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Contact:

Michael A. Rabkin, Communications Director

michael.rabkin@passporthealthplan.com

(502) 640-6378



National Community Development groups invest \$24 million in New Markets Tax Credits for Passport's Health and Well-Being Campus

Louisville, Ky. – One of Louisville's most anticipated real estate development projects has drawn significant attention and support from prominent national investors. A collection of financial leaders has awarded Passport Health Plan – a nonprofit, Kentucky-based Medicaid managed care organization – millions of dollars in special tax credit financing to help bring the company's new headquarters and Health and Well-Being Campus to reality in downtown Louisville.

Three Community Development Entities (CDEs) are combining to provide \$24.35 million in New Markets Tax Credit financing to Passport, bringing \$8.55 million in subsidy to assist the project. The CDEs are the National Development Council, Reinvestment Fund, and Telesis Corporation. SB Friedman Development Advisors acted as consultants for this project. PNC Bank will serve as the investor for the \$8.55M in tax credit equity.

“The Passport Health and Well-Being Campus will further allow us to meet our shared goal with the Kentucky Department for Medicaid Services (DMS) to help our members develop job skills, acquire education, and ultimately become employed and have access to private insurance,” said Passport CEO Mark Carter. “Through our collaboration with community partners focused on healthy food, affordable and safe housing, and other services, we will reduce the overall cost of Kentucky's Medicaid program in the future.”

The New Markets Tax Credit (NMTC) was established in 2000 to provide incentives for investment in low-income communities, according to the [Tax Policy Center](#). Congress authorizes the amount of credit authority, which is then allocated to qualified applications by the Treasury Department. According to the [NMTC Coalition](#), \$42 billion in direct NMTC investments were made between 2003 and 2015, leveraging nearly \$80 billion in total capital investment to businesses and revitalization projects in communities with high rates of poverty and unemployment.

“The Passport Health and Well-Being Campus is organized around social determinants of health, which are conditions in the environments in which people are born, learn, work, play, worship, and live that affect a wide range of health and quality-of-life outcomes,” Carter said. “Along with the Passport headquarters – which will see more than 300 new jobs from participating partners over the coming years – there will be strong retail and service-based opportunities available on the campus, along with housing, retail, and community-gathering opportunities available.”



The 21-acre [Passport Health and Well-Being Campus](#) qualified for an NMTC because it is central to the revitalization of West Louisville, which is in turn the most critical neighborhood development priority for the Metro Louisville region. According to the 2011-2015 American Community Survey, the Census tract where the project will be situated has a poverty rate of 56.6 percent, a median family income equal to about 35% of the Area Median Income (AMI), and an unemployment rate of 19.1 percent (more than twice the national average).

“Every community deserves access to good healthcare and wellness information,” said Daniel Marsh, President of the National Development Council. “The West Louisville community will have much greater access to both with the development of the Passport Health and Well-Being Campus. The National Development Council is proud to support this project with New Markets Tax Credits. It will have a major impact downtown and serve many more people beyond the immediate area.”

“Passport Health Plan’s long-term vision for West Louisville is very much aligned with Reinvestment Fund’s own commitment to use our resources to build strong, healthy, and more equitable communities,” said Nancy Wagner-Hislip, Chief Investment Officer at Reinvestment Fund. “We are pleased to finance this transformative project that is bringing jobs and will promote health and wellness in this community.”

“Telesis CDE is very pleased to have contributed to the financing of the Passport Health and Well-being Campus, an important development that will bring health, housing and livelihoods to the Russell neighborhood and West Louisville,” said Marilyn Melkonian, President of Telesis. “Telesis has been a part of growth, stability and preservation of affordable housing in Russell for more than two decades. We welcome our new neighbor and the opportunities it will bring to residents of City View Park, Russell and beyond.”

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About Passport Health Plan

[Passport Health Plan](#) is a provider-sponsored, non-profit, community-based health plan administering Medicaid benefits to more than 310,000 Kentuckians. Passport has been contracted with the Commonwealth of Kentucky to administer Medicaid benefits since 1997. For details, please visit passporthealthplan.com or call toll-free (800) 578-0603. Passport also operates a Medicare Advantage program, called “Passport Advantage,” for residents of 16 Kentucky counties around Greater Louisville who are eligible for both Medicaid and Medicare. For details, go online to passportadvantage.com or call toll-free (844) 859-6152.

About National Development Council

[National Development Council \(NDC\)](#) acts as a partner, teacher, investor, developer, and lender, bringing together advisory services and capital for community and economic investment. The company works with local and state governments and community-based organizations to help them create and implement their own unique development strategies. Since 1969, NDC’s training, products, and services have evolved to reflect the changing policy environment and meet emerging needs. Today, the company is the most experienced and comprehensive economic and community development nonprofit in the U.S., working in every one of the 50 states and Puerto Rico.



About Reinvestment Fund

[Reinvestment Fund](#) is a catalyst for change in low-income communities. The company integrates data, policy, and strategic investments to improve the quality of life in low-income neighborhoods. Using analytical and financial tools, the company brings high-quality grocery stores, affordable housing, schools, and health centers to the communities that need better access, creating anchors that attract investment over the long term and help families lead healthier, more productive lives.



About Telesis Corporation

Since 1985, [Telesis Corporation](#) has been tackling the toughest challenges in building and preserving livable urban communities through intelligent design, community participation, and strong private and civic partnerships. The company's goal is to preserve and enhance urban life by strengthening the essence of cities: their neighborhoods. The company is dedicated to building communities that are livable, beautiful, and safe, in partnership with the people who live there. As a certified B Corp, Telesis is dedicated to a wider vision of success in addressing the most pressing social and environmental problems.



About SB Friedman Development Advisors

[SB Friedman Development Advisors](#) is a consulting firm based in Chicago that helps clients obtain and structure complex layers of financing to facilitate high-impact projects in economically distressed communities. The firm advises on New Markets Tax Credits and other federal tax credits, Opportunity Zones, TIF, tax abatements, and other related financing tools. SB Friedman consults nationally, serving clients in the public, private and nonprofit/institutional sectors, and has successfully facilitated over \$3.4 billion of public/private financing to date including 100+ NMTC transactions.



About PNC Bank

[PNC Bank](#), National Association is a member of The PNC Financial Services Group, Inc. (NYSE: PNC). PNC is one of the largest diversified financial services institutions in the United States, organized around its customers and communities for strong relationships and local delivery of retail and business banking, including a full range of lending products; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management; and asset management.

