

# Access to Infrastructure Capital

2023 USET- BIA-IHS Partnership Meeting &  
USET Semi-Annual Board of Directors Meeting





# OUR BACKGROUND



## **NATIVE-OWNED**

Established in 2001 by 20 Tribal Nations and Alaska Native Corporations. 31 of our 35 current shareholders are Native entities.

## **NATIONAL REACH**

With over \$227 million in assets, and a national charter, we have the reach and resources to serve communities from coast to coast.

## **NATIVE OPERATED**

43% of our employees are tribally enrolled, representing nations from across the country.

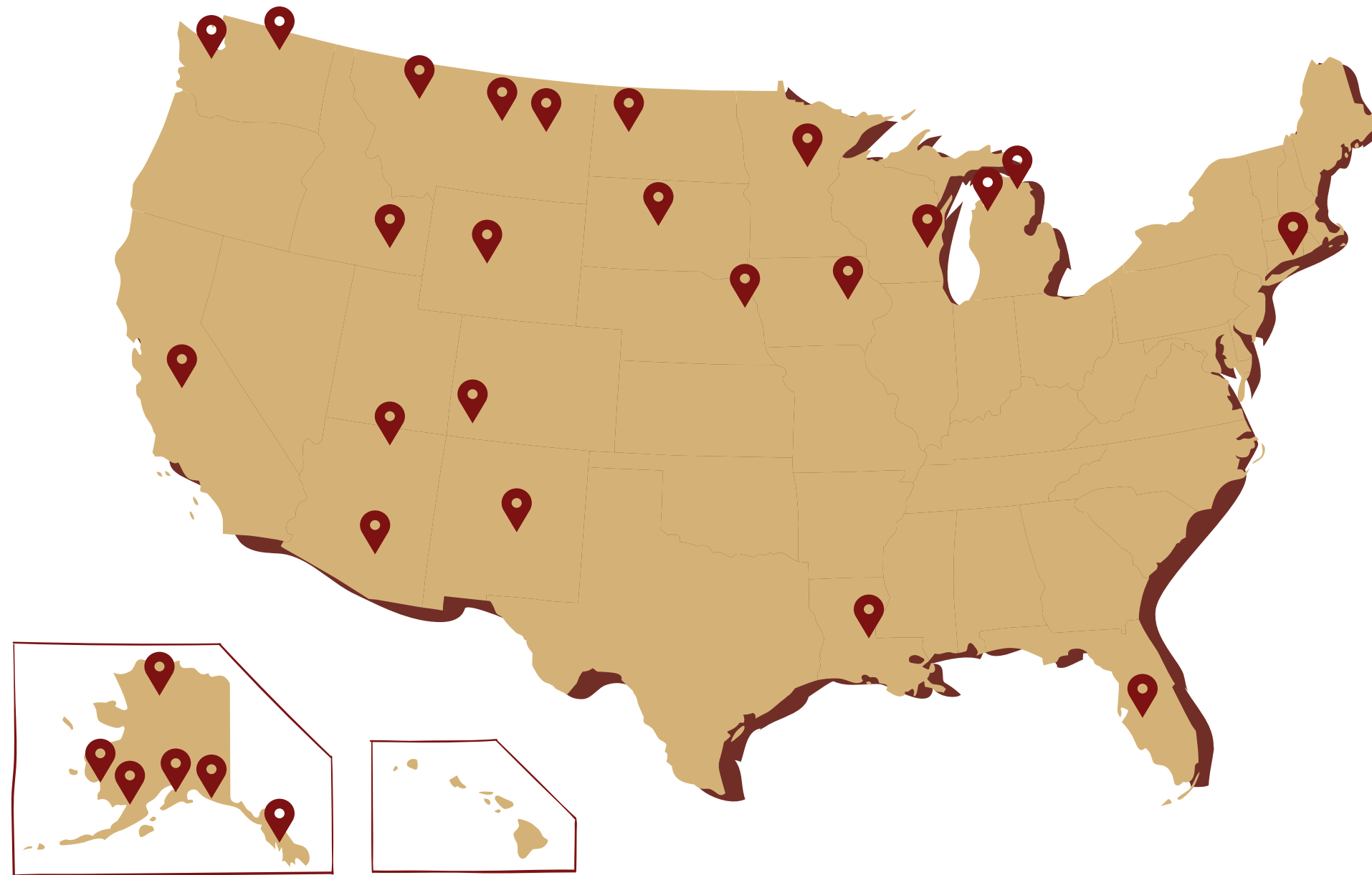
## **LENDING EXPERTISE**

Over 20 years of experience with commercial lending in Indian Country.

## **LOCATIONS**

Headquartered in Denver, with retail branches in Denver, and on the Blackfeet Reservation in Browning, Montana.

# OUR SHAREHOLDERS



## Alaska

- Akhiok-Kaguyak, Inc.
- Arctic Slope Regional Corporation
- Association of Village Council Presidents
- The Eyak Corporation
- Old Harbor Native Corporation Settlement Trust
- Sealaska Corporation
- United Companies, Inc.

