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The Harrison QUICK FACTS

CDE

Fort Wayne New Markets Revitalization Fund (FWNMRF)

TOTAL DEVELOPMENT COST

\$18,506,850

FWNMRF ALLOCATION

\$15,000,000

LOCATION

301 West Jefferson Blvd.
Fort Wayne, IN

NMTC CONSULTANT

taxadvantagegroup, llc

QALICB

New Harrison, LLC

LEVERAGED LENDER

PNC Bank, N.A.

NMTC INVESTOR

PNC New Markets Investment Partners, LLC

PERMANENT JOBS

75 Direct

CONSTRUCTION JOBS

125 Direct

TARGETED DISTRESS

Poverty Rate 29.4%

MFI 72.4%

Unemployment Rate 21.1%

Unemployment Ratio 3.64x

FINANCING COMPLETE

January 2012

The Harrison

FORT WAYNE, IN

Background

The New Markets Tax Credit (NMTC) Program permits taxpayers to receive a credit against federal income taxes for making Qualified Equity Investments (QEIs) in designated Community Development Entities (CDEs). Substantially all of the QEIs must in turn be used by the CDE to provide investments in Low-Income Communities (LICs).

The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period. The NMTC program provides financing availability for projects in underserved geographic areas and with extremely favorable terms for businesses and real estate developers or owners. The result of these investments fulfills financing gaps for projects to be completed, and it allows projects to be enhanced with community-oriented components, which generate measurable community impacts.

Project

The Harrison occupies a strategic location on the southeast corner of Jefferson Boulevard and Ewing Street, commanding a singular vista of Parkview Field. Spanning four stories The Harrison offers a unique, mixed-use setting for living, working and playing in the heart of the city. The first floor puts the action at street level with options for retail shops and commercial ventures. The second floor encompasses a distinctive, professional office environment. Floors three and four are rental residential units. Together, the project comprises nearly 100,000 square feet of leasable space.

Initial commercial tenants include Carson Boxberger, LLP, a longstanding downtown law firm; O'Reilly's Irish Bar; and 3Rivers Credit Union, a regional financial-services provider. "As one of the first local businesses to embrace The Harrison, 3Rivers is excited and energized as yet another milestone is reached, bringing this landmark facility closer to completion."

The mixed-use building is the final piece of Harrison Square, Fort Wayne's signature downtown development that began in 2006. As a major economic activity generator for the entire region, the \$125+ million public/private initiative is composed of the record-setting Parkview Field, home of the popular TinCaps major league baseball team; a hospitality-sector boosting Courtyard by Marriott hotel; a convenient 900-space parking garage; and the scenic Robert E. Meyers Park. The vision for Harrison Square was a result of planning, community dialogue and recommendations through the Downtown Blueprint (2002), Downtown BlueprintPlus (2005) and BaseballPlus (2006) processes.

The Financing

This catalytic project was supposed to open to the public in summer 2009; however, difficulties securing bank financing due to the financial crisis caused the developers to struggle. In 2011 the city continued forward with preliminary site-preparation work for The Harrison, part of its responsibility under the development agreement to make the setting "build-ready." At a cost of about \$80,000, the requirement included removing debris and unsuitable soil from the project site. With total project costs over \$18.5 million, in January 2012 the CDE provided \$15 million of NMTC Allocation to fill the funding gap and allow the project to move forward. Additional sources of capital included senior debt provided by PNC Bank and Community Revitalization Enhancement District (CReED) tax credit equity provided by U.S. Bank.

"The Harrison has reached new heights. Together, we are realizing our vision for a vibrant downtown, a catalyst for making Fort Wayne and northeast Indiana more attractive to the good jobs, talented workers and business investment that we need to thrive."

- Mayor Tom Henry

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