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Portland Development Commission and National Development Council Mark Kick-Off of Major Renovation Project in Old Town Chinatown

New Markets Tax Credits Provided by Lowe Economic Development Company and US Bancorp Open Up New Opportunities for Oregon College of Oriental Medicine in Downtown Portland

June 8, 2011, Portland, Ore. –Today, the Portland Development Commission (PDC) and the National Development Council (NDC) announced the official closing of a complex development deal to help finance the renovation of the historic Globe Hotel building, located at 75 NW Couch Street, Portland, Oregon, into a new home for the Oregon College of Oriental Medicine (OCOM). OCOM is one of the oldest colleges of Acupuncture and Oriental Medicine in the United States, and it serves more than 25,000 patients each year with effective, affordable health care.

The renovation project is the culmination of a multi-year planning process for OCOM, supported by several community partners including Beam Development, Ankrom Moisan Architects, PDC, NDC, *Lowe Enterprises*, and US Bank.

OCOM assembled a complex financing package that included federal Historic Tax Credits and New Markets Tax Credits (NMTC), which provide tax incentives to invest in job-creation projects located within low-income and distressed census tracts. Together, these sources provided nearly half of the total project cost as equity. US Bank and PDC provided debt financing, and US Bancorp Community Development Corporation bought the combined tax credits provided by NDC's HEDC New Markets, Inc. and *Lowe Enterprises*, a national real estate services firm and NMTC provider.

“The OCOM renovation is a compelling project that offered an attractive opportunity for Lowe to provide \$6.75 million in New Markets Tax Credits”, said Albert Lemus, senior vice president of *Lowe Enterprises*. “This investment aligns with Lowe’s goal to invest in projects located in low income communities that improve access to higher education, health care and community facilities.”

The college will move from its current location in Southwest Portland to the Old Town Chinatown area when the project development is completed.

“We are thrilled once again to partner with PDC and our other partners to move this important project forward,” said Michelle Morlan, regional director with NDC, which provided more than \$7.5 million in NMTCs to the project. “At NDC, our mission is to increase the flow of capital to underserved urban areas for job creation and community development, making the OCOM project a perfect fit.”

The project will enable OCOM to expand its student base, while providing a centralized location close to a number of public transportation options that will make its clinical services more accessible. The development project will create an estimated 110 construction jobs, and help OCOM add up to 10 permanent full-time positions. Additionally, OCOM seeks to increase its medical and clinical care outreach in the Old Town Chinatown area through its strategic partnerships with social service agencies.

The project is the second major NMTC-Historic Tax Credit redevelopment collaboration between NDC, PDC, and US Bank. The first was the historic DeSoto Building, in which Winkler Development Company redeveloped the former Daisy Kingdom building located on Portland’s North Park Blocks into a new home for LRS Architects, the Contemporary Craft Museum and several art galleries. That project has since been nationally recognized as a model for public-private partnership in the arts.

PDC acquired the Globe Hotel in 2001. Beam Development and LGC Pence Construction will lead the renovation of the 100 year-old building, which will be gutted to provide full seismic and code upgrades and major structural renovation. The entire complex will be designed to achieve LEED Gold certification.

“Reaching this milestone is the result of hard work by many dedicated people,” said PDC senior project manager Kevin Brake. “Now we look forward to watching this project develop and continuing to work with OCOM as they increase their involvement in the Old Town/Chinatown neighborhood.”

“We couldn’t be happier about the relocation and we could not have done it without the determination, drive and dedication to the project shown by our community partners,” said OCOM president Michael Gaeta. “The new campus will more than double our space, allowing us to train more acupuncture and Oriental medicine practitioners, expand our medical care to the community, and further Traditional Chinese Medicine research. It provides OCOM an excellent opportunity to bring healing into the heart of downtown Portland.”

A public groundbreaking ceremony will be held on Tuesday, June 28, adjacent to the building on Northwest Davis Street and Northwest 1st Avenue from 11:15 a.m. to 12 p.m.

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About Lowe Enterprises

Los Angeles-based Lowe Enterprises is a leading national real estate investment, development and management firm. Over the past 39 years, it has developed, acquired or managed more than \$16 billion of real estate assets nationwide. Lowe is currently responsible for more than \$5 billion of commercial, hospitality and residential assets. The firm was awarded \$45 million in

New Markets Tax Credits from the US Treasury in late 2009. In addition to its Los Angeles headquarters, Lowe Enterprises maintains regional offices in Southern California, Northern California, Denver, and Washington, D.C. For further information on Lowe's activities, please visit: www.LoweEnterprises.com

About the National Development Council

For more than 40 years, the National Development Council (NDC) has worked to create and implement economic and community development strategies that increase the flow of capital, establish finance programs and help to create a professional economic and community development workforce. NDC offers a wide range of services, including development assistance, professional training, small business financing and debt and equity for residential, commercial, public and non-profit facilities projects. To learn more, please visit www.nationaldevelopmentcouncil.org.

About the Portland Development Commission

Created by Portland voters in 1958, PDC plays a major role in making Portland one of America's most livable cities. As Portland's urban renewal and economic development agency, PDC is pursuing an aggressive strategy to create the most sustainable economy in the world, by connecting people and resources to achieve the city's vision of social equity, healthy neighborhoods, a vibrant central city, a strong regional economy, and quality jobs and housing for all. For more information about the PDC, please visit <http://www.pdc.us/>.