

ALLEGHENY RURAL NMTC WOODLANDS

Eastern and Central West Virginia

West Virginia is a state heavily-dependent on its forests. Between forest-based industries and tourism, the woodlands of West Virginia account for over 20% of the state's total employment. With the help of New Markets Tax Credits (NMTCs), The Forestland Group (TFG) recently purchased 131,000 acres of working forestland from struggling companies in West Virginia, preserving hundreds of jobs in the timber harvesting and milling industries.

The Forestland Group has an excellent reputation as a timber investment and management organization and all the purchased land will be sustainably managed under the Forest Stewardship Council standards, a significant improvement over current management practices.

The proceeds received from the sale will be largely reinvested in locally owned and established sawmill operations in West Virginia, impacting 13 different mills with 925 direct jobs and another 840 indirect jobs serving the forest products industry in the state. Each of these mills have long-term wood-supply agreements with TFG. There will be ancillary conservation benefits via the protection through a conservation easement of approximately 3,000 acres surrounding the Cheat River Canyon area.

Key Benefits

- Timberlands harvested under Forest Stewardship Council standards.
- Impacting 13 different mills with 925 direct jobs and another 840 indirect jobs.
- Creation of a conservation easement in an important river canyon area.

CEI Capital Management (CCML) provided \$11 in NMTC allocation as part of a \$31 million transaction, which was shared with fellow allocatee Rural Development Partners. GE Capital Corporation provided the tax credit equity and debt funding for this deal and brings its depth of timberland investment experience to another strong NMTC project supporting a rural community. One of CCML's Working Partners, the West Virginia-based Natural Capital Investment Fund (NCIF) has returned for its second project to help monitor the deal over the seven-year tax credit compliance period. This deal closed on July 27, 2009

Qualifying Features

- Non-Metropolitan County
- County for which FEMA has issued a major disaster declaration within 24 months of project funding
- Designated as distressed by Appalachian Regional Commission
- Poverty rate over 26.7%
- Unemployment rate over 1.76 times the national average

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