

# METROPOLITAN CENTER KALAMAZOO, MI

A mixed-use development that involves the renovation of four historic buildings.

## PROJECT BASICS

Type:

**Real Estate – Mixed-Use**

Total Development Cost:

**\$11 million**

LISC New Markets Tax Credit Allocation:

**\$10.55 million**

## PROJECT STAKEHOLDERS

LISC Program:

**Michigan LISC**

Investor:

**PNC Bank**

Lender:

**Development Financial, Inc.  
Metropolitan Center Manager,  
LLC**

Developer:

**MAVCON**

## COMMUNITY NEED

- **37.7% Poverty Rate**
- **Unemployment rate 4.05 times the National Average**
- **Family income 63.1% of the area median**

## COMMUNITY IMPACT

- **30,000 sq. ft.**
- **22 Construction Jobs**
- **72 Permanent Jobs**
- **Non-Metropolitan Census Tract**
- **City of Kalamazoo Brownfield Redevelopment Plan**
- **Federally designed Brownfield Redevelopment Area**
- **Hot Zone**

## Project Snapshot:

- The project is a mixed-use development that involves the renovation of four historic buildings in downtown Kalamazoo. All four buildings have two floors of residential apartments above a floor of commercial space.
- The rehabilitation of the buildings will create approximately 22 construction jobs. The first-floor retail level of the project will generate approximately 72 employees.
- The project will provide four quality HUD-rate residential apartments and 20 quality market-rate residential apartments available for lease by existing downtown employees and serve to attract further employees to live and work downtown.



## Project Background:

- MAVCON is a Design/Build Company. MAVCON is the property owner, developer, general contractor, project manager and property manager. The principal of MAVCON is James Daly who is an experienced commercial developer of office, retail and restaurant franchise commercial space.
- MAVCON has been recognized as one of the top commercial developers in the nation for its size and has worked in both the Midwest of the United States and Canada. This is MAVCON's first NMTC project.
- Located at the center of downtown Kalamazoo, the Project is first on a list of seven transformative development projects. The poor condition of the buildings has proven to be an eyesore for the downtown community for years. Many groups have advocated saving the historic structures while there were rumblings that they might be torn down.
- The revitalization of these facilities will remove the blight of the buildings from the downtown Kalamazoo streetscape and associated safety hazards to adjacent property owners and pedestrians and aiding in the enforcement of blight ordinances on other private owners.
- The Project will be a LEED Certified project, complete with a green roof as a component of the development. This will be the first green roof project in Kalamazoo, and will serve as a model for future green development as the cost and maintenance savings of this LEED Certified project are realized.

## Leveraging Solutions through New Markets Tax Credits (NMTC):

- The Project faces significant challenges to development, including, but not limited to, the poor condition of the existing structures and the exceptional costs associated with restoring these historic buildings. NMTC Financing provides an opportunity to meet the significant financial gap that could literally make or break the viability of the project.
- \$10.55 million in NMTC allocation authority provided a custom product featuring non-traditional/favorable terms including: below-market interest rate; lower than standard origination fees, longer than standard amortization period and longer than standard interest-only payment period.