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National New Markets Fund Closes \$13 Million in Tax Credit Financing to Rehabilitate Cleveland's Historic McCullough Center

Advanced "Green" Redevelopment Will Enable Cleveland Institute of Art to Expand Enrollment and Educational Programming; Equity Investment by U.S. Bank Supports \$23 Million New Markets Tax Credit Investment

CLEVELAND, OHIO--(Marketwire - December 8, 2009) - National New Markets Fund LLC, a New Markets Tax Credit (NMTC) fund created by Los Angeles-based Strategic Development Solutions (SDS) and Boston-based Economic Innovation International Inc., has closed \$13 million in NMTC allocation to help redevelop The Cleveland Institute of Art's historic Joseph McCullough Center for the Visual Arts into a state-of-the-art facility.

Located in University Circle, just east of downtown Cleveland, the 168,000 square foot building is listed on the National Register of Historic Places. It was built by Ford Motor Company in 1913 as a Model T assembly plant, and was acquired by The Cleveland Institute of Art in 1981.

As an accredited four-year college of art and design, the Institute offers a range of multidisciplinary programs that play an important role in the region's emerging arts and design industry. Completion of the Campus Modernization and Unification Project is being made possible with New Markets Tax Credits, and will enable the Institute to continue providing cutting-edge educational resources for students, faculty and the community at-large.

The \$32 million McCullough Center renovation includes a much-needed upgrade to building systems and infrastructure such as heating, cooling, electrical and roofing. It also includes an interior redesign that will add 7,000 square feet of space. Phase II of the project will begin in 2011 with construction of an adjoining facility that will allow the Institute to vacate its other building seven blocks away and consolidate operations at McCullough Center. When complete, the project will permit enrollment to expand up to 20 percent above the current 500 students per year.

The renovation will also restore many of the building's historic features while making McCullough Center a showcase for the latest innovations in green building techniques. It is designed to meet Silver LEED (Leadership in Energy and Environmental Design) Certification, which is awarded by the U.S. Green Building Council to structures that achieve superior environmental performance. Interior workstations will also utilize wood from demolished Cleveland-area homes.

"New Markets Tax Credits are making it possible for us to perform essential infrastructure improvements and enhance our educational programming with a new library, smart classrooms and a range of other teaching resources," said David L. Deming, president and CEO of The Cleveland Institute of Art.

National New Markets Fund President and Co-Founder Deborah La Franchi added, "The New Markets Tax Credit program was designed specifically to facilitate this type of investment, which can have a profound and long-lasting positive impact on the community."

Cleveland has been hit especially hard in recent years by manufacturing and auto industry layoffs, population outmigration and the current nationwide economic downturn. Projects like the McCullough Center redevelopment help retool and upgrade the city's existing resources and infrastructure, which in-turn attracts new regional industries and human capital.

Rehabilitation of McCullough Center began in the spring of 2009 and is slated for completion in December 2010. The project is being funded by a combination of state and federal historic tax credits, New Markets Tax Credits (NMTCs) and contributions from individuals, corporations, foundations and government entities. National Trust Community Investment Corporation serves with National New Markets Fund as NMTC allocatees, while U.S. Bank is the tax credit investor. "U.S. Bank's NMTC and historic tax credit investment in this project will help spur real innovations and real jobs through the McCullough Center's activities," said Matthew Badler, AVP at U.S. Bancorp Community Development Corporation.

"New Markets Tax Credits help make such complex and challenging projects possible, particularly during this time of great macro-economic strain," added Belden Hull Daniels, co-founder of National New Markets Fund.

Over the past year, National New Markets Fund has made numerous NMTC investments, including a \$7.5 million NMTC allocation in the landmark Argonaut Building in downtown Detroit -- another historic adaptive reuse development to transition aging automotive industry infrastructure into a vibrant community resource. Recent projects also include The National World War II Museum, Ochsner Baptist Medical Center, the Hammond Square Mall, 85-plus Habitat for Humanity homes and the Second Line Stages film studio -- all in the South's GO (Gulf Opportunity) Zone. Second Line Stages was recognized as the Best Tax Credit Financed Project in the Nation by the Council of Development Finance Agencies (CDFA).

About the New Markets Tax Credit Program

Created in 2000, the New Markets Tax Credit (NMTC) Program is administered by the U.S. Treasury Department's Community Development Financial Institutions (CDFI) Fund. The program serves as a catalyst for private capital investment in urban and rural low-income communities by allowing investors to receive a credit against federal income taxes for equity investments in designated Community Development Entities (CDEs). To date, the CDFI Fund has made 364 awards totaling \$19.5 billion in allocation authority.

About National New Markets Fund

National New Markets Fund, LLC invests in real estate projects in targeted low-income communities nationwide. Its mission is to provide funding and technical assistance for projects that foster job creation and overall economic and social development. The Fund consists of \$125 million in New Markets Tax Credit (NMTC) Allocations awarded by the U.S. Department of the Treasury. Investments are currently focused in the South, Midwest and California's Central Valley. The Fund was created in 2005 as a partnership between Los Angeles-based Strategic Development Solutions (SDS) and Boston-based Economic Development International. SDS was founded in 2001 by Deborah La Franchi, and has become a market leader in the creation of Double and Triple Bottom Line private equity and real estate funds. Economic Innovation International, Inc. was founded in 1970 by Belden Hull Daniels, and is recognized internationally for building more than \$100 billion of privately capitalized, innovative institutions that generate wealth and high quality jobs. More information about National New Markets Fund is available at www.SDSgroup.com/nmmf-project-list.html.

About U.S. Bancorp Community Development Corporation

With assets of over \$6 billion, U.S. Bancorp Community Development Corporation (USB CDC) finances community development and affordable housing projects through the use of New Markets Tax Credits, Historic Tax Credits, Low-Income Housing Tax Credits, and Investment Tax Credits in Renewable Energy. USB CDC is the largest New Markets Tax Credit investor in the country, investing billions of dollars nationwide in hundreds of transactions. These equity investments have provided much needed revitalization and new resources to communities throughout the country. USB CDC is a subsidiary of U.S. Bank and U.S. Bancorp (NYSE: USB). Through U.S. Bank, U.S. Bancorp, and other subsidiaries, the company operates 2,850 banking offices and over 5,000 ATMs in 24 states, and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. Visit U.S. Bancorp on the web at www.usbank.com.

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