Welcome to Spartanburg

Montgomery Building

Aug W. Smith Building

Pine and Main
United Community Bank

Main and Morgan
Welcome to Spartanburg

Franklin School

TK Gregg Community Center

Northside Common

Mixed Use Mixed Income

Harvest Park
Why Your Project?

- Know what you are selling
- Know what it will cost
- Why this project?
- Why this project now?
- Know the project benefits
- Why – from all the other projects - should outside parties invest?
Develop Working Knowledge of Potential Funding Sources

- Debt
- Grants
- CDBG/HOME
- Property Tax Abatement
- Tax Increment Financing
- Multi-County Business Parks
- Federal Tax Credits (NMTC, Historic)
- State Tax (Historic, Abandoned Buildings, Textile Communities, Bailey Bill)
- Local/National Foundations
Identify Potential Funding Sources For Your Project

- Cast wide net initially
- Are there any unconventional sources that might work?
- ID most likely potential funding sources
- Develop rational for funding request
- Tailor your message to targeted funders
- Can you get information prior to formal submittal/request?
- Who are the gatekeepers?
- Who is the decision maker?
Make Coherent Requests

- Why, what will your project do?
- Pitch and listen
- Ask what if …
- Partner, Partner, Partner
- Leverage, Leverage, Leverage
- Be persistent when necessary
- Be a jerk only when absolutely necessary
CC Woodson Community Center
## CC Woodson Project Funding

### Sources of Funds

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mary Black Foundation Grant</td>
<td>700,000</td>
<td>11%</td>
</tr>
<tr>
<td>State Grant</td>
<td>100,000</td>
<td>2%</td>
</tr>
<tr>
<td>Spartanburg Housing Authority (HOPE VI)</td>
<td>800,000</td>
<td>13%</td>
</tr>
<tr>
<td>Mary Black Foundation Loan</td>
<td>1,200,000</td>
<td>19%</td>
</tr>
<tr>
<td>NMTC (SunTrust)</td>
<td>2,150,000</td>
<td>34%</td>
</tr>
<tr>
<td>City Funding</td>
<td>1,000,000</td>
<td>16%</td>
</tr>
<tr>
<td>City CDBG</td>
<td>350,000</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>6,300,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### Uses of Funds

<table>
<thead>
<tr>
<th>Use</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>4,385,000</td>
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<tr>
<td>Pool</td>
<td>400,000</td>
</tr>
<tr>
<td>Engineering/Design</td>
<td>591,446</td>
</tr>
<tr>
<td>Kitchen Equipment</td>
<td>20,000</td>
</tr>
<tr>
<td>Grading/Site Prep</td>
<td>150,000</td>
</tr>
<tr>
<td>Land Acquisition Costs</td>
<td>214,666</td>
</tr>
<tr>
<td>House Demolition</td>
<td>16,000</td>
</tr>
<tr>
<td>Legal</td>
<td>220,000</td>
</tr>
<tr>
<td>Other</td>
<td>302,888</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td><strong>6,300,000</strong></td>
</tr>
</tbody>
</table>
Cammie Clagett Apartments/ Highland Redevelopment

- Owned by Spartanburg Housing Authority (SHA)
- 14 acre site
- 110 Units
- Vacated due to unsafe conditions
- SHA had no funding for ACM abatement and demolition
- City wanted to control site for future redevelopment
- Neighborhood wanted vacant units demolished
- City had no funding available to address
Cammie Clagett Apartments/
Highland Redevelopment

- State Housing Finance Neighborhood Initiative Program (NIP)
- Available for acquisition/demolition of single-family homes
- City had used extensively in its code enforcement/blight removal program
- Approached State Housing about use of NIP funds for Cammie Clagett
- Initial response – not eligible
- What if – site was subdivided into single-family lots?
- City can’t own NIP properties
- What if subdivided site were deeded to friendly (eligible) non-profits?
Cammie Clagett Apartments/
Highland Redevelopment Demolition

