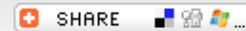




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Ford Center Closes on Financing, Renovation Nearly Done

A California-based investor announced that it collaborated with two other community development entities to provide a \$23 million tax credit financing package for the renovation of the downtown Minneapolis building, which is expected to be completed in February, although tenants will begin moving in next month.

WNC & Associates, Inc., a California-based investor in urban renewal and affordable housing projects, recently announced that it has provided \$8.3 million in “new markets tax credit” financing to Minneapolis-based United Properties for the acquisition and renovation of the Ford Center.

The new markets tax credit initiative is a federal program created in 2000 to stimulate development in low-income communities. It gives investors seven years of federal tax credits for making eligible investments.

The financing was arranged through WNC’s “community development entity” (CDE), WNC National Community Development Advisors, LLC. WNC collaborated with two other CDEs—Midwest Minnesota CDC and CCG Community Partners—to provide new market tax credit allocations totaling \$23.3 million for the project.

United Properties Vice President of Investments John Saunders said Tuesday that the company closed on the complex financing package two weeks ago, and he pointed out that due to the structure of the credits, United Properties didn’t directly receive the full \$23.3 million. The overall renovation is expected to cost about \$40 million.

United Properties bought the Ford Center in 2007 and announced in late 2010 that it was beginning renovations. HGA Architects last November said that it had **signed a lease** to make the building its new home. Minneapolis-based ad agency Olson in April also announced **plans to move into the renovated Ford Center**.

According to WNC, the building will also house Brandlab, a local nonprofit dedicated to creating opportunities within the marketing industry to minority and financially disadvantaged youth.

United Properties spokeswoman Jessie Folkens told *Twin Cities Business* on Tuesday that renovations are expected to be completed in February, with tenants moving in to their spaces between now and then. HGA will enter its new space in December, Olson will follow in January, and soap and cleaning products company Caldrea, a longtime tenant of the building that has shifted around during the renovation process, will move in to its permanent space in February, she said.

According to Saunders, Caldrea signed a lease extension to occupy the entire fifth floor of the Ford Center—a deal that made the building about 90 percent leased. Two half-floors and a third of first floor remain to be leased, he said.

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