



SITE DESCRIPTION

The site for the new International AIDS Vaccine Initiative (“IAVI”) bioscience research laboratory is in the Brooklyn Army Terminal in New York City, which served as the largest supply base in the U.S. through WWII. The base is currently being readapted by the City of New York as a center for bioscience research and bio-manufacturing. IAVI will occupy 39,000 SF of the 4,000,000 SF complex with its laboratory, offices and conference center.

LOW INCOME COMMUNITY METRICS

- + Unemployment rate is 4.9 times the national average
- + Median Family Income in the area is 65 percent of New York State MFI
- + The project is located in a NY State Empire Zone Redevelopment Area and a New York City Commercial Expansion Development Area
- + Small Business Administration HUB Zone
- + Community Development Financial Institutions Fund Hot Zone

PROJECT GOALS

- + Create a new research facility that will centralize IAVI’s efforts to accelerate development of a vaccine to prevent HIV infection and AIDS
- + Provide the anchor development of a bioscience hub in Brooklyn that will attract other research facilities through the City’s “BioBAT” initiative - positioned to renovate and utilize 486,000 SF of the Brooklyn Army Terminal for research, laboratory, and bio-manufacturing uses
- + Contribute to creating a workforce for the growing biotechnology sector in New York City by committing to have 59 full time employees on staff by 2015
- + Support the expansion of existing biotechnology workshops and internship programs at local colleges and universities

ECONOMIC IMPACTS SUMMARY

The allocation of \$17.5 million in New Markets Tax Credits is anticipated to leverage a total project cost of \$23.7 million and complete financing for a project that, but for the tax credits, could not move forward. An analysis of the direct, indirect and induced economic impacts resulting from construction investment and first ten years of operations shows that the International AIDS Vaccine Initiative project is anticipated to create \$93.8 million in total economic impact, \$11.7 million in federal and state fiscal impacts, 122 jobs during construction and create and maintain 59 jobs during the first 10 years of operations.

BENEFIT OF TAX CREDITS

The New Markets Tax Credits program has provided vital economic stimulus to underserved communities nationwide. With the allocation of \$17.5 million in NMTC on the International AIDS Vaccine Initiative project, the federal government has effectively foregone the collection of \$6.8 million in federal taxes over seven years. In return, this powerful investment opportunity is estimated to generate 181 jobs, \$27.6 million in wages, and \$7.5 million in new federal taxes during construction and the first ten years of operations.

“Medicine, to produce health,
has to examine disease.”

— Plutarch

NEW MARKETS TAX CREDITS PROGRAM

The New Markets Tax Credit (NMTC) program, established by Congress in 2000 (Omnibus H.R. 4577), was created to encourage private investment in underserved communities in the United States. The NMTC program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities.

The credit provided to the investor totals 39% of the cost of the investment and is claimed over a seven-year credit allowance period. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.

The appeal of the NMTC program is financing availability for projects in underserved geographic areas, with extremely favorable terms, for businesses and real estate developers or owners. The result of these investments is to enable non-financeable projects to be completed, and often to allow projects to be enhanced with community-oriented components, both of which generate measurable community impacts as described in this report.

METHODOLOGY

The economic, employment and fiscal impacts shown in this Community Impacts Report were generated using IMPLAN® Professional, the industry standard econometric software used by over 1,000 companies, organizations and government agencies to estimate the impacts of an economic event. IMPLAN® uses “input-output accounting” and closely follows the accounting conventions used in the “Input-Output Study of the U.S. Economy” by the Bureau of Economic Analysis (1980) and the rectangular format recommended by the United Nations. Results shown in this report are based on total construction costs and a New Markets Tax Credits allocation amount that is not final. Actual results will vary according to local economic conditions, wages, materials costs, tax rates, and more.

The community impacts contained herein are based on construction costs. Laboratory equipment costs have been subtracted from the \$23.7 million total project cost in order to generate accurate impacts data. Jobs are measured in hours worked and, using a multiplier, are represented as FTEs (full time equivalents). Construction jobs are temporary and will be spread out over the construction period, depending on the level of construction spending in each year. Operations jobs are permanent. The fiscal impact figures represent the Federal and State/Local tax revenue resulting from the direct, indirect and induced economic activity during the discrete construction period and the first ten years of facility operations. The total impact figure represents the direct, indirect and induced economic impacts of the discrete construction period plus the first ten years of operations. The total impacts figure does not include the fiscal impact, which is considered separately. All output is in 2008 dollars.

United Fund Advisors serves as the financial consultant for Portland Family of Funds (“PFF”). PFF is the controlling entity for the New Markets Tax Credits allocatee, National Community Fund I, LLC.



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United Fund AdvisorsSM is a financial services firm that provides triple bottom line returns to partners, projects, and communities nationwide.

TRIPLE BOTTOM LINE RETURNS

FINANCIAL UFA transactions are structured to deliver appropriate yields to all types of investors, lenders and project developers. Whether it's a green building or a small business, a strong financial foundation allows UFA and its partners to be financially rewarded for building projects that deliver more deeply to the community and the natural environment.

SOCIAL While a single UFA project cannot change the fortunes of a city or the world, strong focus on what's best for the people who live there can be a magnet for ideas, improvements and investment. UFA projects create jobs and job training, build wealth and property ownership, deliver healthy buildings and clean energy, provide access to transit, enable historic preservation, and support education and culture.

ENVIRONMENTAL Buildings are responsible for approximately 48% of the energy use and emission of greenhouse gases in the United States, and the demand for clean, renewable energy is increasing rapidly. UFA is making change by creating tax-advantaged investment opportunities which result in financing for projects with reduced energy costs and enhanced property values.

PARTNERS IN THE INTERNATIONAL AIDS VACCINE INITIATIVE FACILITY PROJECT:

- National Community Fund I, LLC
- Greystone CDE, LLC
- International AIDS Vaccine Initiative, LLC
- US Bancorp Community Development Corporation
- New York City Economic Development Corporation

NEW MARKETS TAX CREDITS ECONOMIC IMPACTS:

Location	140 58th Street, Units 8J & 8L, Brooklyn, NY
Development Type	Vaccine Bioscience Research Laboratory
Size	39,000 SF
Developer	International AIDS Vaccine Initiative, LLC
Total Project Cost	\$23,700,000
Allocation Required	\$17,500,000
CDEs	National Community Fund I, LLC; Greystone CDE, LLC
Low Income Community	High Unemployment Rate: 4.9 times the national average Median Family Income: 65% of New York State MFI
Project Timeline	New York State Empire Zone Redevelopment Area
LEED Certification Level	Project to Be Completed: Fall 2008
	Not Applicable

JOBS*
+181

WAGES*
\$27.6M

FISCAL IMPACT*
\$11.7M

TOTAL IMPACT*
\$93.8M

+ ADDITIONAL COMMUNITY IMPACTS

- + Provide the anchor development of a biosciences hub in Brooklyn that will attract other research facilities through the City's "BioBAT" initiative - utilizing a portion of the Brooklyn Army Terminal for research, laboratory, and bio-manufacturing uses
- + Bring a vital and missioned organization to an underutilized, former military facility, catalyzing the potential for new development in this underserved area
- + Create new jobs in New York's burgeoning bioscience sector by hiring through local colleges and universities
- + Bring positive economic impact to the Sunset Park neighborhood in Brooklyn, where many of the lab's employees will work and reside, accessing local businesses and amenities

* Figures shown are direct, indirect, and induced impacts of construction and first 10 years of operations. Please see www.unitedfundadvisors.com for more information.