✧ $3.0 million in NIP funding for purchase and demo
✧ Positions site for redevelopment
✧ Master planning starts 2018
Butterfly Creek and Park
Butterfly Creek and Park Funding

$ 2.1 million FAA

$ 600,000 Private funding

$ 300,000 City funding
101 East Main Street
Clinton, South Carolina
Laurens County

SC Community Capital Conference: Transforming Communities
Issues At Hand

• PC Expansion – Pharmacy & PA
• Shortage of Attractive Housing Rentals
• Downtown stuck in neutral
• Multiple neglected properties
• Current owner unwilling to spend money
• Code violations
Mechanics of the Deal

HOMES OF HOPE

INVESTOR

PROJECT:
101 EAST MAIN STREET

STATE

FEDERAL

Charitable Contribution Credit
Community Economic Development Credit
$ Contributions

Community Economic Development Credits
$ Contributions

Federal Historic Credits
State Historic Credits
State AB Credits

State Historic Credits
State AB Credits

Federal Historic Credits
• Revitalized property/Domino effect
• Building received Governor’s Award for Preservation & Municipality Inspiration Award

• New retail stores open
• New residential units
• Streetscape projects underway
• 103 E Main currently under renovation
• 6 more downtown properties recently acquired
• Homes of Hope fulfilled it’s mission
• Investors get return on capital
SCACED: Innovative & Sustainable Solutions for low wealth communities in S.C.

SC Community Capital Conference: Transforming Communities

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MOXIE INVESTMENT FUNDS • FRAMEWORK ARCHITECTURE

13777 Ballantyne Commons, Suite 325, Charlotte, NC 28277 • Phone: (704) 739-4455

SHERBERTGROUP.COM
We’ve Got it Covered: A 360° Approach
(Pictured Above: Aerial view of Drayton Mills’ campus after construction)
DRAYTON MILLS – Residential

• Total Development Costs of $65 Million.
• 289 Luxury Class A Apartments within 425,000 Square Feet of Rehabilitated Mill Buildings on 16 acres
• Construction Timeline: Listed on National Register in October 2012 and Final Units Delivered in April 2016—24 month lease up period

• Sources of Funding:
  • HUD 221d4
  • Traditional Construction Debt
  • Bridge Debt
  • Federal Historic Tax Credits
  • Sponsor capital
  • State Historic Tax Credits
  • State Textile Tax Credits
DRAYTON MILLS – Retail

- Total Development Costs of $15 Million.
- Warehouse building and Company Store Building combine for roughly 55,000 Square Feet of retail space on 7 acres currently in the lease up phase.
- Construction Timeline: Shell completion for both buildings occurred in December 2016 and Tenant Improvements are ongoing.

- Tenants in Place:
  - Burn Boot Camp
  - The Standard
  - Seamon Whiteside
  - Edward Jones
  - Agracel
  - Melotte (Coffee Shop)
  - Pi Squared Pizza
  - Palmetto Proactive
DRAYTON MILLS – OVERALL DEVELOPMENT PROCESS

Challenges throughout the Development Process:

- Coordination of a phased project where the uncertainty of building out the commercial components.
- Significant governmental oversight including HUD, DHEC, US Army Corps of Engineers, SHPO, NPS, local governments.
- Financing
  - Obtaining belief in product that was being built
  - Finding local debt participants
  - Establishing a sense of trust and hope in the east side of town
- Significantly long construction schedule (2014-2018)
- 70 different floor plans and infusion of 289 class A apartments into a market
UNIVERSITY CENTER – OVERALL DEVELOPMENT PROCESS

Various Sources of Funding:
- Traditional Construction Debt
- Bridge Debt
- JEDA Tax Exempt Bonds
- TIF District
- City funds
- Remediation grants
- South Carolina State Historic Tax Credits
- Federal Historic Tax Credits
- State Textile Tax Credits

