

Project Description:
Rehabilitation of a Former Antiques Minnesota Building

Project Type:
Real Estate: Retail & Office

LISC Program:
Twin Cities

Investor:
Wells Fargo CDC

Lender:
Wells Fargo Bank & NDC REDI, LLC

Developer:
Neighborhood Development Center

COMMUNITY IMPACT BY THE NUMBERS

\$4.2 million
NMTC Investment

43,000 sq. ft.
Commercial Space

70
Construction Jobs

40
Permanent Jobs

□ **Background:**

Built as a Masonic Lodge in the 1920s, the former Antiques Minnesota building had been vacant and boarded up since 1998 and was the second largest vacant property in the Midtown Phillips neighborhood of south Minneapolis. Located on Lake Street, which experienced severe disinvestment in the 1980s and early 1990s, corridor has begun only recently to show new signs of life, fueled by an influx of immigrant entrepreneurs. The building's shuttered windows and uncontrolled parking lot hindered the potential growth of local businesses, particularly restaurants and retail stores that require a positive, safe and active street life. Due to the size of this property and its prominent location on Lake Street, it became a property of major concern among neighborhood residents and the area business association.



Plaza Verde Building

□ **The Project:**

The Plaza Verde project lies within a Federal Enterprise Community in a census tract with a median income less than 60% of the area median income. The project developer, Neighborhood Development Center, Inc. (NDC), is a community-based non-profit organization that helps emerging entrepreneurs develop successful businesses. Its development concept was to renovate the former Antiques Minnesota building to restore its street level entrances and windows and to lease the first floor to established retail businesses that complement the surrounding area's retail mix. The second floor would consist of office space for tenants that advance entrepreneurship within the community, while the third floor would be occupied by the Heart of the Beast Theater Company (HOBT), enabling it to expand its programming and make the Avalon theater, where its operations are currently located, more broadly available for use by other performing arts organizations. The project, which creates 43,000 sq. ft. of commercial space, has total project costs of approximately \$5.6 million.

New Markets Support Company, LLC (NMSC), an affiliate of Local Initiatives Support Corporation (LISC), used \$4.2 million of New Markets Tax Credit (NMTC) authority to support an equity investment by an investment fund, which allowed a LISC subsidiary CDE to make a loan and equity investment that reduced the project's debt service and closed a financing gap. Wells Fargo Community Development Corporation provided the equity to the investment fund in consideration of NMTCs, Historic Tax Credits and other economic benefits, and lenders to the fund included Wells Fargo Bank, the City of Minneapolis, Minneapolis Empowerment Zone, the Metropolitan Council, Pohlad Foundation, Northwest Area Foundation, Partners for the Common Good and a number of other institutions that viewed the project as a critical investment in community entrepreneurs and a local cultural organization.

□ **Community Impact:**

NDC, in working with a variety of community partners, including the HOBT, the Latino Economic Development Center, the Cooperativa de Mercado Central and the Midtown Phillips Neighborhood Association to formulate a viable plan for the facility that will restore the building, bring vitality to the street front, enhance the area's burgeoning Latino business district and create opportunities for further arts and cultural programming in the neighborhood. It also combines high quality retail, office and non-profit arts space with convenient parking

The project created approximately 70 construction jobs and 40 permanent jobs.