



# Novogradac Journal of Tax Credits

News, Analysis and Commentary On Affordable Housing, Community Development and Renewable Energy Tax Credits

June 2016 • Volume VII • Issue VI

Published by Novogradac & Company LLP

## Hotel Opens Doors for Job-Seeking Hospitality Students with Disabilities

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**T**he Erskine Green Training Institute in Muncie, Ind., is more than a vocational school—it's a place where adults with disabilities can learn to reach their full potential. "The program itself is designed so perfectly for special needs adults," said Jana Arbogast, whose son, Ethan, was a member of Erskine Green Training Institute's first graduating class in March. "They go above and beyond to help students."

Founded by The Arc of Indiana, a statewide advocacy group for people with intellectual and developmental disabilities, the Erskine Green Training Institute is a postsecondary vocational program that prepares individuals with disabilities for careers in hospitality, food service and health care industries. The institute opened in January and is located at the 150-room Courtyard Muncie at Horizon Convention Center, a

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*Image: Courtesy of Schmidt Associates*

**The Courtyard Muncie at Horizon Convention Center in Muncie, Ind., houses 150 hotel rooms, two restaurants and the Erskine Green Training Institute.**



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newly constructed hotel financed by \$3.6 million in new markets tax credit (NMTC) equity.

### Erskine Green Training Institute

Named after two longtime advocates for people with disabilities—retired baseball pitcher Carl Erskine and retired NBA player Steve Green—the Erskine Green Training Institute was established to help solve a pervasive problem for people with disabilities: unemployment. National labor statistics indicate that about 80 percent of people with disabilities are unemployed. After brainstorming with its partners for ways to address the problem of unemployment, the Arc of Indiana Foundation zeroed in on the hospitality industry as an avenue to long-term employment for people with disabilities.

To Jill Vaught, executive director of the Arc of Indiana Foundation, the hospitality industry offers people with disabilities the chance to master a profession and become more self-sufficient. “The hospitality sector is one of the fastest-growing sectors of the economy. ... You get in at the ground level and work your way up—you don’t need a college degree, but there’s a lot of room for promotion and growth,” said Vaught. “It’s not just about having a job but having a path to a career.”

The nine- to 13-week training programs offered by Erskine Green Training Institute prepare students for a variety of jobs in a restaurant and hotel. In 2016, it offered training for students interested in becoming a server assistant, host or prep cook at a restaurant or a front desk agent or housekeeping team member at a hotel. Thanks to a partnership with the nearby Indiana University Health Ball Memorial Hospital, students can also receive health care support training in patient transport, dietetics (tray/dishware delivery and cleanup) or environmental services (housekeeping responsibilities). No matter which training track students choose, they participate in an internship to get hands-on training during the last four weeks of

the course. The National Restaurant Association and the American Hospitality and Lodging Educational Institute (AHLEI) offer industry certifications through the institute so that graduating students can find employment anywhere in the country.

**Erskine Green Training Institute**  
**Career Training Options**

- Food Service**
  - Server Assistant,
  - Host,
  - Dishwasher,
  - or Prep Cook
- Hotel Hospitality**
  - Front Desk Agent,
  - or Heart of the House  
(Housekeeping)
- Healthcare Support**
  - Patient Transporter,
  - Dietetics,  
(Dish Room/Tray Passing/Pots and Pans)
  - or Environmental Services  
(Housekeeping)

Sources: Erskine Green Training Institute, Novogradac & Company LLP

Erskine Green takes a holistic approach to vocational training and also teaches students life skills to help them become more self-reliant. “The jobs skills were the easiest part of the program. It’s easy to show someone how to fold linens. Where it gets tricky are the soft skills of successful employment,” said Vaught. During the program, students can stay at the hotel, take their meals at the local university dining halls and learn how to take public transportation.

