



Novogradac Journal of Tax Credits

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

October 2014 • Volume V • Issue X

Published by Novogradac & Company LLP

College Sport Sciences Center Scores NMTCs

TERESA GARCIA, STAFF WRITER

NOVOGRADAC & COMPANY LLP

Wilmington College of Ohio recently closed a new markets tax credit (NMTC) transaction for an addition to its campus that could bring a welcomed infusion of revenue and jobs to the college and to the rural community of Wilmington, Ohio. Once the \$8.4 million Wilmington College Center for Sport Sciences opens in August 2015, the new medical office complex and educational facility will serve members of the public and the school's nationally recognized athletic training program.

The 41,000-square-foot sport sciences center will offer a variety of orthopedic and physical therapy services under one roof through tenants Beacon Orthopaedics and Sports Medicine, Drayer Physical Therapy Institute and Clinton

Memorial Hospital. The space will feature 12 patient examination rooms, an X-ray room, an exam room, a nurse's station, an open rehabilitation area and a doctor's office. Planned amenities include hydrotherapy pools, electrical muscle stimulators and state-of-the-art imaging equipment.

Project partners say the building will also be a game-changer for Wilmington College's growing athletic training program. The number of students in the course of study increased by 10 percent over the past five years, and the possibility of continued growth had been impeded by limited space at its current facility—an aging building with no air conditioning. “The program was achieving at a super high level, but the facilities were not reflective of

continued on page 2

Rendering: Courtesy of MSA Architects + MSA Sport
The athletic training room includes physical therapy space.





Rendering: Courtesy of MSA Architects + MSA Sport

The \$8.4 million Wilmington College Center for Sports Sciences in Wilmington, Ohio is scheduled to open in August 2015.

continued from page 1

that,” said Alex Stillpass of Ross, Sinclaire & Associates, who helped structure the deal.

The new facility will give Wilmington College expanded classroom space, 15,000 square feet of indoor training space and a 6,500-square-foot athletic training suite. The additional space will allow the college to add exercise science as a major and will double the number of students in its sport management, athletic training and exercise science majors combined, said Brad Mitchell, Wilmington College’s chief financial officer.

“They’ve definitely grown a lot through the years, and they’ve made do with a small facility, but it’s going to be wonderful for the community to have this sports center,” said Diana Turoff, executive vice president and chief financial officer of Finance Fund, the community development entity (CDE) that provided the project with an NMTC allocation.

Community Impact

Project supporters say the new facility could be instrumental in stimulating the struggling local economy, which has been left with a 22 percent poverty rate after shipping company DHL closed its Wilmington hub and laid off 8,000 employees in 2008. “This is in a highly distressed non-metro area that suffered tremendous job losses when DHL closed its facilities,” said Turoff. “Jobs [available at the sport center] will attract high-income professionals who will contribute to the economic growth of the community.” Partners estimate construction will

bring \$1.5 million to the local economy from construction costs alone and will create approximately 80 construction jobs and 33 full-time jobs.

Mitchell said that job creation goes beyond the immediate positions created and that the project is also an investment in the future careers of Wilmington’s students. The athletic training program requires clinical observation experience, for which many students commute to clinics in Cincinnati or Dayton. Mitchell said that students next year will be able to complete all training on-site, in partnership with the new building’s orthopedic and physical therapy clinic tenants.

Financing

The Wilmington College Center for Sport Sciences was funded in part by the NMTC structure, which Stillpass said provided both equity and favorable loan terms to the project. Wilmington-based National Bank and Trust provided the college with a \$7 million loan, allowing the school to become the leveraged lender. Wilmington College Holdings Inc., the nonprofit qualified active low-income community business (QALICB) that was formed to benefit from the NMTC structure, will be the ultimate borrower. Stillpass said that even though the loan was outside the NMTC structure, the college received favorable loan terms as if it were part of the NMTC.

Finance Fund provided \$10 million in NMTC allocation and Capital One Commercial Banking provided \$3.3 million in tax credit equity to the deal. “[The new center]

continued on page 3

continued from page 2

will allow the college to increase enrollment and continue to separate itself as one of the premier providers of athletic training in the country,” said Hamilton Blanton, a senior vice president in Capital One Commercial Banking. “It will also allow over 20 orthopedic and physical therapy professionals to join the Wilmington community and provide access to that part of Ohio; it’ll be an economic engine and service provider for years to come.”

Mitchell agreed. “In this instance, the tax structure did what it was intended to do: Drive investment to this area,” he said. “It’s a win for the college and for the community.” ♦

WILMINGTON COLLEGE CENTER FOR SPORT SCIENCES FINANCING

- \$10 million new markets tax credit (NMTC) allocation from Finance Fund
- \$7 million leveraged loan from Wilmington College of Ohio through National Bank and Trust [outside NMTC structure]
- \$3.3 million in NMTC equity from Capital One Commercial Banking

This article first appeared in the October 2014 issue of the Novogradac Journal of Tax Credits.

