

28 June 2007

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Museum of Contemporary Craft Secures \$2.5 Million With New Market Tax Credit Program DeSoto Project Becomes a Model for Public-Private Development in the Arts

\$4.7 million in tax credits have been secured by the DeSoto Project, the redevelopment of the former Daisy Kingdom building located on Portland's North Park Blocks. Initiated by developer and arts patron Jim Winkler, the project's impetus was to help financially stabilize a number of arts entities and secure critical mass of the arts in The Pearl District, nationally recognized as a culturally vibrant neighborhood. The total allocation is a result of Historic tax credits that had been awarded to the project in addition to New Market tax credits. The Museum of Contemporary Craft – which will receive \$2.5 million of the allocation – has now raised 96% of the \$7.1 million needed to complete its capital campaign. Tax credits are able to assist 501(c)(3) corporations – which legally are not responsible to pay property taxes – by being sold to financial institutions just below face value.

Other owners in the building who are recipients of the New Market tax credits include Charles Hartman Fine Art, Augen Gallery and Froelick Gallery – all commercial galleries – and Blue Sky Gallery, a 32 year-old non-profit organization focused on photography. The building is officially a commercial condominium, created so that these arts venues could own their own spaces, have more control over their future, and increase their ability to be financially sustainable. LRS Architects has purchased space on the third and fourth floors of the building but is not a recipient of the New Market tax credits. The credits were allocated by a Seattle group – The National Development Council – which selected this project among many worthy projects being developed in the Pacific Northwest. Bob Spitzer, The Museum's Board Treasurer, and Bill Thomason, the Museum's Finance Manager, worked for over a year with various legal entities, Mr. Winkler and the other owners of the building to complete the deal.

The New Market Tax Credit Program is a federal effort created to promote development in neglected neighborhoods and to create more job opportunities within urban centers. The use of New Market tax credits for this project clearly inspires a new model of how arts organizations and other cultural groups can harness these tax credits to the benefit of a neighborhood while providing additional support to entities committed to purchasing their own spaces. Typically, the substantial portion of a non-profit's capital campaign is secured through the support of foundations and individuals. But that level of giving places an enormous burden on private donors and often creates challenges for an organization to go back to those contributors to secure future operational support.

This infusion of capital has arrived during the final phase of the Museum's campaign which is now only 4% away from reaching its goal – a percentage which makes completion a palpable reality. "Every campaign that happens has its unique twists and turns – they rarely go as predicted. In our case, these credits allow us to fund pieces of our vision that our initial budget had left out in an effort to be fiscally conservative. Before this ambitious project, the Museum had never raised more than \$400,000 in a capital campaign," says David Cohen, Executive Director of the Museum. "This is a huge coup for the organization as we prepare to re-open the Museum on July 22. We know that the DeSoto Project will have an enormous impact on this neighborhood and the future of the arts in Portland."

The Museum celebrates its Grand Re-opening with all the members of the DeSoto Project with CRAFT PDX: A Block Party on July 22. Admission to the Museum is always free. For more information, please visit www.MuseumofContemporaryCraft.org.

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Museum of Contemporary Craft