

50 Projects – 50 States: New Mexico

NMTC Allocatee

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Community Profile

- 33% poverty rate
- Unemployment 3.97 times national
- SBA HUB Zone



Project Highlights

- Real Estate: office building rehab
- Total Project Cost: \$11.5 million
- NMTC: \$6.05 million
- Other Financing: Capmark
- Jobs: 1,850 new

Compass Bank Building **Albuquerque, NM**

Once the tallest building in the state of New Mexico, the Compass Building is a 19-story, class C, urban office building located in downtown Albuquerque. Although Compass had fallen on hard times and its occupancy sank to 40%, its location presented opportunities in the Downtown Business Improvement District. This area is undergoing a redevelopment initiative and had over \$350 million of private (retail, entertainment, education, office and residential) and public (Federal and State government offices and a courthouse) projects either under construction or recently completed.

To jump start the Compass Building revitalization effort, Paramount Community Development Fund, LLC, provided the developer with a \$6 million New Markets Tax Credit (NMTC) loan. Capmark Finance is the controlling entity for Paramount. This project dovetails with the City's overall revitalization effort and will bring much-needed jobs to the area. It is estimated this project will generate approximately 1,850 total employment opportunities, which will have a very favorable impact on a community with an unemployment rate that is 3.97 times the national average. A number of the jobs are in a call center that has moved into the building that provides a large number of quality entry level job opportunities.

The \$6 million in NMTC financing will be used to pay for a portion of the costs associated with the acquisition, rehabilitation, lease up, and stabilization of the building. The loan carries a three-year term, has a higher than standard loan to value ratio, and was priced at a below-market interest rate. Other financing included a \$3.45 million senior loan from Capmark.