## Arizona

- The Navajo Nation
- Salt River Pima-Maricopa Indian Community

## California

- Table Mountain Rancheria

## Colorado

- Ute Mountain Ute Tribe

## Connecticut

- Mashantucket Pequot Tribal Nation
- The Mohegan Tribe

## Florida

- Seminole Tribe of Florida

## Idaho

- Shoshone-Bannock Tribes

## Iowa

- Sac and Fox Tribe of the Mississippi in Iowa

## Louisiana

- Tunica Biloxi Tribe EDC

## Michigan

- Grand Traverse Band EDC
- Sault Ste. Marie Tribe

## Minnesota

- Mille Lacs Band of Ojibwe Indians

## Montana

- Blackfeet Indian Nation
- Chippewa Cree Tribe
- Fort Belknap Planning & Development Corp. DBA Island Mountain Development Group

## Nebraska

- Ho-Chunk, Inc.

## New Mexico

- AMERIND Risk Management Corporation

## North Dakota

- Three Affiliated Tribes

## South Dakota

- Cheyenne River Sioux Tribe

## Washington

- Colville Tribal Enterprise Corporation
- Marine View Ventures, Inc.

## Wisconsin

- Oneida Nation

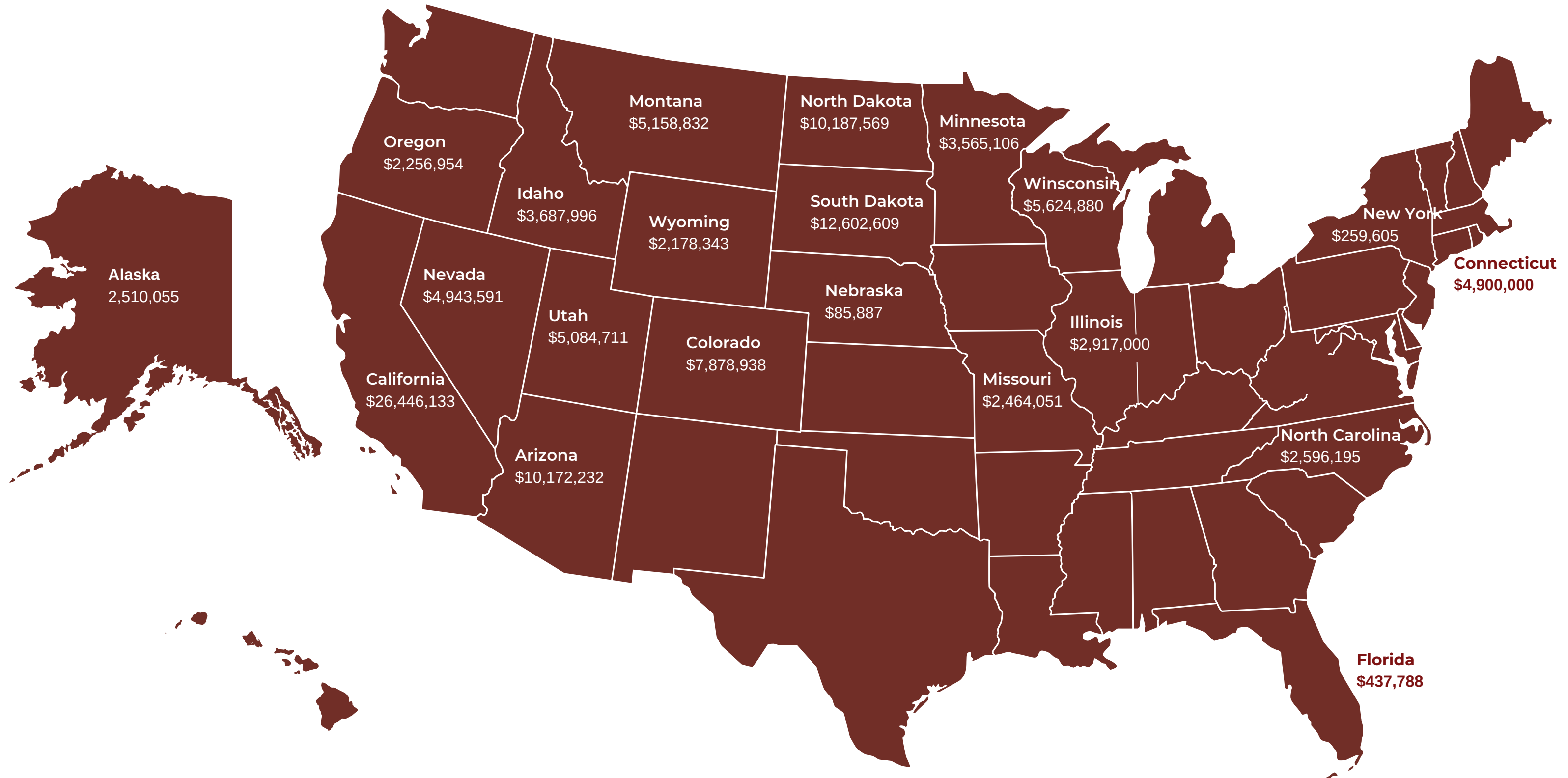
## Wyoming

- Eastern Shoshone Tribe

## Other

- Wells Fargo Community Development Corporation
- The Ford Foundation
- The F.B. Heron Foundation
- ClearingHouse CDFI

# LOAN ACTIVITY BY STATE



\*Values as of December 31, 2022



NATIVE  
AMERICAN BANK



NATIVE  
AMERICAN BANK

---

# CAPITAL FOR INFRASTRUCTURE DEVELOPMENT

---



## WHAT IS INFRASTRUCTURE?

- The collection of systems and facilities that serve as the basis for the economic growth of a community.
- Includes the services and facilities required for economic development, industrialization, improved lifestyles, and flourishing businesses.





