

# STATE TAX CREDITS



**Pursuit, Adoption of State-Level  
OZ Incentives on a Longer  
Timeline, Say Experts**

**P. 13**

**Exploring 'State-Only' Historic  
Tax Credit Strategies**

**P. 64**

**State-Level Renewable Energy Tax Credit  
Programs Provide Valuable Subsidy to  
Renewable Energy Development**

**P. 70**

# First Flour Mill on Umatilla Tribal Land Under Development, with NMTC Support

CHANNING HAMILTON, STAFF WRITER, NOVOCRADAC

The Confederated Tribes of the Umatilla Indian Reservation (CTUIR) has partnered with Cairnspring Mills to construct a new flour mill on tribal land in Pendleton, Oregon. The Blue Mountain Mill will expand Cairnspring's production capacity from less than 7 million pounds to 110 million pounds annually and will promote food sovereignty for the CTUIR, which has identified food and agriculture businesses as a priority in its economic development plan.

"By expanding our milling capacity 12-fold and opening a second facility closer to where much of the Northwest's grain is grown, we're creating more than 20 living-wage jobs while delivering lasting equity, employment opportunities and lease income for the CTUIR," said Kevin Morse, cofounder and CEO of Cairnspring.

Founded in Skagit County, Washington, in 2016, Cairnspring partners with farmers based in the Pacific Northwest to produce stone-milled craft flours. The company is known for its emphasis on community development, ensuring that growers are compensated fairly and promoting regenerative growing practices such as no-till farming.

The Blue Mountain Mill is Cairnspring's second facility. The new mill will address capacity constraints at the company's flagship facility in Burlington, Washington, which will continue operations. The Blue Mountain Mill is also the first flour mill to be constructed on CTUIR land.

## Making an Impact

The CTUIR manages roughly 10,000 acres of wheat lands. Cairnspring plans to contract all the mill's available output, which the company states will boost local farmers' revenue and incentivize sustainable farming practices. The CTUIR will also receive a 0.25% stake in the company that will further increase revenue within the community.

The Blue Mountain Mill is located on the Coyote Business Park, which comprises more than 170 acres of land for commercial and industrial use. CTUIR owns and operates the park.

Since the mill is located on tribal land, the business is expected to generate about \$2 million in lease revenues and future tax equivalents for the CTUIR over the next 10 years, which the tribe plans to reinvest in public services and development initiatives. The presence of the mill on the reservation will also give CTUIR greater control and participation in the food value chain, progressing the tribe's goal of food sovereignty.

“This Native-led financing model demonstrates that regenerative agriculture can scale sustainably while strengthening regional food systems, expanding markets for local farmers, and creating a replicable blueprint for rural economic development nationwide,” said Morse.

“The new mill will anchor the tribe’s new business park and create 26 quality jobs accessible to low-income residents, including many who were displaced following a fire at a nearby mill,” said Jake Lewis, chief compliance officer at Dudley Ventures, a community development entity (CDE) that allocated funds to the endeavor. Lewis visited the site in July 2025 and met with the tribal leaders and additional community stakeholders.

Lewis said, “Blue Mountain Mill will source more than 140 million pounds of grain annually from up to 30 local farms and is expected to exponentially expand regenerative grain production over five years, generating approximately \$20 million in annual income for farmers.”

“Working again with Ecotrust CDE and Cairnspring Mills on new markets tax credits (NMTCs) for the new mill on the Coyote Business Park has been wonderful and has helped complete the capital stack,” said Bill Tovey, director of community and economic development for Coyote Business Park. “The new mill will provide our farm enterprise a new domestic market instead of the commodity (export) market.”

Cairnspring Mills and CTUIR broke ground on the Blue Mountain Mill in October 2025. The facility is slated to be operational in August 2026.

## Going Against the Grain

To support the Blue Mountain Mill’s development, a group of three CDEs—Ecotrust CDE, Dudley Ventures and CEI Capital Management—closed \$31 million

in NMTCs. Valley National Bank provided \$9 million in NMTC equity.

“Ecotrust CDE’s placement of NMTCs in Cairnspring Mills’ Blue Mountain Mill is an exemplar use of our allocation authority, wholly consistent with our mission and purpose to provide financial support for economic development projects on tribal lands and building triple bottom line benefit,” said Olivia Rebanal, president of Ecotrust CDE. “We specifically look for opportunities that can build intergenerational wealth and climate resilient infrastructure with an eye toward environmental well-being.”

The development marked the second NMTC investment that Ecotrust CDE has made with the CTUIR. In 2018, Ecotrust CDE allocated NMTC financing to the CTUIR to support the development of the Nixya’awii Education Center and Nixya’awii High School in Pendleton. Ecotrust CDE has committed to deploy half of its most recent, \$40 million NMTC award on federal trust lands including tribal reservations, Native Alaskan villages and Hawaiian homelands.

“Blue Mountain Mill represents more than just an investment; it is a commitment to food security and economic resilience,” said D’Anna Elsey, chief operating officer of Dudley Ventures. “This initiative will not only generate meaningful income for farmers but also preserve jobs and empower communities for generations to come.”

The CTUIR also made a \$5 million equity investment to support the development of the mill.

Mission Driven Finance structured \$9 million in subordinated debt from eight Native-led community development financial institutions (CDFIs). The CDFIs participating in the capital stack included Citizen Potawatomi CDC, Four Bands Community Fund, NACDC Financial Services, Native360 Loan Fund, Nimiipuu

Fund, Nixyáawii Community Financial Services, Northwest Native Development Fund and Oweesta Corporation. NoVo Foundation and Terra Regenerative Capital were among the equity investors.

“The mission-driven business ethos of Cairnspring Mills, alongside the placement of this infrastructure on the Confederated Tribes of Umatilla Reservation,

will both further the Tribes’ community and economic development goals while bolstering an agricultural business focused on caring for the land and investing in the economic security of regional growers,” said Rebanal. “This is what can be accomplished when tax credit resources are strategically aligned with community need.” ♦

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