

Sponsor

The College for Creative Studies

Project Type

Rehabilitation; Mixed-Use – Office, Retail,
Community Use and Student Housing

Square Footage

628,000 square feet

Investment

\$15 million, New Markets Tax Credits

Project Description

The College for Creative Studies (CCS), a leading institution for art and design education, is redeveloping the historic Argonaut Building into a new arts- and design-focused community in the New Center commercial district of Detroit, Mich. As the centerpiece of the New Center Economic Development Plan, the project will preserve the historic Argonaut Building while restoring it to use for a growing community of creatively-focused businesses, nonprofits, professionals and students. The Argonaut Building will house a charter school; a creative business accelerator offering office space and services to start-up ventures; administrative, learning and student living facilities for CCS; and office and retail space.

Designed by famed Detroit architect Albert Kahn, the Argonaut Building was constructed in 1927 for General Motors Corporation and served as its design headquarters for many years. The company moved in 1999, and the building remained vacant until recently when GM donated it to CCS. The Argonaut Building's nostalgic art deco design is a visual landmark in the city, and the rehabilitation of the historic structure will preserve a key piece of Detroit's heritage. The Argonaut Building is expected to be completed in fall 2009.

Investment Type

Total financing sources of \$148.5 million for the Argonaut Building redevelopment include New Markets and federal and state historic tax credit equity, bond proceeds, debt and sponsor capital contributions. Enterprise is providing \$15 million from its 5th round NMTC allocation. U.S. Bancorp Community Development Corporation is the NMTC and federal historic tax credit investor and also provided NMTC allocation from its own Community Development Entity (CDE). Other financing partners include LISC, NCB Capital Impact, National New Markets Fund, Consortium America and Thompson Educational Foundation.



Market

Detroit's New Center neighborhood was established in the 1920s as a commercial district around the new GM headquarters. New Center has been tremendously impacted by the decline of the automotive industry and the loss of jobs and economic growth that followed. Several of the buildings in New Center and surrounding areas have been vacant for decades. Under the New Center Economic Development Plan, much of the area is being revitalized. New commercial developments recently completed include the University Preparatory Academy, the Detroit Children's Museum, the Wayne State-Tech One Building and the state-of-the-art NextEnergy Building. The Argonaut Building will serve to anchor the New Center revitalization and connect the district to TechTown and other rapidly growing neighborhoods.

Community Impact

The redevelopment of the Argonaut Building will help to establish CCS as a key part of the city's new creative economy initiative. One of the most unique aspects of the project, the creative business accelerator, was developed specifically as part of this initiative. The project is expected to create more than 1,000 temporary jobs and 499 permanent jobs as a result of construction and new commercial space.

Additionally, the project will allow CCS to significantly expand its facilities, enrollment and programs. The additional student residences in particular will help CCS to satisfy the increasing demand for student housing, which is currently stretched to capacity, and to recruit and enroll more students from out-of-state.

CCS' art-based community outreach programs, many of which engage Detroit's underserved youth, will operate out of the new building alongside the charter school. CCS partnered with Thompson Educational Foundation and the Henry Ford Learning Institute in developing the charter school, which will serve 800 middle and high school students from the Detroit Public School System.

Sponsor

The College for Creative Studies is one of the nation's leading private, four-year art and design colleges, named as one of *BusinessWeek's* top design schools in 2006 and 2007. CCS is active in Detroit and the surrounding community, providing outreach and design-based programs to underserved youth.

Investor

U.S. Bancorp's Community Development Corporation (USBCDC), is one of the largest New Markets Tax Credit (NMTC) investors in the country. It also makes equity investments in low-income housing and historic tax credits. It is a subsidiary of U.S. Bancorp (NYSE:USB), the sixth largest financial holding company in the United States, with assets of over \$240 billion. The Company operates over 2,500 banking offices and 4,800 ATMs, and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services and products to consumers, businesses and institutions. For further information, visit www.usbank.com.

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