# ACCESS TO INFRASTRUCTURE CAPITAL

- Federal funds/grants
- - Banks
  - State or local governments
  - Other non-profit or for profit organizations
- Native American Bank is a certified CDE



# INVESTMENT DETAILS



## TERM

7-year term matches the compliance period for the investor

- Forgiven at the end of the compliance period
- Converts to equity



## STRUCTURE

Typically structured as low interest, interest only loans

- Debt for tax purposes
- Soft debt





# PROJECT FUNDING DETAILS

20-25% 

of total project costs are typically provided through the program

- Paired with other funding sources such as:
  - Owner equity
  - Borrowed funds
  - Other credits – including grant funds
  - Other incentives



# LOCATION REQUIREMENTS



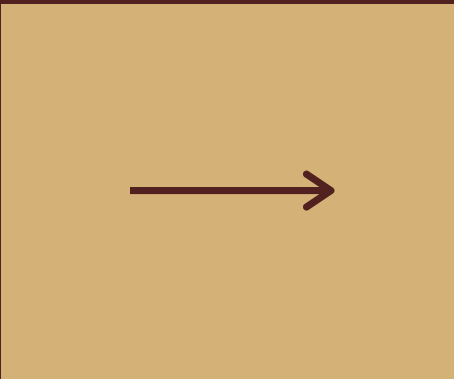
- Qualifying low-income areas throughout the United States
- Can be located through mapping software such as Policy Map
- Determined by census tract data
- Nearly all CDE's commit to using the NMTC in highly distressed areas
  - Maximize impact
  - Competitive process





# COMMUNITY BENEFITS

- Creation of new permanent jobs
- Provide goods and services in underserved areas
- Access to healthy and affordable food options
- Greater environmental sustainability



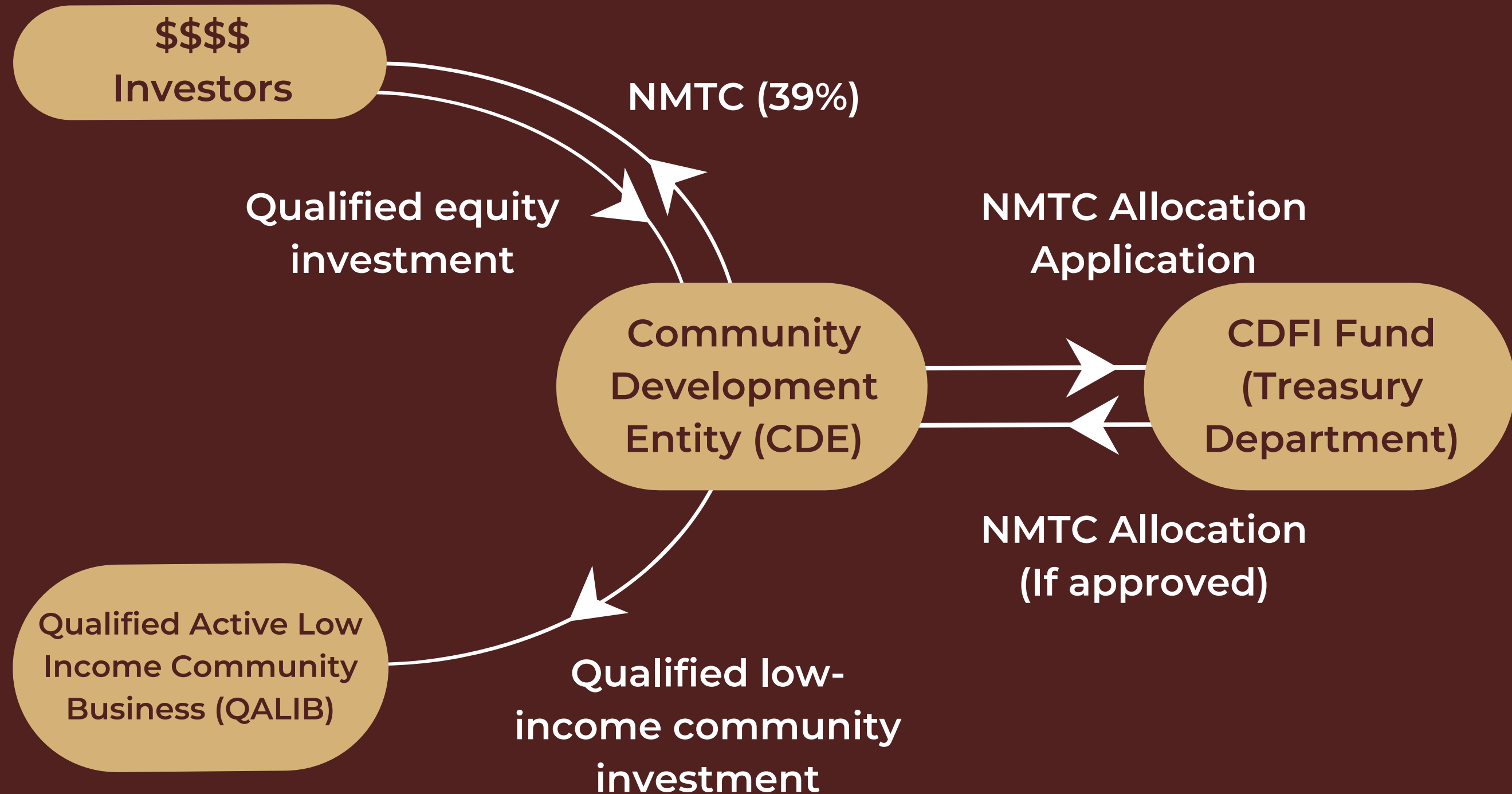


## ELIGIBLE PROJECTS:

- Manufacturing
- Retail developments
- Grocery stores
- Healthcare facilities
- Higher education



