

Bozeman grocer receives help through the Federal New Market Tax Credit Program
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MCDC's second New Markets Tax Project will bring a much needed grocery store to Bozeman's Southside. Town & Country Foods Inc. is opening its second grocery store in a renovated movie theater using innovative and energy efficient building practices. The new store will offer low-cost organic and local foods. It will create 60 full-time jobs with excellent benefits including employee ownership options.

Construction is underway on a new grocery store in an underserved low-income area of Bozeman, Montana. Town and Country Foods Inc. (T & C) is renovating the vacant Carmike Cinemas Campus Square movie theater in Bozeman's university district. The new building will house the low-cost grocery store and will provide additional retail and restaurant space in an area of town with few commercial services.

The Perlinski family opened T & C in 1967. They and the employee owners had been looking for a way to bring their low-cost grocery to Bozeman's Southside for years. They found a new opportunity through MCDC and the New Markets Tax Credit program. Working with MCDC and their local bank, Big Sky Western Bank, the Perlinskis made use of the federal tax credit program designed to bring economic stability to low-income areas. The federal program has been in existence since 2000 but has not been used for Montana projects until this summer, after MCDC won a \$40 million tax credit allocation in the 2008 round of New Markets Tax Credit awards.

The New Markets Tax Credit program is a federal tax credit tool that provides incentives for private investment in building projects that help revitalize low-income areas. The program allows MCDC to sell federal tax credits to private investors in order to generate every low-cost financing for eligible building projects with high community impacts. In this case, Big Sky Western Bank stepped forward to provide the tax credit investment and the debt financing. "We are pleased to help bring a progressive and well-respected business like T & C to the Southside of Bozeman, where good jobs and a full-service grocery store were very-much needed. MCDC and the federal tax credit program allowed us to say yes to a great business for our community." Big Sky Western Bank President, Ron Ostermiller.

The \$8.3 million project qualified for the tax credit program because of its ability to generate jobs and infrastructure improvements. The New Markets Tax Credit program brings roughly \$2 million in federal tax credits to the project. The project will create approximately 60 full-time jobs with excellent benefits, including employee ownership options and 10 part-time jobs. The pre-development and construction phases will create another 100 temporary jobs.

The infrastructure improvements such as a new traffic light, new bike lanes, and improved sidewalks and streetscapes provide an anchor for future commercial services and encourage foot traffic. The availability of a grocery in this neighborhood reduces overall traffic congestion by eliminating cross-town grocery trips. The building itself

incorporates many energy saving features such as reuse of an existing structure and reuse of many building materials including concrete and steel. The store will incorporate efficient lighting practices including maximum use of natural light and high efficiency halogen lighting. The building also uses an innovative “heat reclaim” system. The system allows capture of the heat produced by the refrigeration systems in the store for use in the building’s air and hot water systems. Architect Leah Shute of Van Bryan Studio Architects of Bozeman says the building will renew the “life and energy of a dilapidating structure that had become an eyesore for the neighborhood.”