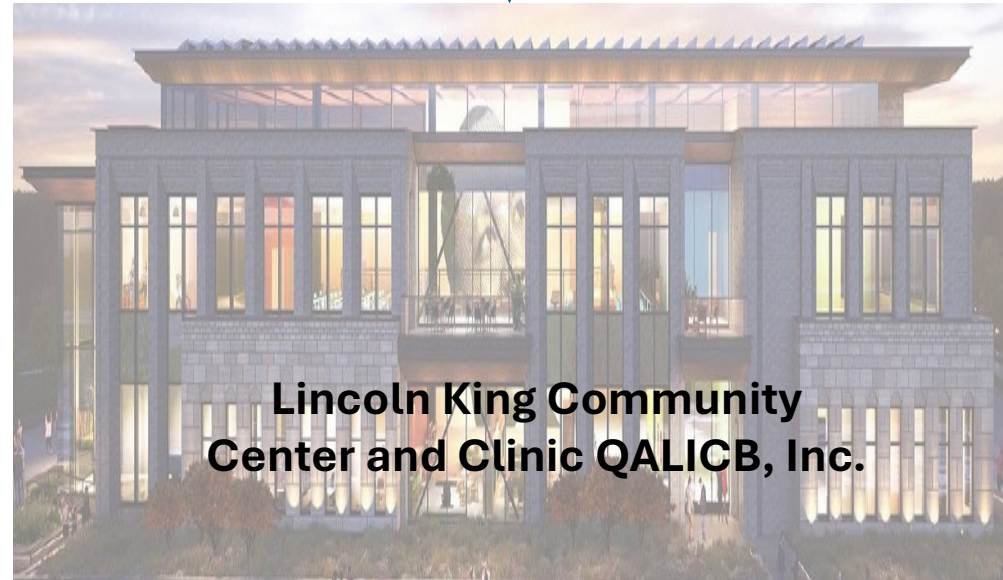
Tax Credit
Investor
Old National
Bank

Sponsor Entity
City of Racine

Investment
Fund



- Vacate West Street
- Provide Easement
- Transfer 960 MLK (Lot #1)



City of Racine
Redevelopment Authority

Transfer 1014 MLK



City of Racine Sublease to
Pillar Health



Master Lease to City
of Racine



1st FLOOR

- 1 ATRIUM
- 2 COMMUNITY KITCHEN
- 3 EARLY CHILDHOOD ROOM
- 4 ART STUDIO
- 5 E-SPORTS COMPUTER LAB
- 6 TEEN LOUNGE
- 7 MULTI-COURT GYMNASIUM
- 8 WELLNESS ROOM
- 9 FEDERALLY QUALIFIED HEALTH CENTER





Lincoln King Community Center and Clinic

QALICB, Inc.

Examples of QALICBs might include (but not limited to):

- Community Centers
- Libraries
- Health Care Facilities
- Boys & Girls Clubs
- Charter Schools
- Museums
- Grocery Stores
- Manufacturing Facilities
- Hotels
- Affordable Housing

Eligibility restrictions (“sin” businesses):

- Liquor store
- Massage parlor
- Tanning salon
- Etc.

Lincoln King Community Center and Clinic QALCIB

- Component Unit of The City of Racine
- Non-Profit Organization
- 3 Member Board confirmed by Tax Credit Investor
- Will exist for the life of the tax credit investment-7 Years.
- Will be dissolved and become the City of Racine after 7 Years.



TERMS

New Market Tax Credit Glossary

- ✓ **Community Development Financial Institutions (CDFI) Fund**
A division of the U.S. Department of the Treasury. **The CDFI Fund** administers the federal NMTC program, and **awards NMTC allocations to CDEs** on a competitive basis, annually.
- ✓ **Community Development Entity (CDE):**
Entity certified by the CDFI fund as **eligible to receive an allocation of NMTCs**. CDEs must have a primary mission of serving or providing investment capital for LICs or Low-Income Persons. They must also maintain accountability to residents of the LICs that they serve.
- ✓ **Low-Income Community (LIC)**
Minimally, census tracts with a **poverty rate of at least 20 percent** or a **median family income at or below 80 percent of the area median**.

New Market Tax Credit Glossary

- ✓ **Qualified Equity Investment (QEI)**

Any cash investment in a for-profit CDE that **triggers the flow of New Markets Tax Credits benefits to the investor**. The QEI must remain invested in the CDE for seven years to maintain program compliance.
- ✓ **Qualified Low-Income Community Investment (QLICI)**

Loan and/or investment **provided by a CDE to a QALICB** or to another CDE. Typically takes the form of debt carrying below-market interest rates and/or return expectations.
- ✓ **Qualified Active Low-Income Community Business (QALICB)**

Businesses that are eligible to receive assistance through the NMTC program. A QALICB must meet several tests confirming that the majority of its activities take place in, or that it serves primarily residents of, a Low-Income Community.

New Market Tax Credit Glossary

✓ **Targeted Distressed Communities**

LICs that show particularly high levels of poverty or economic distress. Targeted Distressed Communities generally must have:

- Poverty rates of at least 30 percent, or;
- A median family income below 60% of the area median; or,
- Have unemployment rates 1.5x the national average.

Other criteria can also be used to qualify a project as being in a Targeted Distressed Community, (i.e., located in a TIF district, a brownfields site, or a non-metro census tract).

✓ **Leverage Loan**

A loan to an investment fund which is **combined with an investor's equity to make up a QEI.**