# ALLOCATION PROCESS

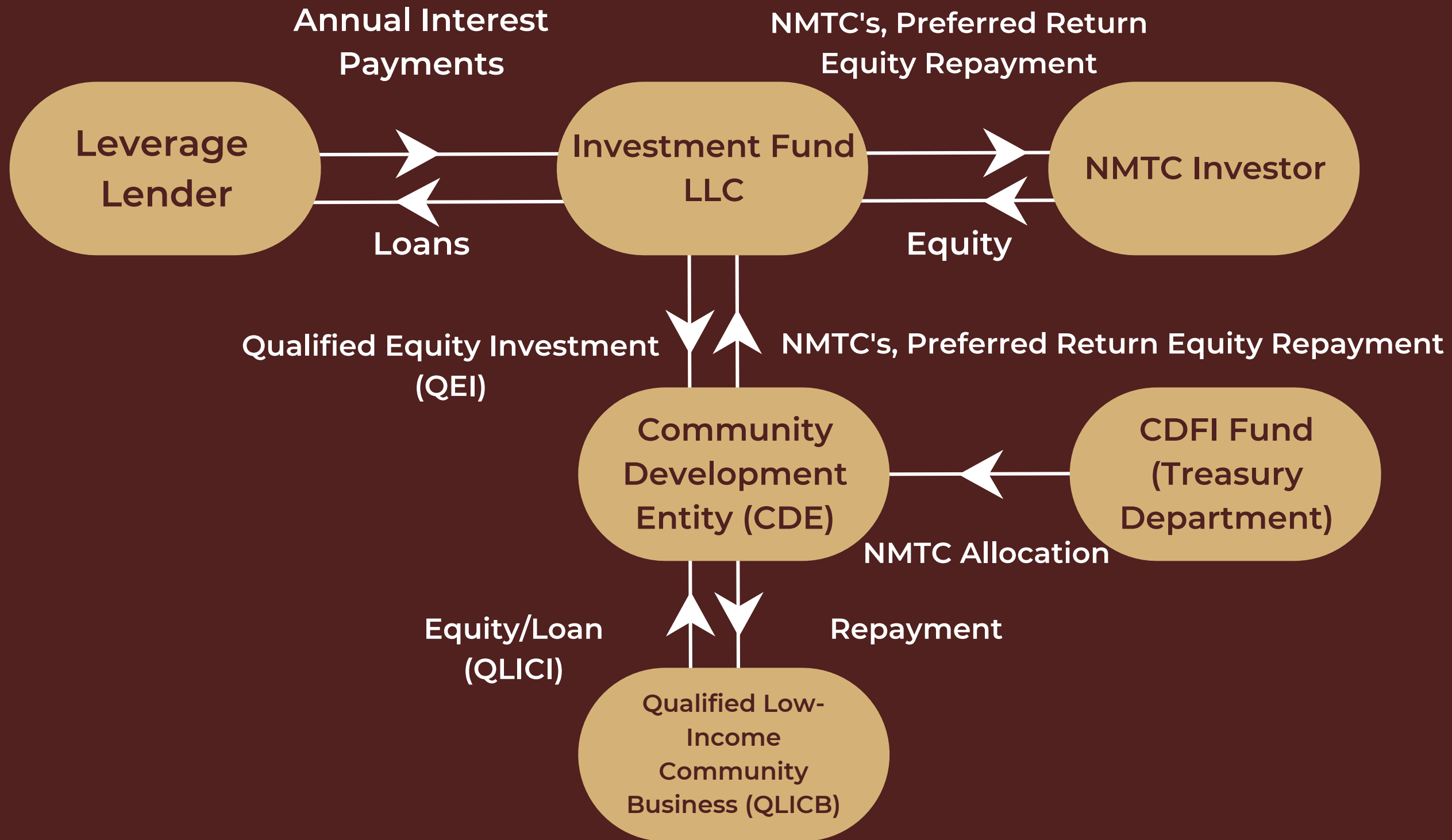


# PROJECT SIZE

- \$5 million minimum
- Innovative use of NMTC
  - Loan funds
- Focus on the leverage model



# BASIC FLOWCHART



# LEVERAGE LENDER MODEL



- Leverage Lender Model
- Leverage lender provides approximately 75% of project funds
- Equity investor provides approximately 25%
  - Low interest, interest only loan
  - Forgiven upon the NMTC unwind





# NMTC INVESTORS

- Banks
- Financial services providers
- Funds of high net worth individuals



# NMTC HISTORY

\$71 B

938 K+

76.9 M

118.3 M

*Sources: Visual capitalist, TechCrunch, New Cannabis Ventures, BDSA, MJBizDaily*

77.1 M



# NMTC'S IN INDIAN COUNTRY

- Why does it work differently?
  - Trust land
  - Federal agency loan guaranty
- USDA Rural Development loan guaranty
  - Community facilities
  - Business and Industry
  - CF direct loan





---

# A CASE STUDY: TURTLE MOUNTAIN CHIPPEWA RECOVERY CENTER

---

*NMTCs present unique opportunities*

---



## Turtle Mountain Band of Chippewa Indians

- ~30,000 enrolled citizens, with 5,815 residents on the main reservation and 2,516 residing on off-reservation trust lands
- As many as 750 enrolled members required substance use treatment in 2019. (9%)
- Tribe had established 5th Generation to provide outpatient services which treated 137 patients in 2019





# The Problem:

The existing treatment facilities in the rural community in and around the Turtle Mountain Band of Chippewa were insufficient to meet the level of need in the community.



