



## PROJECT DESCRIPTION

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Lovett Commercial sought a total NMTC allocation of \$12 million with \$11 million requested from Prestamos to help finance the conversion of a 558,000 SF structure comprised of a basement, two-story warehouse, and attached five-story office building into a mixed-use development comprised of retail, office, and hospitality space. The facility was originally built in 1936 and was vacant since 2014 after the US Post Office had to abandon the site due to budget cuts. The expected \$187 million project resulted in the development of approximately 240,000 SF of space for retailers, restaurants, commercial offices, events, and a rooftop park and farm. The attached five-story warehouse was converted into additional office space and/or an upscale boutique hotel with 90 to 100 rooms, a rooftop pool, restaurant, and bar.

Plans included remodeling the warehouse basement into studio workspace and a 25,000 SF makerspace- a collaborative workspace where startup companies can innovate, develop prototypes, and manufacture products. Additionally, the majority the first floor of the warehouse was developed into approximately 40,000 SF of retail/entertainment space and 40,000 SF of food hall space. The retail space features a selection of fixed storefront tenants as well as open-air markets, offering a blend of established brands and upcoming names. The food hall includes a variety of Houston's flagship local cuisines and provides a space for both a permanent vendor base and pop-up tasting events. The second story of the warehouse was renovated into commercial office space with atriums and an open-plan creative workspace offering tenants flexible floor plans. The warehouse renovation also included a multi-level arts and entertainment venue and an event hall. Additionally, the project transformed the building's 5.5-acre roof platform into a park and farm. The space includes green park space, recreational areas, walking trails, and space to grow organic produce.

## COMMUNITY ALIGNMENT

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The Project received recognition and support from the City of Houston. The city demonstrated their support by committing \$22 million to transform Bagby Street into a civic corridor and connect the project to several other key establishments in the community. Additionally, the project received letters of support from BakerRipley Community Developers and The Center- two local community centric nonprofit organizations.

It should also be noted that the Sponsor negotiated an Economic Development Program Agreement (Tax Increment Reinvestment Zone, or "TIRZ" Agreement) with the City of Houston's Downtown Redevelopment Authority, pursuant to Chapter 311 of the Texas Tax Code. This agreement demonstrated the City's support for the project.

<b>TOTAL PROJECT COSTS</b>	\$187,442,086
<b>TOTAL NMTC ALLOCATION</b>	\$27,000,000
<b>TOTAL PHASE 1 ALLOCATION</b>	\$15,000,000
<b>TOTAL PHASE 2 ALLOCATION</b>	\$12,000,000
<b>CLIENT NMTC ALLOCATION</b>	\$11,000,000
<b>CLOSING DATE</b>	6/21/2019

## DISTRESS CRITERIA

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- 20.4% poverty rate
- FEMA Disaster Declaration
- Houston Tax Increment - Re-investment Zone

## COMMUNITY IMPACTS

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- 1,510 construction jobs created
- 840 full time jobs created
- 19,151 low-income community residents served annually
- 50,000 lbs of organic vegetables and herbs cultivated annually
- LEED Gold certified