

Florida

NMTC Allocatee

Capital Trust Agency CDE
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Community Profile

Pensacola, FL

Poverty Rate	19.8%
Median Income Compared to AMI	60.5%
Unemployment Rate	5.7%

Project Highlights

- Investor: U.S. Bancorp Community Development Corporation
- Allocatee: USBCDE
- Total Project Cost: \$8.5M
- NMTC: \$3M
- Jobs: 174 jobs retained, created 30 jobs
- Federally Qualified Health Center

Escambia Community Clinic

In April of 2014, the primary location of the Escambia Community Clinic, which serves over 30,000 low-income individuals for their primary healthcare needs, was severely impacted by flooding. The clinic was forced to relocate to leased properties and makeshift facilities. FEMA assistance had been applied for and analysis was done to determine what area sites may be available as a permanent replacement facility, which was contingent on financing to convert such a facility. Having no New Markets Tax Credits (NMTC) to allocate at the time, but understanding the need to replace the clinic, Capital Trust Agency CDE (Capital Trust) was committed to seeking financing assistance for the project.

Capital Trust received a call from another CDE, Stonehenge Capital, in November 2015, inquiring about a project ready to proceed quickly using state NMTCs, as a project this allocation was to assist proved unable to complete its planned use. The challenge was that the project would need to close by April of 2016 to meet the state's program deadline. Adding to the benefits of the state credits was \$3 million in federal NMTC financing from USBCDE. Capital Trust contacted the Escambia Community Clinic to assess the status of their search for a permanent location.

The timing was excellent, as just 30 days earlier a contract was executed for the purchase of a vacated school building, conditional on the clinic finding satisfactory financing and its FEMA assistance being approved. The new site was built in the 1920s, but was structurally sound and included land to accommodate the clinic's activities. However, bringing the building to code and equipping it for the clinic's mission would be expensive. The NMTC financing was the difference in the clinic affording the expenditure.

The clinic had already done pre-planning and initial cost estimates satisfactory to convince the CDE this project was viable and could satisfy the timeline requirements to close the transaction. Capital Trust offered to facilitate and manage the NMTC transaction for the clinic, recognizing the staff of the clinic had no background in this type of financing and had little time aside from their regular clinic duties to bring this project to close. From early January to the closing in early April, Capital Trust worked quickly and assembled the CDEs, the investor, the leverage lender, and Escambia Community Clinic to ensure the successful close of this important project.