# THE SOLUTION:



A new, non-profit medical organization called the Turtle Mountain Recovery Center providing:

- Nationally certified, culturally competent treatment
- A new 20,000 square foot behavioral health treatment facility including:
  - recovery residences, equine therapy, sweat lodges, and a dance arena

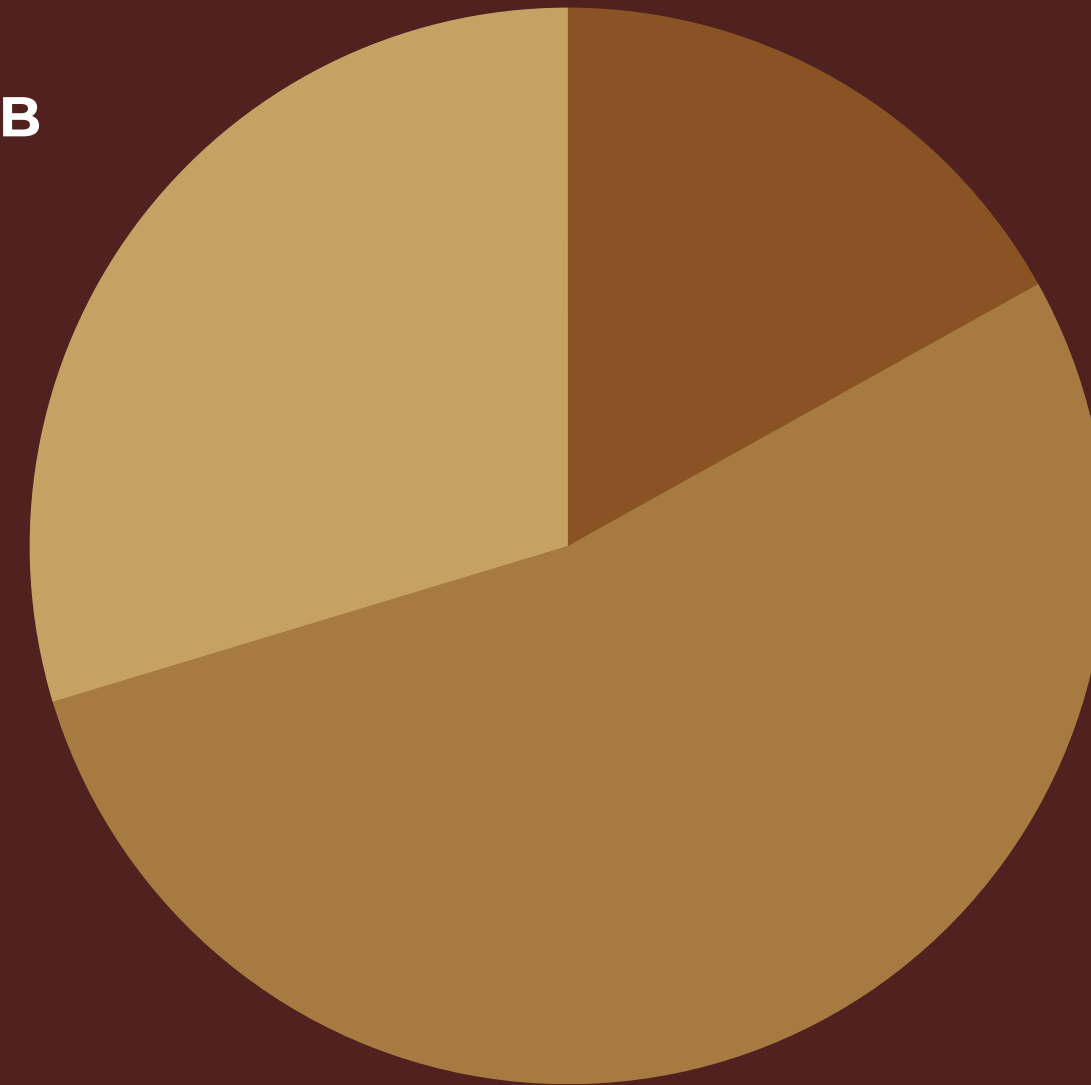
The project will more than double treatment beds in the region.



