

GMO RENEWABLE RESOURCES

Maine and New Hampshire

With the help of New Markets Tax Credits, the Boston-based forestry investment fund GMO Renewable Resources LLC (GMORR) purchased approximately 1.1 million acres of working forests timberlands, an area equivalent to 5% of the total land mass of Maine. Purchased from International Paper, the majority of the timberland is located in eastern, northern and western Maine, including some the state's poorest rural areas.

GMORR has an excellent reputation as an enlightened, progressive company, and as part of the deal, they agreed to work with The Nature Conservancy (TNC) to identify areas critical for conservation and to offer TNC the option to purchase those lands should GMORR decide to sell. GMORR and TNC also created a plan that manages these natural resources in ways that promote sustainable use of the forests while preserving traditional recreational access, protecting timber industry related jobs, and conserving the most ecologically vulnerable portions of the property. The purchased lands have all been certified under the Sustainable Forest Initiative (SFI), which includes practicing a land stewardship ethic that integrates reforestation and the managing, growing, nurturing, and harvesting of trees for useful products with the conservation of soil, air and water quality, biological diversity, wildlife and aquatic habitat, recreation, and aesthetics.

The GMORR project also has significant job-market impacts, with 275 jobs directly created or preserved as of 2008 year-end, as well as indirectly supporting thousands of mill and timber products-related jobs. As an added mission benefit, the project supported the creation of a \$2.5 million sustainable development investment fund targeted at the areas the GMORR timberlands cover.

Key Benefits

- Lands still available for private recreation and eco-tourism business
- Supports creation of economic development fund
- Supports mill jobs and mill reinvestment
- Protects related forestry jobs
- Certified sustainable forestry
- Significant conservation easements & enhancements
- Cooperative stewardship of working woodlands with TNC

Qualifying Features

- Poverty Rate greater than 30%
 - Median Family Income less than 60% of area median
 - Average Unemployment rate at least 1.5 times greater than national
- CEI Capital Management (CCML), along with fellow allocates Boston Community Capital and Enterprise Community Investment provided NMTCs to help finance a total of \$70 million of the project debt, with CCML contributing \$27.8 in allocation to that amount. GE Commercial Finance was CCML's equity investor on the deal, which closed January 21, 2005.

CEI CAPITAL MANAGEMENT LLC

a capital management subsidiary of
Coastal Enterprises, Inc.

2 Portland Fish Pier • Suite 206 • Portland, ME 04101
207.772.5356 • www.ceimaine.org