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Baton Rouge Speech & Hearing Foundation QUICK FACTS

CDE

East Baton Rouge Community
Development Entity (EBRCDE)

TOTAL DEVELOPMENT COST

\$8,591,000

EBRCDE ALLOCATION

\$8,100,000

LOCATION

8000 Gsri Avenue
Baton Rouge, LA

NMTC CONSULTANT

taxadvantagegroup, llc

QALICB

The Emerge Center Holding Company, Inc.

DEVELOPER

The Baton Rouge Speech & Hearing
Foundation, Inc.

SQUARE FOOTAGE

26,000

LEVERAGED LENDER

The Emerge Center, Inc.

NMTC INVESTOR

Chase Community Equity, LLC

PERMANENT JOBS

89 Direct

CONSTRUCTION JOBS

50 Direct

TARGETED DISTRESS

Poverty Rate 29%
MFI 53.5%

FINANCING COMPLETE

December 2012

Baton Rouge Speech & Hearing Foundation

BATON ROUGE, LA

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

In December 2012 the Baton Rouge Speech & Hearing Foundation (BRSHF) began construction on its new Emerge Center for Communication, Behavior & Development at Louisiana State University's (LSU's) Innovation Park. Founded in 1960 in response to a rubella epidemic, the nonprofit organization offers clinically-effective therapies to children and adults with communication difficulties from the Greater Baton Rouge area, regardless of their ability to pay. As the primary provider of early intervention and education programs for children on the autism spectrum in southern Louisiana, the organization has outgrown its current facility due to great demand for its programming.

The new Emerge Center will more than double its square footage to 26,000 square feet and allow the foundation to provide services to an additional 2,150 clients annually, an increase of 86% over 2011. The foundation's current 9,000-square-foot building can accommodate 46 children with autism but has a lengthy waiting list. The new facility will increase that capacity to 100 children. The occupational therapy division will increase its capacity to 60 patients weekly. Services will be offered five days a week instead of the one day per week that is currently offered. The Emerge Center will focus on early intervention for children with autism between the ages of 18 months to 6 years. The new facility will feature an auditorium, an occupational therapy gym and 10 group-therapy classrooms. A pre-kindergarten and kindergarten classroom will serve up to 12 children at a time. The foundation is committed to serving those who have no other resource in the community. The quality and uniqueness of its programs and the reputation of its staff have also led many who can afford services elsewhere to utilize the foundation's resources.

The 200-acre Innovation Park contains research, business and technology buildings that belong to LSU and tenant organizations. "Today is an exciting day for the LSU Innovation Park and The Emerge Center," said Charlie D'Agostino, executive director of the LSU Innovation Park. "This is the ideal 'first building' at the Innovation Park, which sets the theme for the Park. The Emerge Center exemplifies the vision of LSU for developing a world class Innovation Park where the university and the private sector come together."

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PROJECT UPDATES

Baton Rouge Speech & Hearing Foundation

BATON ROUGE, LA

The Financing

The NMTC Program filled a gap in financing that allowed the project to expand and relocate to the Innovation Park. With total project costs over \$8.5 million, the NMTC subsidy contributed over \$1.7 million of capital to the project. Receiving substantial support from the local community, the foundation self-leveraged the transaction with \$3.4 million of capital campaign contributions and a \$2.7 million bridge loan from IberiaBank. Mark Goodson, assistant executive director of the EBRCDE, noted “the broad and strong community support for the project was certainly impressive. The amount of pledges and cash gathered in a short period of time speaks to the strong reputation of the organization.” Since the NMTC closing, the foundation has received an additional \$6.4 million in pledges.

The increased space will help the program expand its services and reach even more children. “That was the goal, to offer all the services our children need under one roof.” Without New Markets Tax Credits, Baton Rouge Speech & Hearing would be very challenged to fill the gap in its building campaign, and construction of its new facility would have been delayed, likely for years. The new facility will provide the space for the foundation to continue growing the number of children and families it serves for years to come.

- *Melissa Juneau, Executive Director, Baton Rouge Speech & Hearing Foundation*

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