# PROJECT COSTS

- Funded through tribal equity, CDE's working with NMTC's, and a source loan from NAB
- Generated \$4.54 million in net benefit from the sale of the tax credits

Source loan from NAB  
\$10 million



Tribal equity (including ARPA)  
\$5.7 million

2 CDEs via NMTC  
~\$18 million

*Groundbreaking was in Nov 2022, with an expected two-year construction timeline*



# LOGISTICAL DETAILS

- Established Turtle Mountain Recovery Center Land Holding Company (non-profit)
- This entity is an eligible borrower under the USDA's Community Facilities Loan Guaranty program.
- The Recovery Center is the operator, leasing the facility and pays rent to the holding company

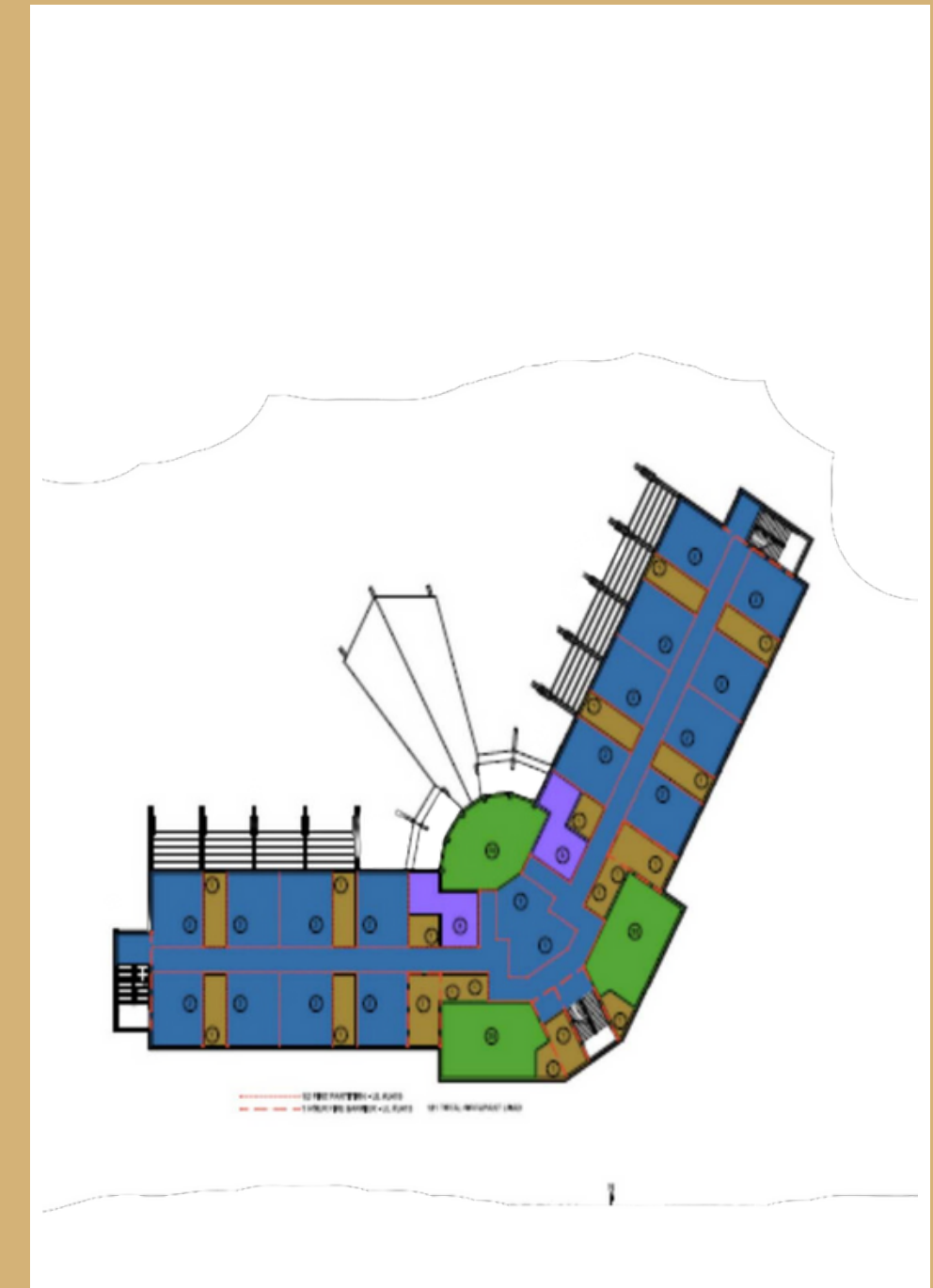


# USDA GUARANTY/NMTC STRUCTURE



- NAB loan proceeds and the borrower's equity originated the leverage loan to the single purpose investment fund to combine with tax credit equity.
- A single principal advance at closing that flowed to the QALICB
- QALICB is a state chartered non-profit – Turtle Mountain Recovery Center Foundation
- Upfront long term lease payment similar to the economics of a building sale

