



## Twinning HTCs and NMTCs Preserves History, Brings Vitality to Downtown Wheeling, W.Va.

MARK O'MEARA, STAFF WRITER, NOVOGRADAC & COMPANY LLP

One of Wheeling, W.Va.'s, most recognizable buildings, the Boury warehouse, is in the middle of a unique transformation. Since 1850, the building housed a grocery store, a storage facility and a warehouse that was used by various companies. After its latest overhaul by The Woda Group, the building will soon feature 63 apartments—both market-rate and affordable—while also featuring 14,470 square feet of commercial space to house the Wheeling Nailers, an East Coast Hockey League affiliate of the Pittsburgh Penguins NHL team. The development is called Boury Lofts.

“We were contacted by the local economic development agency (Regional Economic Development Partnership) as they were looking for an opportunity to house the local hockey team,” said Jeffrey Woda, president of The Woda Group. This turned out to be the perfect location, as the Nailers play at WesBanco Arena, which is across the street from Boury Lofts in the heart of downtown. The development was named after its most recent owners, the Boury family, which owned the building since 1976.

“The Woda Group had the desire to work on another project in downtown Wheeling. This is a key location on Main Street. It was one of the largest vacant

buildings downtown at the time,” said Craig O’Leary, program director at Regional Economic Development Partnership (REDP), which has worked with The Woda Group on another housing development in Wheeling. REDP, which owns the Nailers, works to create business opportunities in West Virginia by generating new jobs and stimulating the economy.

The first floor of the seven-story development will have commercial space reserved for the Nailers, who signed a long-term lease agreement to occupy the space. It will include dormitory-style housing for the hockey team, along with a number of meeting rooms and communal spaces for the team. “This location is ideal for housing the hockey team,” said O’Leary. “It allows them to walk to and from practice and games.” REDP will also use this space as an extended-stay facility in order to house other employees coming in from out of town. The remaining five floors will house 50 market-rate units and 13 affordable housing units reserved for residents earning up to 80 percent of the area median income (AMI) for the general public. These tenants will share a gymnasium, coffee bar and a media room. The development also has an open-air parking lot across the street.

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While this is a historic building, the units will feature modern décor, including stainless steel appliances in each unit. The Woda Group also made sure the building was environmentally friendly; it will be LEED certified and will meet many of the Enterprise Green criteria. In order to achieve LEED certification, roof insulation was installed, as was LED lighting, low-flow plumbing fixtures and Energy Star-rated laundry centers and dishwashers, among other things. “We believe that it is in the best long-term interest for not only the tenants, but also the owners to have a facility as energy efficient as possible,” said Woda.

Construction began in January and will be completed at the end of 2016.

### Preserving History

As with any historic rehabilitation, Woda said it was important to preserve the building’s large windows.

The building’s exposed brick walls on the interior and high ceilings were also preserved. One unique feature of the development that was also preserved was the railway car entrance that once allowed trains to come in to the warehouse to pick up and drop off goods. In fact, the Boury Loft’s gymnasium is now located above the railway car entrance with a glass floor so residents can see the tracks.

### Financing

This development benefited from both new markets tax credits (NMTCs) and historic tax credits (HTCs). PNC Bank invested in both the federal NMTCs and federal HTCs. It provided a \$6.6 million sponsor loan, \$2.9 million in federal NMTC equity and \$2.5 million in federal HTC equity. “From a community development perspective, to renovate a property that is central to the city’s redevelopment efforts was very attractive to us,” said Dave Gibson, NMTC product manager at PNC Bank.

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*Image: Courtesy of Mills Group LLC*

**The first floor of the seven-story Boury Lofts development will have dormitory-style housing for the Wheeling Nailers hockey team, along with a number of meeting rooms and communal spaces for the team.**



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“We expect the project’s new residents and the hockey team ... to be catalytic for Wheeling.” Gibson said that PNC has had a long-term relationship with The Woda Group and he was happy to continue working together. Wendy Bade, manager of the LIHTC and HTC underwriting group at PNC Bank, said, “Twinning the NMTCs and HTCs always adds a level of complexity. All the parties came together really well to tackle the structuring obstacles as a team.”

RBC Capital Markets Tax Credit Equity Group provided the \$9 million NMTC allocation. “The Boury Lofts project will supply two critical needs to downtown Wheeling, residential rental units and commercial opportunities,” said Eric Klipfer, vice president, manager of alternative products at RBC Capital Markets Tax Credit Equity Group. “Studies indicate Wheeling has an increasing demand for quality housing for its young professionals, students and others who work, study and live in the downtown area.”

WesBanco was the investor on the state HTC side, providing \$1.2 million in tax credit equity. The Woda Group provided \$1 million in sponsor equity. And the city of Wheeling provided leased parking at a deep

discount, TIF funds and various other incentives, said Woda.

“The Woda Group is a very experienced developer with the knowledge and skills to get a complicated rehabilitation project, like this one, completed,” said Amanda Read, principal in the Cleveland office of Novogradac and Company LLP, which acted as an accountant and consultant on this development. “Preserving a historic structure and bringing it into good economic stranding is a great use of the NMTC and HTC programs.” ❖

### **Boury Lofts**

#### **FINANCING**

- ◆ \$9 million NMTC allocation from RBC Capital Markets Tax Credit Equity Group
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- ◆ \$2.5 million in federal HTC equity from PNC Bank
- ◆ \$1.2 million in state HTC equity from WesBanco
- ◆ \$1 million in sponsor equity from The Woda Group
- ◆ The city of Wheeling provided leased parking at a deep discount, TIF funds and various other incentives

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## CONTACT

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**Alex Ruiz**

**alex.ruiz@novoco.com**

**415.356.8088**

ADVERTISING INQUIRIES

**Carol Hough**

**carol.hough@novoco.com**

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