Challenges Throughout Development:
- The entire site was a brownfield site.
- Groundwater exists throughout the site roughly 8 feet below the surface.
- Multiple phases of development in process simultaneously.
- Various contractors, architects and engineers onsite at all times coordinating to determine most efficient way to meet the projected placed in service date.
- Coordination of HTC standard across entire site and compliance with the Functionally Related NPS guidance.
LOWENSTEIN BUILDING

- Currently under construction with a December 2018 final completion date. Shell completion occurred December 2017.
- Construction Period of 19 months
- 225,000 Square Feet of Class A Office Space.
- Total Development Cost of roughly $46 Million including Tenant Improvements.

Tenant Leases:
- Atlas Copco
- City of Rock Hill
- Winthrop University
- The Tuttle Company
- Keck & Wood
- White Horse
ROCK HILL ARENA

- Currently under construction with a December 2018 completion date.
- Construction Period of 13 months.
- Events already booked through 2019 including roughly 25,000 athletes of all ages.
- Total Development Cost of roughly $34 Million.

Rock Hill, South Carolina
York County
Census Tract # 45091060501

- 170,000 SF(Largest Arena in NC and SC)
- 16 indoor soccer fields and 16 basketball courts
- City understands hospitality tax revenue
POWERPLANT BUILDING

- Construction Start projected to be September 2018 and completion December 2019.
- Roughly 50,000 Square Feet of Residential, Commercial/Office and Retail space will be available upon completion.
- Total Development Cost of roughly $16 Million including Tenant Improvements.

Powerplant Space will Include:
- Class A Apartments
- Brewery
- Restaurant Space
- Office Space
FUTURE DEVELOPMENT

- Rock Hill Hotel - Commercial
- Market Pavilion – Retail
- Student Housing – Residential
- Apartment Building – Residential
- Parking Garages – 3 garages will be going up throughout the development of the site. Roughly 1,800 parking spaces will be available onsite.
MASTER DEVELOPER: Sora-Phelps Rock Hill, LLC
The City of Rock Hill
The Sherbert Group:
  - Investor
  - Lender
  - Construction Manager
  - Consultant
  - CPA
  - Developer

UNIVERSITY CENTER - DEVELOPMENT TEAM

Rock Hill, South Carolina
York County
Census Tract # 45091060501
MUNICIPAL COURTS BUILDING – ST. LOUIS, MISSOURI

- Construction start projected in July 2018 and completion date of September 2019. (14 month construction period)
- To be rehabilitated into a 149 room Hyatt Place Hotel.
- Total Development Costs of roughly $60 Million within 186,000 SF
- Located in Downtown St. Louis, the Municipal Courts Building has the potential to spur economic development and create numerous jobs throughout the development process.
MUNICIPAL COURTS BUILDING – ST. LOUIS, MISSOURI

Various Sources of Funding:
- Traditional Construction Debt
- Tax Increment Financing
- Bridge Loan Debt
- Hyatt Key Money
- State Historic Tax Credits
- Federal Historic Tax Credits

Challenges Throughout Closing Process:
- Changes in State Tax Laws have made structuring this deal very difficult.
- A perception of market saturation for hotels in particular has delayed the placement of construction / permanent debt along with general declining market for hotel debt providers.
- The City’s process for approval has become very cumbersome.
- State Credit Cap for Missouri was reached in 2017 causing the project start to be pushed back to June 2018. Large number of bills presented through current session to eliminate the credit.
MUNICIPAL COURTS - DEVELOPMENT TEAM

Developer: Nelson Development; One Civic Square
Hyatt Place Hotel
The Sherbert Group:
- Federal Investor
- Bridge Lender
- Consultant
- CPA

St. Louis, Missouri
Census Tract # 29510125500
(Pictured Above: Municipal Courts 1300 Market NE)
Tara Sherbert – Managing Principal
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(704) 752-0777