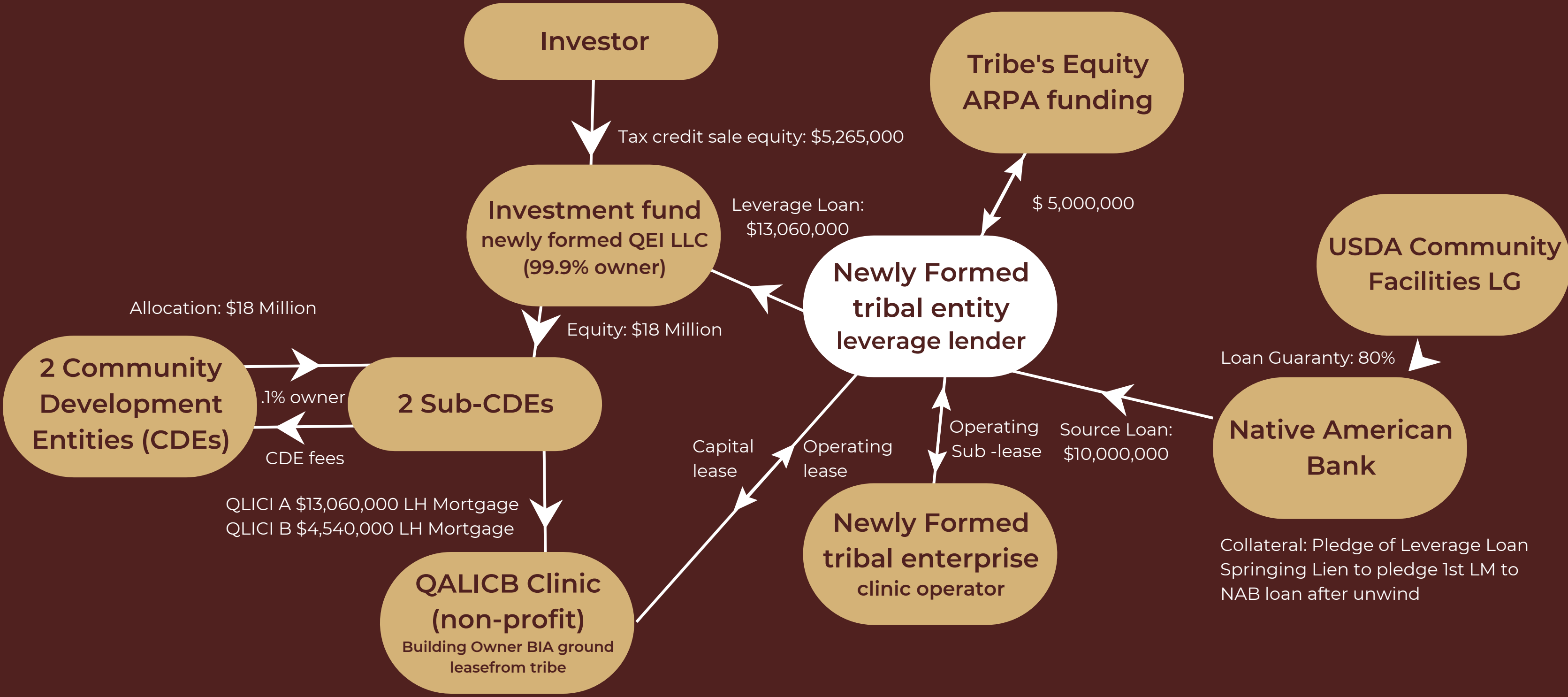
# TURTLE MOUNTAIN RECOVERY CENTER:



