President Obama Highlights Manufacturing Investments in Local Communities

By Jessica Milano
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President Obama paid a visit today to TechShop Pittsburgh, one of eight workshops nationwide that provides affordable access to world class manufacturing tools, computers, and software to create and design prototypes for high-tech inventions, computer accessories, and quality crafts. During the President’s visit, he noted that communities are stepping up efforts to support entrepreneurship in manufacturing and expand access to locations that can provide new manufacturing opportunities. In support of the actions outlined by the President, the Treasury Department’s New Markets Tax Credit Program is providing local community development entities with tax credits that they can use to finance manufacturing, as well as other economic development projects, in low-income communities.

TechShop is located in Bakery Square, a mixed-use real estate development comprised of six buildings, the centerpiece being the former Nabisco bakery building. Thanks to support from the Treasury Department’s New Markets Tax Credit Program, Bakery Square is now a bustling center of commerce in Pittsburgh. It now provides 250,000 square feet of renovated space that houses 17 businesses, a 110-room hotel, and a parking garage. Investments in Bakery Square were made possible in part by $13 million in New Markets Tax Credits from the Commonwealth Cornerstone Group, a community development entity which received $33 million in federal tax credits in the latest round of the New Markets Tax Credit Program from the Treasury Department. To continue these efforts in underserved communities throughout the nation, the President called for a permanent extension of the New Markets Tax Credit Program in the Administration’s fiscal year 2015 budget proposal.

Since its inception, the Treasury Department’s New Markets Tax Credit Program has provided investors with tax credits to support investments in low-income and underserved communities through community development entities, including more than 200 manufacturing projects. Through the life of the program, the Treasury Department has awarded $40 billion in tax credits including $3.5 billion in its latest round, awarded earlier this month. These tax credits support investments in rural and urban areas in nearly every state in the country and the District of Columbia. For every $1 invested by the federal government, the New Markets Tax Credit generates over $8 of private investment.

The President’s remarks today highlighting the success of manufacturing businesses like TechShop and development projects like Bakery Square demonstrate the importance of extending federal tax incentives, like those offered through the New Markets Tax Credit program, to spur economic development and jobs in the communities most in need of those
investments.

The New Markets Tax Credit Program is administered through Treasury’s Community Development Financial Institutions Fund and more information is available at www.cdfifund.gov.

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