

PROJECT BASICS

Type:

Real Estate – Community Facility

Total Development Cost:

\$26.2 million

LISC New Markets Tax Credit Allocation:

\$12.4 million

PROJECT STAKEHOLDERS

LISC Program:

Jacksonville, FL LISC

Investor:

U. S. Bancorp Community Development Corporation

Lender:

Jacksonville Alliance for KIPP Schools, Inc.

Sponsor/Developer:

McDuff QALICB, Inc.

Other Key Stakeholders:

The Florida Community New Market Fund VI, LLC

COMMUNITY NEED

- **15.5% Poverty Rate**
- **Unemployment rate 1.62 times the national average**
- **Family income 66.3% of the area median**

COMMUNITY IMPACT

- **135,026 sq. ft.**
- **114 Construction Jobs**
- **75 Permanent Jobs**
- **Approximately 1,180 Students will be Served at Completion**

Project Snapshot:

- The Knowledge Is Power Program (“KIPP”) charter schools is a national network of three, not-for-profit open enrollment charter schools with a renowned track record of preparing students from our nation’s most educationally undeserved communities for success in college and life. The overall project consisted of the redevelopment of a former greyhound racing track clubhouse into educational space for the eventual operation of three KIPP schools.
- Jacksonville Alliance for KIPP Schools, Inc. (“JAKS”) was gifted the site located at 1440 N. McDuff Road, Jacksonville, FL 32254 for the purpose of developing the KIPP schools and to lease the property to KIPP Jacksonville Schools, another recently-created, non -profit entity whose sole purpose is to build and manage the schools. The clubhouse was over 150,000 square feet in space, which is large enough to house three KIPP schools with a total of 37 classrooms. Plans for the fourth floor are pending.
- In total, approximately 1,180 students will be served through the renovations, which took place from January 2010 to November 2010. KIPP Impact Middle School opened in August 2010 and serves approximately 340 students. In subsequent years, a second middle school and an elementary school are planned to be opened in the building, which will serve 340 and 500 students, respectively. At full occupancy, the facility serves approximately 1,180 students from kindergarten through 7th grade.



Project Background:

- KIPP’s mission is to prepare students with the academic and character skills necessary to succeed in high school, college, and the competitive world beyond. KIPP’s model adheres to the notion that children can succeed with high expectations. Presently, there are 99 KIPP schools across 20 states and Washington DC serving over 26,000 students.
- Northwest Jacksonville, where the facility is located, is Jacksonville’s most undeserved community. High school graduation rates are estimated in the 40-45% range, compared to the state average of 76%.

Leveraging Solutions through New Markets Tax Credits (NMTC):

- Currently, KIPP has a \$7.0 million line of credit for school construction with commitments for \$7.0 million in operations in the event there is an operating shortfall. LISC’s NMTC financing provided the equity needed to reduce the amount that would have had to be borrowed and allowed for other funding to be used for operations of the school and / or to fund additional KIPP schools in the future, since the long-term plan for Jacksonville is to eventually open four more schools and service about 2,100 students.
- \$12.4 million in NMTC allocation authority provided a custom loan with non-traditional/favorable terms included: a below-market interest rate, lower than standard origination fees, a longer than standard interest-only payment period, a longer than standard amortization period, a higher than standard LTVR and a lower than standard DSCR.