Name of Project: 200 Carondelet, New Orleans, Louisiana
Name of CDE: Advantage Capital Community Development Fund

The Advantage Capital Community Development Fund was created to increase the investment capital available to entrepreneurs in Low-Income Communities throughout the nation, particularly those communities within New Orleans, St. Louis and other markets where Advantage Capital manages other, non-New Markets investment funds. The Fund is able to use the incentives offered by the New Markets Tax Credit program to access Advantage Capital's deep and diverse stable of investors both to raise large pools of capital dedicated for investment in these areas and, when appropriate, to provide investment for entrepreneurial businesses that are not adequately served by traditional capital providers.

The Fund made a $6.4 million mezzanine loan to 200 Carondelet, which is in the process of converting the American Bank Building in downtown New Orleans into a luxury hotel. The financing plan for the redevelopment calls for a significant amount of first mortgage debt and second mortgage debt to complete the project. The Fund's investment is intended to be subordinate to both the senior bank debt and the second mortgage mezzanine debt. In effect, the Fund's capital is providing the equity capital for the deal. However, the entrepreneur is able, in large part because of the incentives provided by the NMTC Program, to retain control of the project and the majority of the potential equity upside of the transaction. Without the capital secured from the Fund, the company could have been forced to sell the building and scrap all of its plans to put this historic building back into commerce as a hotel, creating, in the process, hundreds of new jobs.