



## **Enterprise and Bank of America finance LEED Silver project**

January 27, 2014 - Green Buildings

Enterprise Community Investment, Inc. and Bank of America have closed on New Markets Tax Credit (NMTC) financing for the renovation of a 50,000 s/f industrial building owned by non-profit developer Greenpoint Manufacturing and Design Center (GMDC) to create a multi-tenanted manufacturing facility for small businesses.

Located in Crown Heights, the building will provide affordable space for woodworkers, custom frame builders, metal workers, ceramic artists and other artisanal trades. The renovated facility will achieve LEED Silver certification.

Enterprise provided \$7.5 million in New Markets Tax Credit Allocation, and Enterprise Community Loan Fund provided a \$3.8 million term loan and \$4.5 million in bridge financing. Bank of America was the NMTC equity investor and provided an additional \$5 million of NMTC Allocation. The project also received \$4.6 million in grant funding from the Brooklyn Delegation of the New York City Council and Brooklyn Borough President Marty Markowitz. A real estate and sales tax exemption was granted by the New York City Industrial Development Agency through their Industrial Incentives Program. The building was acquired in 2012 with bridge financing provided by the Partnership Fund for New York City.

The new facility at 1102 Atlantic Ave. will provide space for 14 small businesses in units ranging from 1,200 to 6,100 s/f. This project will create or retain as many as 50 permanent jobs with manufacturing tenants and 54 construction jobs. "This project is an important driver of economic development and community revitalization in Crown Heights. As a leader in community development banking, Bank America Merrill Lynch is committed to helping to provide the equity necessary to develop affordable manufacturing space for small businesses and create livable wage jobs for workers," said Todd Gomez, community development banking Northeast regional executive at Bank of America Merrill Lynch. "New Markets Tax Credit investments are a valuable tool for helping provide capital in underserved communities here in Brooklyn and across the U.S."

The GMDC has rehabilitated six manufacturing buildings in North Brooklyn. GMDC currently owns and manages four of these properties, which are providing space for over 100 businesses that employ more than 530 people.

"New Markets Tax Credits made this project possible. The Atlantic Avenue Industrial Center is a great example of using NMTC to finance a project that supports quality job creation in an urban center," said Elaine DiPietro, vice president, structured finance at Enterprise. "This project would not have been possible without NMTC because of the high cost of conventional financing compared to the below market rents that will be paid by the tenants."

This neighborhood is experiencing a large-scale conversion of industrial space into residential use. As a result, there is a shortage of affordable manufacturing space leaving small and mid-sized businesses with very few options for long-term leasable space.

Brian Coleman, CEO, GMDC, said, "GMDC is grateful that our financing partners were able to join us in providing stable, long-term homes for small manufacturing enterprises. The closing of this transaction comes at a time when GMDC's facilities are 100% occupied and this new project will supply much needed space for manufacturing businesses that provide their employees with a living wage or better."

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540