# GROUNDBREAKING:

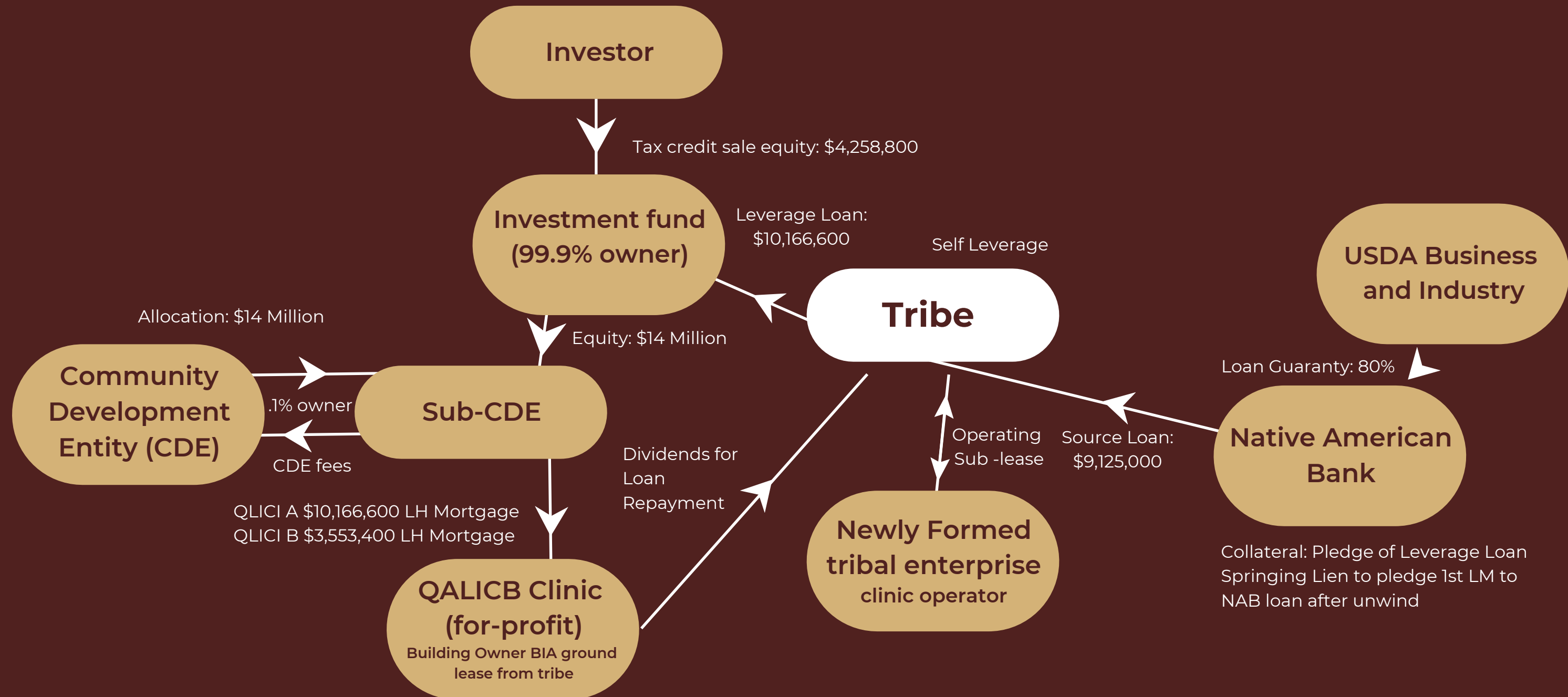


# TURTLE MOUNTAIN LOAN STRUCTURE

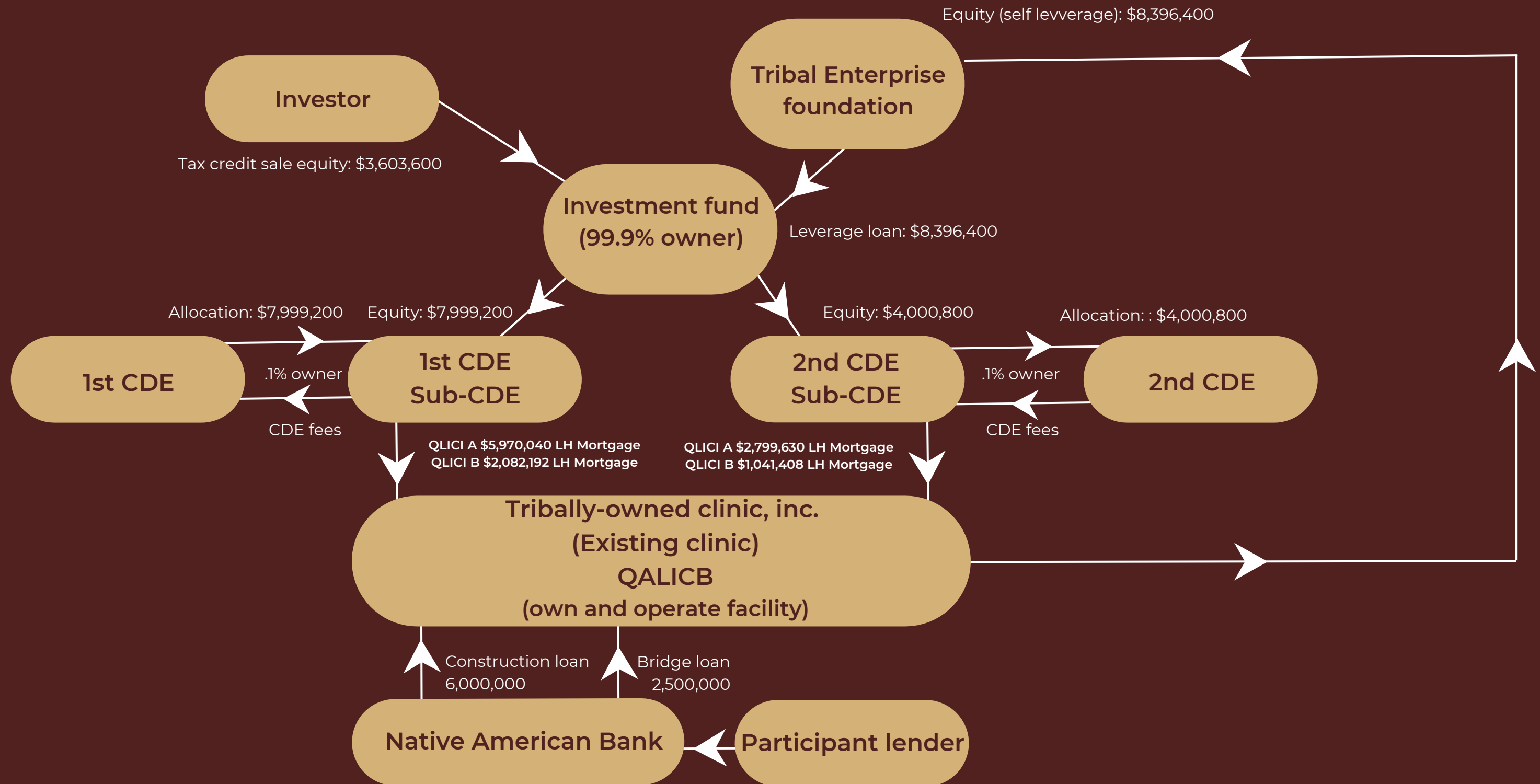


# USDA BUSINESS AND INDUSTRY

## Example: a for-profit health clinic



# EXAMPLE: USDA CF DIRECT LOAN





# THANK YOU

Reach out to us for inquiries or comments.

(720) 963-5528

PHONE NUMBER

[SWard@NABNA.com](mailto:SWard@NABNA.com)

EMAIL ADDRESS

[www.NativeAmericanBank.com](http://www.NativeAmericanBank.com)

WEBSITE

