

PROJECT OVERVIEW

Type:
Real Estate – Retail

Total Development Cost:
\$52.2 million

LISC New Markets Tax Credit Allocation:
\$15 million

PROJECT STAKEHOLDERS

LISC Program:
Chicago LISC

Investor:
Bank of America

Sponsor/Developer:
Holsten Real Estate Development Corporation (Developer) and Target Corporation (Sponsor)

Other Key Stakeholders:
Enterprise Communities

COMMUNITY ECONOMICS

- **35.1% Poverty Rate**
- **Unemployment rate 2.79 times the national average**
- **Family income 37.2% of the area median**
- **CDFI Fund Hot Zone**

COMMUNITY IMPACT

- **199,119 sq. ft. of Retail Space**
- **205 New or Retained Permanent Jobs**
- **145 Construction Jobs**

Project Basics:

- The Wilson Yard Project is a mixed use development located on a 5.7 acre site in the north side neighborhood of Uptown in Chicago, IL.
- The project includes several distinct phases including: a 24,000 square foot strip retail center, an Aldi's grocery store, a senior residential building, a low income residential building and a 199,119 square foot Target store.
- LISC's NMTC allocation financed the Target building including an underground parking garage with 380 spaces.



Project Background:

- In 1975, Peter Holsten created Holsten Real Estate Development Company and started rehabilitating small multi-family properties for low- and moderate-income residents.
- Since that time, Holsten has developed nearly 5,000 housing units throughout the Chicago area and has established a very good reputation for completing quality affordable housing developments. As a result of Holsten's past success, the City of Chicago looked at Holsten Real Estate Development as a potential developer of the Wilson Yard Project.
- The Wilson Yard Redevelopment Task Forces was established in 1997 by Alderman Helen Schiller to explore the feasibility of developing the vacant Chicago Transit Authority land adjacent to the deteriorating commercial strip on North Broadway Avenue. In February 2001, the City Council approved the Wilson Yard TIF and in August of 2002, the City of Chicago approved Holstein Real Estate Development Corporation as the Master Developer of the Wilson Yard Project.
- The project is a key component of the revitalization of Uptown, a broad effort that includes the creation of a "campus park" at Graeme Stewart elementary school, the renovation of the Wilson CTA station, upgrades to the campus of Truman College, and a streetscape plan for Broadway.
- Wilson Yard is also a transit-oriented location – just one block from the Wilson CTA Red Line Station and steps from the north/south Broadway and east/west Montrose bus routes.
- The Wilson Yard development is designed to meet the LEED criteria for a Silver certification. LEED components of the project include green roof systems on the Aldi and the Target stores, as well as LEED compliant building systems and materials.

Financing a Solution - New Markets Tax Credits (NMTC):

- With total development costs reaching approximately \$52.2 million, the sponsor could not find sufficient financing to cover the project costs. The addition of LISC's NMTC allocation helped to close that financing gap.
- \$15 million in NMTC allocation authority combined with federal and state historic tax credits provided a custom product with many non-traditional/favorable rates and terms including: a below market interest rate, lower than standard origination fees, higher than standard loan-to-value ratio, longer than standard period of interest only loan payments, and non-traditional form of collateral .