

## PROJECT BASICS

Type:  
**Real Estate – Mixed Use**

Total Development Cost:  
**\$9 million**

LISC New Markets Tax Credit Allocation:  
**\$7.6 million**

## PROJECT STAKEHOLDERS

LISC Program:  
**LISC NMTC Non-Metro Initiative**

Investor:  
**Huntington CDC**

Lenders:  
**Huntington CDC, Scott Bosgraaf Trust**

Sponsor/Developer:  
**Bosgraaf Commercial**

## COMMUNITY NEED

- **24.0% Poverty Rate**
- **Unemployment rate 1.26 times the national average**
- **Family income 48.6% of the area median**
- **Non-Metropolitan Census Tract**

## COMMUNITY IMPACT

- **62,370 sq ft of commercial space**
- **72 Permanent Jobs**
- **141 Construction Jobs**
- **36 Student Housing Units**

### Project Snapshot:

- The project is Phase II of a larger redevelopment project consisting of the rehabilitation and adaptive reuse of a former Woodard Furniture Manufacturing Building, which had been vacant for more than ten years.
- Phase II of the project was completed on September 2010 and included the redevelopment of the western half of the 5 story Woodard Building to provide for 40 student housing units, 15,120 square feet of office space and 13,110 square feet of retail space.



### Project Background:

- Started in 1982, Bosgraaf Commercial is a for-profit development company based in Holland Michigan. The company has developed a number of projects throughout Michigan and focuses solely on adaptive re-use commercial and mixed use projects. It has only completed projects that allow for low-income housing strips and prefers to accommodate new businesses and startups.
- In 2007, Bosgraaf Commercial developed a two phase plan to rehabilitate and reuse the former Woodard Furniture Manufacturing Building in Owosso, MI that had been vacant for the previous ten years.
- Phase I of the project was completed in July of 2008 and is currently almost entirely occupied. It included the rehabilitation and adaptive reuse of the eastern half of the building into 30,000 square feet of retail space, 16 affordable apartment units, and 32 residential condominium units. It also included the redevelopment of the neighboring Owosso Casket building to accommodate and expand a local business that was considering relocating away from Owosso.
- Phase II of the redevelopment rehabilitated the Western half of the building for use as student housing for Baker College, space for a Memorial Healthcare physical rehabilitation clinic, retail space for an eye care clinic, and retail space for a coffee shop.
- Phase I of the project remediated the environmental issues identified on the site including asbestos and lead-based paint within the buildings, and soil contamination related to a previously removed leaking Underground Storage Tank (UST). While not planning to seek LEED certification for the building, the developer has incorporated several LEED elements into Phase I and II of the project.

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

- Functional and market obsolescence of the building, along with environmental issues, are the reasons the building was vacant so long. The amount of financing acquired by Bosgraaf Commercial was not enough to absorb the costs associated with environmental remediation and full rehabilitation and modernization of the space. LISC's NMTC financing provided the equity needed to cover the gap.
- \$7.6 million in NMTC allocation authority provided a custom product with non-traditional/favorable terms including: a below market interest rate, a lower than standard origination fee, a longer interest-only payment period, a higher than standard loan-to-value ratio, and a lower than standard debt service coverage ratio.