

New Markets Tax Credit

VIRGINIA

NMTC ALLOCATEE

Hampton Roads Ventures

Norfolk, VA

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COMMUNITY PROFILE

- Culpeper, VA
- NMTC Highly Distressed QCT
- Housing Hot Zone
- Median Family Income 59.5%

PROJECT HIGHLIGHTS

- Historic warehouse rehab into mixed-use space
- Total Project Cost: \$7.5 million
- NMTC: \$6.7 million
- Investor: Dudley Ventures managed fund on behalf of Valley National Bank
- Jobs: 120 construction, 60 new direct



Waters Place

In 2007, Octagon Partners, a national real estate investment firm, purchased two historic buildings in downtown Culpeper, Virginia and announced plans to revitalize the commercial center in this distressed community of 16,000 by renovating the buildings into Water Place, a mixed-use development with retail and office space, community-oriented commercial space, and affordable rental housing. The two historic warehouses, constructed in 1921 and 1931, were previously occupied by Culpeper's lumber mill and hardware store, but both structures had been vacant for decades.

After the purchase of the buildings, Octagon Partners worked to assemble the \$7.5 million needed to renovate the vacant buildings, but faced significant challenges securing conventional financing. Hampton Roads Venture, a community development entity based in Norfolk, Virginia, stepped in with \$6.7 million in NMTC financing to launch Phase I of the Waters Place redevelopment, which included renovation of the four-story North Building.

Phase I, completed in May 2010, includes 11 apartments that are rented below the market rate, and new 6,000 square feet of commercial space that houses anchor tenant Culpeper New Business Incubator, among others.

Phase II, expected to be completed by 2013, will consist of 14 workforce housing apartments and 9,000 square feet of commercial space. The anchor tenant for Phase II will be Culpeper Cosmetology Training School. The construction of Phase II will create an estimated 120 construction-related jobs, 10 jobs relating to the residential units, additional jobs at the cosmetology school, an estimated 8 jobs from the below market-rate, nonprofit tenants, and an estimated 25 jobs at the Culpeper New Business Incubator.

Waters Place fuses the affordability and charm of small-town living with the ability to commute to Washington, DC in less than an hour. The Culpeper Amtrak Station, located just steps from Waters Place, has daily commuter trains to and from DC. Culpeper is also a short drive to the Blue Ridge Mountains, lakes, and rivers, making it convenient to outdoor recreation.



Top: Completed Phase I of Waters Place

Bottom: Phase I of Waters Place includes 6,000 square feet of commercial space and anchor tenant, Culpeper New Business Incubator