

Wisconsin

NMTC Allocatee

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Community Profile

Milwaukee, WI

Poverty Rate 42.5%

Project Highlights

The following references the JCP Construction loan:

- Investor: PNC Bank
- Total Project Cost: \$600,000
- NMTC RLF loan: \$250,000
- Jobs: 16 full-time equivalent retained, 3 full-time equivalent projected

MEDC Revolving Loan Fund

MEDC provides low cost, long-term, subordinate capital to operating businesses in the City of Milwaukee through its NMTC Revolving Loan Fund (RLF) product. We fund fixed asset purchases for land, buildings, and equipment for small to medium-sized businesses (average loan size in the loan pool is \$400,000) experiencing financing gaps. MEDC's loans address the significant unmet need for capital in Milwaukee where environmental contamination and industrial abandonment has created high levels of poverty and unemployment. It also allows MEDC to provide more flexible underwriting standards that allow for lower interest rates and longer amortization on loans which reduces debt service and allows businesses to have more money for expansion and working capital.

Since funding its original NMTC RLF loan pool in 2006, MEDC has partnered with PNC Bank as the Investor, to capitalize three additional Revolving Loan Fund (RLF) pools.

Loan Example: JCP Construction

JCP Construction (www.jcp-construction.com) is a certified City and State Minority Business Enterprise that started out doing multi-family home renovations and matured into a commercial construction company acting as general contractor for large projects, new construction and commercial renovation; and as a minority sub-contractor for smaller projects such as concrete and carpentry. Rapid growth and the need for a larger location led JCP to seek financing of \$600,000 for the purchase and renovations of a commercial building with additional parking for contractor vehicles. With help from PyraMax Bank, JCP was able to secure financing for 50% of the project but needed additional capital to make it work. MEDC was able to offer additional funding of \$250,000 in the form of a low interest rate NMTC RLF loan which along with a 10% equity injection from the owners provided the gap needed to complete the purchase. In addition, MEDC was able to provide an additional \$80,100 in a separate loan to pay for the tenant build out for a nonprofit organization, the Benedict Center, which is leasing the 1st floor. The Benedict Center is a 35-year old nonprofit criminal justice agency that works with victims, offenders, and the community and provides post incarceration assistance to women so they can have healthier, safer lives for themselves and their children. JCP currently employs 54 people (50% are minority employees). All employees have access to healthcare and retirement benefits.