



FOR IMMEDIATE RELEASE
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Governor Wolf Announces Tax Credits for Rehab and Reuse of Lancaster's Vacant Bulova Technologies Building

Location that was stymying economic revitalization will now contribute to growth

Harrisburg, PA – Governor Tom Wolf today announced that Commonwealth Cornerstone Group (CCG) has completed a \$10 million New Markets Tax Credit (NMTC) financing transaction that will support the rehabilitation of the Bulova Technologies building on Queen Street in downtown Lancaster into a strategically located mixed-use development.

The unoccupied, four-story, brick-veneer building will be overhauled to make way for a modern, mixed-use, metal-clad retail, office, and residential complex. It's anticipated the project will include first-floor restaurant and retail space. The second and third floors will be adapted to provide office space and 40 apartment units, eight of which will be rent-restricted for people on low incomes. The developer is Zamagias Properties.

Built in 1971, the building was briefly used as a department store but then was used, until 2008, for light manufacturing by Bulova Technologies. It has since been vacant. The location is vital for continuing economic development in Lancaster because the empty building acts as a barrier between two vibrant, adjacent city blocks along North Queen and North Prince streets. Its revival is seen as pivotal for creating strong pedestrian traffic and stimulating additional investment downtown.

"This project has tremendous potential for continuing and multiplying the economic development already taking place in the blocks surrounding this site in Lancaster," said Governor Wolf. "A blighted outdated building that was stifling growth will gain a new, modern appearance and in the process can be a significant part of Lancaster's revitalization."

This project is located in a severely depressed neighborhood with a 41 percent poverty rate, a median income that is 35 percent of the area's median income level, and an unemployment rate nearly 1.6 times greater than the national average.

"New Markets Tax Credits were created with exactly this sort of economic development situation in mind," said Brian A. Hudson Sr., CCG chairman and executive director of the Pennsylvania Housing Finance Agency (PHFA). "The investment of tax credits in this distressed area of the city can provide the additional spark needed to attract more development and propel greater growth in the city of Lancaster."

CCG was created in 2004 by PHFA to serve as a nonprofit community development entity.

This project is expected to create 108 temporary, full-time construction jobs that will pay a weighted average wage of \$20.63 per hour; construction activities will also support 18 indirect positions. Additionally, the project will create 60 permanent, full-time jobs paying a weighted average wage of \$11.21 per hour and will retain 240 positions within the planned tenants' existing employment base. The newly created jobs will come predominately from the first-floor restaurant and retail tenants.

About Zamagias Properties

Zamagias Properties, headquartered in Pittsburgh, is engaged in a broad range of business ventures including real estate development and management, healthcare resource management technology, banking and finance, and energy. Founded in 1987, Zamagias currently manages approximately 2 million square feet in retail, office, mixed-use, and student-housing properties. Zamagias has a solid track record of transforming historically significant structures within downtown Lancaster. It received an honorable mention for the 2014 "Historic Development that Best Exemplifies Major Community Impact" for its adaptive-reuse of the Steeple View Lofts. More recently, Zamagias purchased the Keppel candy factory, which has been renovated into a mix of residential, retail and office space.

About Commonwealth Cornerstone Group

The goal of CCG, through its administration of New Markets Tax Credits, is to fund projects in key areas of communities that have historic or cultural value and offer opportunities to spark economic revitalization. CCG utilizes NMTCs to provide loans and equity investments for business expansion, mixed-use development, and community facilities across Pennsylvania. Examples of past developments that have benefited from CCG's investment of tax credits include Bakery Square in Pittsburgh, the Coal Street Community Facility in Wilkes-Barre, and Schmucker Hall in Gettysburg. Learn more at: www.commonwealthcornerstone.org/.

About the New Markets Tax Credit Program

The New Markets Tax Credit Program was established by Congress in 2000 to spur new or increased investments in operating businesses and real estate projects located in low-income communities. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax return in exchange for making equity investments in specialized financial institutions called community development entities, such as Commonwealth Cornerstone Group. The program is administered by the U.S. Department of the Treasury.

MEDIA CONTACTS: J.J. Abbott, 717.783.1116
Scott Elliott, 717.649.6522

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