

Name of Project: MERITER HEALTH SERVICES – Madison, Wisconsin
Name of CDE: Impact Seven, Inc.

Project Size: \$3.2 million office building project

Project: Meriter Health Services, a 501(c)3 corporation, owned a building in a qualified census tract in downtown Madison which needed to be vacated to allow the City of Madison to move forward with a planned redevelopment of the site. The \$90 million mixed-use plan for the site currently owned by Meriter, called Block 51, will include 400 mixed-income housing units, 20,000 square feet of retail space, 100,000 square feet of office space and more than 920 parking spaces. According to the redevelopment plan, housing options will include condominiums, apartments and other alternatives with broad price and space ranges. The developer's plan will set aside 20 percent of the units for families with incomes between \$25,000 and \$50,000 and is considered an accomplishment due to the high cost of development in the downtown area. Conversely, Meriter Health Services was in need of new office facilities for its administrative offices. The organization had the option of relocating the new office facility to a high-income census tract fully stabilized neighborhood, or locating the new office facility in a lower-income neighborhood creating the opportunity for stabilization and jobs at various pay levels. Without the NMTC program, Meriter did not have adequate incentive to move into a low-income census tract.



NMTC Solution: I-7 was able to leverage the debt rate downward and create enough value to entice the principles to commit to relocating their new office facility in a lower-income neighborhood. I-7 placed \$3.2 million of NMTC's in the project with a reduced, fixed interest rate of 3.85 percent for seven years.



Impact: The project meets I-7's commitment to invest in communities with higher level of distress than required by NMTC criteria. The impact of Meriter vacating its present location and building a new facility equates to two distressed neighborhoods being impacted with the use of one NMTC allocation. Job growth through relocation and potential expansion of multiple job levels ranging in pay from \$10-\$20 per hour and various salaried positions. A total of 175 jobs retained and 15-30 jobs created. Moreover, the redevelopment of Block 51 in Madison will result in 400 new residential units.