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“We were so impressed by the hotel and by Erskine that I just can’t say enough good things about them,” said Arbogast of her son’s experience. Arbogast said Ethan previously worked for a carpet cleaning company and for a construction contractor, but neither job was a good fit for him because the kind of one-on-one job training he needed was not offered.

Erskine Green Training Institute is different. The institute hired four full-time instructors with backgrounds in special education and trained them in all three focus areas for four months before the hotel and institute opened. Having a staff experienced in working with adults with special needs means that students get individual attention and mentorship to help them learn the job. “Ethan went from being so very bored to being completely absorbed in the EGTI community,” said Arbogast. “The repetitiveness of job training really helped him.”

The Courtyard Muncie at Horizon Convention Center benefits not only students of Erskine Green Training Institute, but also Muncie’s entire downtown district. The institute created 35 local, part-time support staff jobs for students of Ball State University. The development also created about 100 construction jobs and 128 staff positions at the hotel and restaurant, not counting the jobs that students will fill throughout Indiana. Partners also see the hotel as a way to attract more business to downtown. Before the Courtyard Muncie was built, there had not been a downtown hotel to serve the adjacent Horizon Convention Center or the Muncie Children’s Museum since 2006.

### Financing

Assembling funds to build Courtyard Muncie at Horizon Convention Center, which houses Erskine Green Training Institute and two restaurants, wasn’t easy. The \$31.9 million price tag was significantly more than the charitable contributions pledged to the Arc of Indiana

Foundation, so partners decided to use NMTC equity to fill part of the gap.

Partners say the project qualified for the NMTC under every criterion. The census tract has a 34 percent poverty rate, with residents earning less than 60 percent of the area median income (AMI). The census tract also has four times the national average of unemployment. “What first attracted us to this project is that it provides an innovative solution to a chronic problem within this community—employment skills for disabled and largely low-income individuals,” said Peter Giles, vice president of Cinnaire, which provided \$11 million in federal NMTC allocation. Cinnaire focuses on projects that provide a direct and tangible service or benefit to low-income people. “The Erskine Green project lined up perfectly with our program objectives,” said Giles.

“The project was ideal for the NMTC program, as it was a high-impact, employment-focused development in a severely distressed census tract which faced a gap in financing,” said Kevin Patterson, underwriting associate for Chase’s NMTC group, which provided \$3.6 million in federal NMTC equity and a \$5.2 million short-term bridge loan. “As it was a first-of-its-kind project of this scale being sponsored by a social service organization, the project would have faced extreme difficulties in securing traditional financing.”

The city of Muncie provided a \$30 million anticipation note that served as a construction line of credit through First Merchants Bank. This allowed the project to move forward while funds are being raised. The National Bank of Indianapolis provided a bridge loan. Meanwhile, \$2.4 million in capital donations acted as the leverage source, along with another \$20.9 million in pledged donations by 2019. The Indiana Economic Development Corporation also provided a \$5 million grant. “All sources were needed in their own way—no one was enough on its own,” said Giles.

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## A Lasting Impact

An estimated 200 people with disabilities will receive training at the institute annually and each one who graduates will have a chance to take a step toward greater independence. After completing the program, Ethan Arbogast was hired to work at the Courtyard Marriott as a member of the housekeeping team. “The possibilities are endless now,” said Jana Arbogast of her son. “He has more confidence and he feels like he has purpose in life.” ❖

## Erskine Green Training Institute

### FINANCING

- ◆ \$30 million anticipation note from the city of Muncie
- ◆ \$11 million federal new markets tax credit (NMTTC) allocation from Cinnaire
- ◆ \$5.2 million short-term bridge loan from Chase
- ◆ \$5 million grant from the Indiana Economic Development Corporation
- ◆ \$3.6 million in federal NMTTC equity from Chase
- ◆ \$2.4 million in capital donations

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*This article first appeared in the June 2016 issue of the Novogradac Journal of Tax Credits.*

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ISSN 2152-646X

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