

50 Projects – 50 States: Kansas

NMTC Allocatee

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**An Affiliate of
Virchow, Krause & Company,
LLP**

Community Profile

- 10.6% unemployment rate, 1.5 times national average
- SBA Hot Zone
- CDFI Hot Zone
- Brownfield



Project Highlights

- Real Estate: steel plant rehab for commercial use
- Total Project Cost: \$10.3 million
- NMTC: \$7.8 million
- Jobs: 185 permanent

Dial Properties Commercial Development Manhattan, KS

Manhattan, Kansas is a small urban community located several hours away from Kansas City. Near Fort Riley, it faces both the opportunity and the hurdles of dealing with the growth of this military base. In the past it has seen significant industrial disinvestment and job loss, leaving an employment gap throughout the community. The CDE, Valued Advisor Fund (VAF) used its New Markets Tax Credit (NMTC) allocation for a joint debt and equity financing of \$7.88 million for phase 1 of redevelopment for a new commercial area.

The project was the initial phase of the City's master plan for the north portion of its redevelopment efforts. The first phase involved re-use of an abandoned steel site to create a new commercial area that would accommodate 45,300 square feet of commercial real estate and include Best Buy as the anchor tenant, along with McAllister's Deli and Dunn Brother's Coffee and Hollywood Video. The second phase would follow the corridor and allow for additional build out of a similar retail mix. A third phase brings in a convention center and prairie museum.

Dial Commercial Development is owned by Dial Realty, the primary landowner and developer for this project. They are a Nebraska based commercial developer specializing in large-scale commercial development throughout the Midwest.

VAF Funded the first phase of the development utilizing two separate allocations. The first transaction was a combined NMTC equity and bank debt issued as one note of \$7.88 million with an interest rate of approximately 5.8% percent. The second transaction involved two debt instruments; 1) a \$750,000 loan at 2.5 percent (NMTC equity as source for this debt); and, 2) \$1.67 million loan at approximately 5.8% percent.

VAF's mission is to provide for community focused, high impact funding working in collaboration with local Community Development Financial Institutions and Community Development Entities. VAF worked with Neighborhood Investment Development Corporation, and with the Central Bank of Kansas City, a CDFI.