© Novogradac & Company LLP 2014 - All Rights Reserved

Notice pursuant to IRS regulations: Any U.S. federal tax advice contained in this article is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties under the Internal Revenue Code; nor is any such advice intended to be used to support the promotion or marketing of a transaction. Any advice expressed in this article is limited to the federal tax issues addressed in it. Additional issues may exist outside the limited scope of any advice provided – any such advice does not consider or provide a conclusion with respect to any additional issues. Taxpayers contemplating undertaking a transaction should seek advice based on their particular circumstances.

This editorial material is for informational purposes only and should not be construed otherwise. Advice and interpretation regarding property compliance or any other material covered in this article can only be obtained from your tax advisor. For further information visit www.novoco.com.



EDITORIAL BOARD

PUBLISHER

Michael J. Novogradac, CPA

EDITORIAL DIRECTOR

Alex Ruiz

TECHNICAL EDITORS

Michael G. Morrison, CPA

Thomas Boccia, CPA

James R. Kroger, CPA

Daniel J. Smith, CPA

Owen P. Gray, CPA

COPY

ASSOCIATE EDITOR

Jennifer Dockery

STAFF WRITERS

Teresa Garcia

Mark O'Meara

EDITORIAL ASSISTANT

Elizabeth Orfin

CONTRIBUTING WRITERS

Kathy Pape

Semra Guler

H. Blair Kincer

Genie Goricki

David Grubman

Cyle Reissig

Armand D. Domalewski

John M. Tess

Sharon J. Wong

Marc Shultz

Colette Drexel

ART

CARTOGRAPHER

David R. Grubman

PRODUCTION

Alexandra Louie

Jesse Barredo

CONTACT

CORRESPONDENCE AND EDITORIAL SUBMISSIONS

ADVERTISING INQUIRIES

Alex Ruiz

Tyler Perrotta

alex.ruiz@novoco.com

tyler.perrotta@novoco.com

415.356.8088

415.356.8062

EDITORIAL MATERIAL IN THIS PUBLICATION IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE CONSTRUED OTHERWISE.

ADVICE AND INTERPRETATION REGARDING THE LOW-INCOME HOUSING TAX CREDIT OR ANY OTHER MATERIAL COVERED IN THIS PUBLICATION CAN ONLY BE OBTAINED FROM YOUR TAX ADVISOR.

ADVISORY BOARD

LOW-INCOME HOUSING TAX CREDITS

Bud Clarke

BOSTON FINANCIAL INVESTMENT MANAGEMENT

Jana Cohen Barbe

DENTONS

Tom Dixon

BOSTON CAPITAL

Rick Edson

HOUSING CAPITAL ADVISORS INC.

Richard Gerwitz

CITI COMMUNITY CAPITAL

Rochelle Lento

DYKEMA GOSSETT PLLC

John Lisella

U.S. BANCORP COMMUNITY DEV. CORP.

Philip Melton

CENTERLINE CAPITAL GROUP

Thomas Morton

PILLSBURY WINTHROP SHAW PITTMAN LLP

Mary Tingerthal

MINNESOTA HOUSING FINANCE AGENCY

Rob Wasserman

U.S. BANCORP COMMUNITY DEV. CORP.

PROPERTY COMPLIANCE

Michael Kotin

KAY KAY REALTY

Michael Snowdon

HIGHRIDGE COSTA HOUSING PARTNERS

Gianna Solari

SOLARI ENTERPRISES INC.

Kimberly Taylor

HOUSING DEVELOPMENT CENTER

HOUSING AND URBAN DEVELOPMENT

Flynann Janisse

RAINBOW HOUSING

Ray Landry

DAVIS-PENN MORTGAGE CO.

Denise Muha

NATIONAL LEASED HOUSING ASSOCIATION

Monica Sussman

NIXON PEABODY LLP

NEW MARKETS TAX CREDITS

Frank Altman

COMMUNITY REINVESTMENT FUND

Merrill Hoopengardner

ADVANTAGE CAPITAL

Scott Lindquist

DENTONS

Matthew Philpott

U.S. BANCORP COMMUNITY DEV. CORP.

Matthew Reilein

JPMORGAN CHASE BANK NA

Ruth Sparrow

FUTURES UNLIMITED LAW PC

Elaine DiPietro

ENTERPRISE COMMUNITY INVESTMENT INC.

HISTORIC TAX CREDITS

Jason Korb

CAPSTONE COMMUNITIES

John Leith-Tetrault

NATIONAL TRUST COMM. INVESTMENT CORP.

Bill MacRostie

MACROSTIE HISTORIC ADVISORS LLC

John Tess

HERITAGE CONSULTING GROUP

RENEWABLE ENERGY TAX CREDITS

Bill Bush

BORREGO SOLAR

Ben Cook

SOLARCITY CORPORATION

Jim Howard

DUDLEY VENTURES

Forrest Milder

NIXON PEABODY LLP

© Novogradac & Company LLP

2014 All rights reserved.

ISSN 2152-646X

Reproduction of this publication in whole or in part in any form without written permission from the publisher is prohibited by law.