

## MINNESOTA



### THE WYCLIFF

Saint Paul, MN (2020)

#### FINANCING

**NMTC Financing:** SB New Markets LLC: \$6 million

**Equity Investor:** U.S. Bancorp Community Development Corporation

#### IMPACT

- 18-25 jobs per unit build-out (30 units)
- 550 permanent jobs

#### COMMUNITY

- Median income: 54.6% of the AMI
- Poverty rate: 33.7%
- Unemployment rate: 15.3%
- Brownfield designated area
- USDA food desert

When Richard Pakonen purchased the 300,000 sq. ft. former Fisher Nut Company manufacturing plant in St Paul's Midway neighborhood in September of 2018, his goal for the building wasn't maximizing his bottom line. Rather, he was inspired by a vision of transforming a space and community by meeting the needs of small businesses – specifically, the need for affordable creative space to work, dream, build and grow. For decades the neighborhood had a strong connection to industrial companies, including large meat packing houses, chemical companies, and manufacturers, but the departure of many of these businesses brought challenges to the community, including high poverty, unemployment, and crime. Additionally, too many entrepreneurs were trapped in industrial space with landlords whose principal interest was their bottom line rather than supporting their tenants' needs and fostering community development.

At the other end of the Midway neighborhood, professional soccer had arrived - along with a run of large housing, office and retail development projects to support the new franchise. Office rents were rising, and community members grew concerned about gentrification choking out long-time residents and businesses. Pakonen knew St. Paul was a great place for business – and he wanted to ensure that small industrial makers had a home they could afford with attractive amenities to help them grow and thrive.

The \$6 million of NMTC financing provided by SB New Markets LLC (a subsidiary of Sunrise Banks) with investor U.S. Bank enabled Pakonen to extensively renovate the building, including adding windows, roof repairs, upgrades to electrical and HVAC, and new passenger and freight elevators. Amenities for tenants were also a priority, including adaptable office and warehouse space, showers and locker rooms and green space. The result is open, light filled spaces designed to stir the creative energy and fuel the productive drive of innovative small business owners.

The Wycliff's project goals were strongly geared toward providing for small businesses and growing jobs, bringing over 500 permanent jobs to the Midway community. Even while the 2020 COVID19 pandemic brought new challenges to the economy, the Wycliff stood firm and pushed forward, creating a makers community that supports a wide variety of tenants, from industrial and retail to food manufacturing and fitness. The result is the continuation of strong occupancy rates, tenant growth and, in turn, high-quality jobs and economic stability for the wider community.

The Wycliff is a building “where you can make sounds and dust because you can make things.”

Richard Pakonen, owner