



taxadvantagegroup



RiverWalk

QUICK FACTS

CDE

Greenville New Markets Opportunity, LLC
(GNMO)

TOTAL DEVELOPMENT COST

\$16,816,407

GNMO ALLOCATION

\$16,816,407

LOCATION

122 River Street
Greenville, SC 29601

DEVELOPER

Hughes Investments, Inc.

SQUARE FOOTAGE

90,000

LEVERAGED LENDER

Carolina First Bank, a trade name of
TD Bank, N.A.
Riverplace Office III, Inc.

TAX CREDIT INVESTOR

Carolina First Bank, a trade name of
TD Bank, N.A.

PERMANENT JOBS

95 Direct
72 Indirect/Induced

CONSTRUCTION JOBS

109 Direct
107 Indirect/Induced

TARGETED DISTRESS

Poverty Rate 36.1%
MFI 46.1%
Unemployment Rate 31.2%
Unemployment Ratio 5.83x
State Enterprise Zone
Appalachian Regional Commission (ARC)
Distressed Area

FINANCING COMPLETE

December 2010

RiverWalk

GREENVILLE, SC

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

Once a commercial hub for the Upstate manufacturing industry, the West End suffered through a long period of disinvestment and decline. In an effort to revitalize this community, RiverWalk was the "first in" redevelopment initiated in the West End since the recession began in 2007. Providing the first apartment units to be constructed in the Central Business District in decades, RiverWalk's 90,000-square-foot mixed-use space includes 44 affordable apartments, 11 artist studios/work spaces and ground floor retail on a site that was left vacant by an electrical distribution company.

Community Impact

Initially designed as market rate rental apartments, GNMO worked with the developer to redesign the project to serve the community's affordable housing demand in an area that demonstrates low median family income. Ultimately, the developer offered 100% of the units at affordable rates, as determined by HUD. The apartments will initially be offered for monthly rents of \$850 for three-bedrooms and \$675 for two-bedrooms. These rates are well below the current rental residential offerings in downtown Greenville, which has an approximate occupancy rate of 95 percent. In October 2012 the project announced the addition of Rick's Deli and Market in the ground floor retail space. Locally owned and operated, Rick's Deli and Market expects to employ 30 people in this LIC, which demonstrates an unemployment ratio that is 5.83 times the national average.

RiverWalk represented a start on the city's elusive goal of adding affordable housing to a downtown where available land is typically too expensive and where the private-sector dismisses affordable housing as unfeasible. Mary Douglas Hirsch, downtown development manager, said that "the city is very supportive of this project" and that it plans to "build off the momentum," seeing RiverWalk as a catalyst for private investment in the adjacent Payne-Logan neighborhood, which is targeted for redevelopment. RiverWalk is already directly influencing and hastening nearby projects, including linkage to the Salvation Army Ray & Joan Kroc Community Center (a 20-acre recreational, cultural and worship facility for underserved youth) and revitalization of the Klingman-Williams building.

"GNMO did an excellent job of working within their guidelines to help support this project that otherwise would not have happened. If the team can create a neighborhood that is more attractive than it is now with one new building, then another building, you start getting a trend where people want to live, play and work in the same area." - Phil Hughes, President, Hughes Investments, Inc.

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Since 2006 taxadvantagegroup has managed its affiliated \$89 million Greenville New Markets Opportunity, LLC (GNMO) NMTC fund, which provides investment capital for real estate development projects in low-income areas throughout Greenville, South Carolina.