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Project ONE QUICK FACTS

CDE

Greenville New Markets Opportunity, LLC
(GNMO)

TOTAL DEVELOPMENT COST

\$44,005,546

GNMO ALLOCATION

\$18,594,630

LOCATION

1 North Main Street
Greenville, SC 29601

DEVELOPER

Hughes Development Corporation

LEVERAGED LENDER

TD Bank

TAX CREDIT INVESTOR

Hughes Services Corp
TD Bank

PERMANENT JOBS

441 Direct

CONSTRUCTION JOBS

316 Direct

TARGETED DISTRESS

Poverty Rate: 30.2%
Local TIF District

FINANCING COMPLETE

October 2011

Project ONE GREENVILLE, SC

Background

The New Markets Tax Credit (NMTC) Program permits taxpayers to receive a credit against federal income taxes for making Qualified Equity Investments (QEIs) in designated Community Development Entities (CDEs). Substantially all of the QEIs must in turn be used by the CDE to provide investments in Low-Income Communities (LICs).

The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period. The NMTC program provides financing availability for projects in underserved geographic areas and with extremely favorable terms for businesses and real estate developers or owners. The result of these investments fulfills financing gaps for projects to be completed, and it allows projects to be enhanced with community-oriented components, which generate measurable community impacts.

Project

Project ONE is a complex urban, mixed-use development located in the heart of downtown Greenville. The project site was a Woolworth building that sat vacant for more than a decade before its demolition began in 2009. The location took its place in history with a racial protest sit-in at the old Woolworth lunch counter back in the 60's. The counter was segregated and students from the all-black Sterling High School made their quiet stand for civil rights and against discrimination. After a few years, downtown businesses ended segregation peacefully. The Sterling High School students memorial statue will remain among the new buildings at its corner where Woolworth's used to be.

Due to economic difficulties and property made up of various parcels with different owners, the city recognized the critical need for the redevelopment and took it upon itself to finalize acquisition of the various sites. The city contributed \$4,000,000 for acquisition and site improvements and sourced a development team to redevelop the 179,000-square-foot nine-story mixed-use project into a dense program of ground-level retail and office space, university with green roof, corporate bank headquarters and training facility and a parking structure – all woven into an already spirited main street.

Community Impact

In addition to national retailer Anthropologie and a new headquarters for CertusBank, tenants at Project ONE include:

- Clemson University's Master of Business Administration and Master of Real Estate Development programs will utilize 70,000 square feet. From Fall 2010 to Fall 2011, the MBA program saw a 15% increase in full-time student enrollment and a 41% increase in part-time enrollment. This increase precipitated the need for additional space. "Having our business programs in Greenville has been good for Clemson and good for Greenville," said Clemson President James Barker. "This project allows us to have a premium downtown location in a new facility...which can be specifically designed for our needs." Barker said the project would not have been possible without support from project investors. "This addition will transform Greenville, adding relevant business educational offerings to our existing, well-known and well-rounded community."

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PROJECT UPDATES

Project ONE

GREENVILLE, SC

- Tupelo Honey Café is a restaurant known for nouveau Southern Cuisine. Tupelo Honey owner Steve Frabitore says downtown Greenville was an obvious choice. “(It’s) just an incredibly beautiful downtown. Main Street is fascinating, and I think it already is and continues to be a true culinary destination. And we’re going to be a real small part of that. But we’re happy,” he said. “The culinary destination — and this main street, which is completely unique from anything that I’ve seen — and I get to see a lot of cities — is incredible. And this is a place that we wanted to be.” Tupelo Honey plans to hire about 90 people for the Greenville restaurant, about 75 percent of which will be full-time.

The project is striving for LEED Gold Certification from the US Green Building Council.

“Without the new market tax credits provided by GNMO, the ONE project could not have happened. New market tax credits allowed us to afford a site that owners had been assembling for years — many of them the high-priced years. They also allowed us to partner with the city, requiring less city investment for a project intended to revitalize this entire end of town. Not only will there be new jobs, new retailers and new businesses on our site, there should be many more in the surrounding blocks.”

- *Robert Hughes, President, Hughes Development Corporation*

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Since 2006 tax**advantage**group has managed its affiliated \$89 million Greenville New Markets Opportunity, LLC (GNMO) NMTC fund, which provides investment capital for real estate development projects in low-income areas throughout Greenville, South Carolina.