



## **Goldman Sachs and Triangle Equities receive top NMTC award for \$35 million mixed-use Bronx development**

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Developer Triangle Equities has received the Novogradac Journal of Tax Credits Community Development Award for Qualified Low Income Community Investment (QLICI) of the Year in the Real Estate category for Triangle Plaza Hub - its \$35 million, 88,000 s/f, mixed-use development.

Recipients of the Novogradac Journal's Awards were honored in a ceremony at The Roosevelt Hotel in New Orleans which hosted the Novogradac New Markets Tax Credit Conference - the most prominent annual industry gathering.

The awards recognize exceptional achievement in local neighborhood development using the federal New Markets Tax Credit (NMTC) Program. The award was presented to Triangle together with Goldman Sachs Bank USA (Goldman Sachs), the Low Income Investment Fund (LIIF) and the National Community Fund (NCF) - an affiliate of United Fund Advisors) - each of which provided NMTC allocation to support the financing of Triangle Plaza Hub.

NMTC financing, introduced pursuant to 2000 federal legislation, can allow for highly innovative financing structures with respect to development initiatives in low-income areas. NMTC financings are difficult to structure and complete but, when successfully planned, offer the prospect of lowered financing costs.

Innovative financing structure is one of the four criteria on which candidates for the Community Development Awards are assessed. The other factors weighted include a project's community-oriented mission, community impact, and achievement of project goals.

"We are thrilled to be receiving this award and to be recognized for our commitment to developing projects that serve and build communities, particularly in those areas where development is most needed but can be limited by available financing opportunities," said Lester Petracca, president of Triangle Equities. "This was a tremendously complex endeavor and we are grateful to have partnered with Goldman Sachs, LIIF and NCF. The collective and highly valuable efforts of all involved were instrumental in bringing this project to fruition."

The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). Pursuant to the structure of the NMTC Program, entities that qualify as CDEs are eligible to apply for NMTC allocations, which it can then offer to investors in exchange for equity investments in the CDE. A CDE is also able to receive loans from other CDEs that have received NMTC allocations.

Goldman Sachs, LIIF and NCF each provided NMTC allocation to support the project. Goldman Sachs also provided a \$14.75 million leverage loan, made a \$10.3 million NMTC equity investment, and \$2.73 million direct equity investment in the project. Additionally, LIIF provided a \$5.75 million

leverage loan through the New York Healthy Food Healthy Communities (HFHC) Fund, a fund led by LIIF and capitalized by Goldman Sachs and Empire State Development. In addition, LIIF contributed a \$300,000 grant from the HFHC Fund.

"We are proud to partner with LIIF, NCF, Empire State Development, and Triangle Equities on this transformative project," said Margaret Anadu, managing director in the Goldman Sachs Urban Investment Group. "The New Markets Tax Credit program made it possible for us to provide a permanent home for Metropolitan College in the Bronx, bring a fresh food grocer into the neighborhood, and create nearly 300 permanent jobs targeted to low-income residents."

Cam Turner, Principal of United Fund Advisors and Manager of NCF, noted: "Over the past seven years, we have provided \$178 million of financing for 20 community development projects that have generated thousands of jobs and critical goods and services for low-income New Yorkers. We are proud to have provided gap financing for the Triangle Plaza Hub project, which continues our mission of investing in locally supported, catalytic projects that are sponsored by economic development agencies. Congratulations to Lester Petracca and his team for responding to the community's needs with this high-impact development."

"With the integration of healthy food access, education opportunities and job creation, Triangle Plaza Hub takes a holistic approach to urban and community revitalization," said Amy Laughlin, Director, National New Markets Tax Credits at LIIF. "The NMTC Program and HFHC Fund allowed LIIF to provide the type of flexible, low-cost financing needed to support this type of integrated community development effort. LIIF is pleased that the Triangle Plaza Hub and our partners have been recognized with this prestigious award."

With the flexibility of NMTCs, Triangle was able to complete the financing for Triangle Plaza Hub and offer more favorable lease terms to secure a minority-owned, fresh foods supermarket - Fine Fare Supermarket - as the anchor tenant and sell an office condominium at a price significantly below market rate to bring Metropolitan College of New York - a nonprofit college offering a myriad of undergraduate and graduate degree programs, many of which are specially designed for full-time working professionals - into the project. Subsequently, Vistasite Eye Care and a large Boston Market have been added to the tenant roster.

Triangle Plaza Hub was conceived as a development that would transform a previously vacant lot into a new commercial and community complex in a City urban renewal area and is adjacent to a key transit node. Additionally, Triangle is working with HireNYC to develop a targeted local hiring and workforce development plan to fill the jobs created by the project. Triangle Plaza Hub is located in a highly distressed area of the South Bronx with poverty rates greater than 48%, median family income only 40% of the metropolitan benchmark, and unemployment levels at 1.8 times the national average. The project will create approximately 188 permanent jobs, 50% of which will be targeted towards individuals who earn up to 80% of AML.

The project will support community revitalization efforts by providing access to fresh and healthy food in a New York City and State defined food desert, thus addressing the issue of food insecurity in one of the poorest congressional districts in the United States. Finally, due to the flexible terms of this financing structure, Triangle was able to move forward with plans to become LEED Silver

certified, which will provide long-term benefits for the building's workers, savings for the tenants and reduce the building's environmental impact on the community and residents.

"We're so proud of this transformative project and are thrilled to fulfill the needs of this community," said Mr. Petracca.

Triangle Equities broke ground on the project in 2013 and the complex is expected to be completed by January 2015.

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