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GEITHNER AT GOLDEN BELT, RTP

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DURHAM -- U.S. Treasury Secretary Timothy Geithner came to town Thursday, toured local businesses, spoke about the need for continued federal support for economic growth and announced an expansion of New Markets Tax Credits, a federal program that has helped attract investors to distressed communities.



Geithner spent about three hours Thursday afternoon in Golden Belt before heading to Research Triangle Park. The campus, located on the edge of downtown Durham, cost \$27 million to renovate and was financed in part by a \$12 million loan from the Self-Help Credit Union that was sweetened by New Markets Tax Credits.



Without taking any questions from the media, Geithner held a roundtable discussion at Golden Belt with a number of business leaders and lawmakers, including Mayor Bill Bell, Democratic U.S. Reps. David Price and Brad Miller, and executives from Self-Help, Scientific Properties and Mechanics & Farmers Bank, among others.



After the roundtable, Geithner spoke publicly on the continued need for programs such as the NMTC to help small businesses and distressed communities.

"We've been successful in restarting economic growth," Geithner said

Thursday, the anniversary of the signing of the \$787 billion stimulus bill, but added that continued incentives are needed to encourage growth and hiring.

Under the American Recovery and Reinvestment Act, the Obama administration expanded allocations for the NMTC to \$5 billion for each of 2008 and 2009. Geithner announced Thursday that Obama has also proposed for the fiscal 2011 budget to provide a continued \$5 billion to NMTC for each of 2010 and 2011.

Geithner said the administration is also proposing to simplify rules for the NMTC and allow Alternative Minimum Tax taxpayers to claim NMTC, to offset not only regular federal income taxes, but taxes investors owe under the AMT.

"Investment is like oxygen. Credit is like oxygen," Geithner said.

According to Randy Chambers, chief financial officer of Self-Help, expanding the credit will make it more attractive to investors who are also looking to other programs, such as historic tax credits, to help fund their projects.

"The number of institutions that can use the New Markets Tax Credit ... will be significantly expanded," Chambers said.

In addition to the American Tobacco Campus, Central Park School for Children on Foster Street was financed with NMTC help, according to Self-Help. Every \$1 of foregone tax revenues under the NMTC leverages about \$12 of private investment in distressed communities on a cost basis, according to the Treasury Department.

Geithner added that things are "starting to heal" economically and job growth and incomes are beginning to increase. "Communities like these will be engines of renewal in this country," he said.

Geithner did not comment on broader economic issues Thursday, but he did remark briefly on the plane that crashed that into an IRS building in Austin, Texas, Thursday morning..

"We're closely monitoring the situation in Texas," Geithner said. "This is of deep concern to me."

At Golden Belt, Geithner toured MindWorks Multimedia, LabourLove Gallery and Center for Employment Training.

LabourLove Gallery owners John Pelphrey and Kelly Dew, along with their toddler son, Porter, led Geithner on a tour of the gallery where artist Lori Vrba was exhibiting.

Telling Geithner about his business, Pelphrey said, "We couldn't have

done it if there weren't opportunities like this here in Durham."

LabourLove opened last spring after years of planning by the couple and has managed to survive despite the recession on a mix of exhibitions, art classes, custom furniture upholstery and print-making. The gallery also recently became the official curator of the Durham Performing Arts Center.

Pelphrey said he had just heard of Geithner's visit to LabourLove Wednesday afternoon. "They let us know, and then an hour later sent out the press release," he said.

At the Center for Employment Training, Geithner met with the organization's job trainees and watched as an instructor gave lessons. The organization trains and places unemployed or low-income workers in jobs.

Tyrone Everett, regional director of the center, said that initiatives like NMTC would help people in need.

"It was a great benefit to show him exactly what was happening here," Everett said.

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