

Project Description:
Construction of a Welcome Center, Mercado and Plaza

Project Type:
Real Estate – Office, Retail, Welcome Center & Public Plaza

LISC Program:
Detroit

Investor:
National City CDC

Lender:
City of Detroit

Developer:
Mexicantown CDC

COMMUNITY IMPACT BY THE NUMBERS

\$5.0 million
NMTC Investment

48,000 sq. ft.
Commercial Space

75
Construction Jobs

195
Permanent Jobs

Mexicantown Welcome Center & Mercado (Detroit, MI)

□ Background:

This Mexicantown project will be built in the heart of Mexicantown in Southwest Detroit, at the base of the Ambassador Bridge to Windsor, Canada, one



Mexicantown Project

of the busiest border crossing in North America. It is an area that has experienced substantial revitalization over the past five years, mostly due to the work of community development corporations in the area.

Formed in 1989, Mexicantown Community Development Corporation, the developer, is a not-for-profit corporation whose mission is to foster economic development in the Mexicantown community of Southwest Detroit. The neighborhood has anticipated this project for over 10 years.

□ The Project:

The Mexicantown project is located within a Federal Empowerment Zone in a census tract in which more than 32% of residents live below the poverty line. It represents a major development that will create a permanent venue for economic and cultural activity. The project includes a 5,000 sq. ft. Welcome Center, 13,000 sq. ft. Mercado, 30,000 sq. ft. retail and office building and a Public Plaza. The total project cost is approximately \$16.2 million.

New Markets Support Company, LLC (NMSC), an affiliate of Local Initiatives Support Corporation (LISC), used \$5.0 million of New Markets Tax Credit (NMTC) authority to support an equity investment in an investment fund, which allowed a LISC subsidiary CDE to fund reserves and make loans to the project that will help to close a financing gap and provide working capital that the project needs to succeed. National City CDC provided the equity to the investment in consideration of NMTCs and other economic benefits, and the City of Detroit provided a loan to the fund using the proceeds of a HUD Section 108 Loan. Other financial support is being provided by Wayne County and State of Michigan, which recognize the huge impact the project will make, as well as through an EDI grant, Economic Development Administration grant, an Office of Community Services grant (obtained through a small recoverable grant funded by LISC), CDBG and individual/foundation capital campaign donations.

□ Community Impact:

The Mexicantown project will transform the image of the State of Michigan, the City of Detroit, and Mexicantown as visitors encounter the cultural offerings and retail collections available in the Bagley Avenue district. It will optimize Mexicantown's identity as a tourist and entertainment destination. The development will result in increased tourism expenditures in Detroit and Southeastern Michigan and will offer cultural and arts programming within the Mexicantown Mercado and in the Public Plaza. The project is anticipated to be the future "heart" of the Latino community. Its Welcome Center, Mercado and Plaza will honor the rich history of Latinos in the City and the State while creating a more prosperous future for this vibrant, diverse and historical neighborhood.

The Mexicantown project is expected to create 84 new businesses, 195 new jobs, 75 construction jobs and \$16 million in annual retail revenues. Additionally, tourism expenditures by visitors to the State of Michigan Welcome Center are expected to generate \$19 million.