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JANUARY 15, 2009, 11:05 A.M. ET

## First Green Film Studio in U.S. Financed With Tax Credits From National New Markets Fund

National New Markets Fund, LLC -- a New Markets Tax Credit (NMTC) fund created by Los Angeles-based Strategic Development Solutions (SDS) and Boston-based Economic Innovation International -- has closed \$6 million in NMTC financing to help redevelop a dilapidated New Orleans warehouse and surrounding property into the nation's first green film studio.

Construction has begun on the new Second Line Stages studio complex in the city's Lower Garden District. The entire studio is being developed from the ground-up to comply with LEED (Leadership in Energy and Environmental Design) guidelines for design, construction and operation.

All major elements of the project -- from sound stages and office space to the parking lot -- will be designed to meet LEED's advanced Silver Certification standard. Certification is awarded by the U.S. Green Building Council to structures that achieve superior environmental performance. The first step toward this goal was to clean up contamination at the existing warehouse, which was designated by the EPA and Louisiana Department of Environmental Quality as a "brownfield" site.

The new 90,000 square foot studio will combine new construction with restoration of a historic yet severely dilapidated warehouse located near the recently completed River Garden Housing Community. It will include three sound stages, production offices and a screening theater. Construction is expected to be completed in December.

Designed as the nation's first green-certified studio complex, Second Line Stages will also become Louisiana's first full-service, state-of-the-art media production facility. The project is intended to aid New Orleans' economic recovery by serving the region's fast-growing entertainment production industry, which has become a vital economic engine.

"This investment is a strategic opportunity to aid the economic recovery of an area still challenged by the effects of Hurricane Katrina," said Deborah La Franchi, co-founder of the \$125 million National New Markets Fund. "Second Line Stages has the opportunity to serve as the model for a nationwide effort to 'green the screen' by making media production more environmentally sustainable."

Second Line Stages is just the latest development project in the GO (Gulf Opportunity) Zone funded with tax credits from National New Markets Fund. Over the past two years, the Fund has helped finance other projects in Louisiana including The National World War II Museum, Ochsner Baptist Medical Center and the Hammond Square Mall.

The new studio is being built in New Orleans' Lower Garden District, which has a poverty rate of nearly 25%. Based on the most recent census, its residents earn 25% below the area median income, and the unemployment rate is 11.8% -- a figure twice the national average.

The studio will include a training and resource center to help local residents find jobs in the entertainment production industry. The goal is to create a "green collar" workforce that will establish best practices for entertainment production throughout the region. The operators intend to build strong alliances with local community organizations on a range of initiatives including: 1) educational programs for at-risk youth, 2)

apprenticeship programs, 3) neighborhood security and safety programs, and 4) skilled employment opportunities for local residents.

The \$32 million project is made possible by a combination of funding sources including owner equity by developer and New Orleans activist Susan Brennan, senior debt provided by Whitney Bank and a range of state and federal New Markets (NMTC) and Historic Tax Credits, as well Louisiana Infrastructure Tax Credits. In addition to the credits provided by National New Markets Fund, CityScape Capital Group provided \$10 million in NMTCs, while the Valued Advisor Fund contributed \$8 million. US Bank is the tax credit investor for all of the Federal Historic and New Markets Tax Credits.

"As the nation's first green-from-the-ground-up studio complex, this project has the potential to bring social, environmental and economic benefits to New Orleans while helping encourage diversification of the regional economy," added Ms. La Franchi. "New Markets Tax Credits are the critical link that helped make this project possible."

Belden Hull Daniels, who serves with Ms. Franchi as co-founder of the National New Markets Fund, echoed this sentiment. "A key focus for National New Markets Fund has been to support rebuilding in the Gulf Region following Hurricane Katrina, and we believe this investment achieves that goal."

Created in 2000, the New Markets Tax Credit (NMTC) Program is administered by the US Treasury Department's Community Development Financial Institutions Fund (CDFI Fund). The NMTC program serves as a catalyst for private capital investment in urban and rural low-income communities. It allows tax paying investors to receive a credit against federal income taxes for making equity investments in designated Community Development Entities (CDEs). To date, the CDFI Fund has made 364 awards totaling \$19.5 billion in allocation authority.