

PROJECT OVERVIEW

Type:
Real Estate – Community Facility

Total Development Cost:
\$147 million

LISC New Markets Tax Credit Allocation:
\$12.6 million

PROJECT STAKEHOLDERS

LISC Program:
Detroit LISC

Investor:
US Bank

Sponsor/Developer:
College of Creative Studies (CCS)

Other Key Stakeholders:
**National Development Council,
Enterprise Communities,
Thompson Educational
Foundation**

COMMUNITY ECONOMICS

- **26.6% Poverty Rate**
- **Unemployment rate 1.05 times the national average**
- **Family income 61.2% of the area median**
- **Detroit, MI Empowerment Zone**

COMMUNITY IMPACT

- **547,341 sq. ft. of Community Space**
- **80,000 sq. ft. of retail/commercial space**
- **124 New or Retained Permanent Jobs**
- **1,000 Construction Jobs**

Project Basics:

- The Argonaut Building project is the historic rehabilitation of the Argonaut Building in Detroit, MI for use as a campus by the College for Creative Studies (CCS).
- The project has rehabilitated approximately 627,341 square feet of space including over 547,341 square ft devoted to CCS and an additional 80,000 sq. ft. for compatible nonprofits, a retail/service component, and design accelerator office space.
- The project has created or retained 124 permanent jobs and 1,000 construction jobs.



Project Background:

- The Argonaut Building is an 11-story office building within the New Center area of Detroit. Built between 1927 and 1936, the building had been vacant for approximately five years and was rapidly deteriorating.
- The Argonaut Building Redevelopment, along with several nearby redevelopment projects, is a centerpiece of the New Center Economic Development Plan that is designed to revitalize the New Center Area while preserving its noteworthy historic architecture.
- Established in 1906, College for Creative Studies is a leading art education institution in the country. It is a private, fully accredited, four-year college, recognized for having one of the world's premier programs in transportation design and for placing more graduates in automotive design than any other school. It currently has 1,200 undergraduate students.
- The Argonaut Building will be used primarily as a campus for CCS. Included in the building will be a new CCS graduate school, a second campus for many studio-based college design programs for CCS, a significant expansion of college student housing as well as art and design-focused middle and high school programs.
- In addition to the campus for CCS, the Argonaut Building has 40,000 square feet for compatible nonprofits and a retail/service component, and a design accelerator office space component of approximately 40,000 square feet for start-up commercial creative businesses.

Financing a Solution - New Markets Tax Credits (NMTC):

- With total development costs reaching approximately \$145 million, the sponsor could not find sufficient financing to cover the project costs. The addition of LISC's NMTC allocation helped to close that financing gap.
- \$12.5 million in NMTC allocation authority combined with federal and state historic tax credits provided a custom product that delivered an equity investment to the project.
- NCB Capital Impact, US Bank, and Enterprise also provided NMTC allocation authority of \$15.0 million, \$9.0 million, and \$15.0 million to the project respectively.