



News for Immediate Release

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Governor Corbett Announces Allocation of New Markets Tax Credits to Spur New Residential and Commercial Construction in the City of Reading

Harrisburg – Governor Tom Corbett today announced the completion of a \$5.5 million New Markets Tax Credit financing transaction that will help fund mixed-use construction at the former site of the Reading Outlet Center district known as The Big Mill in City’s outlet center district.

“The best way to navigate core cities like Reading out of fiscal distress and into prosperity is to attract new development and create new jobs,” said Gov. Corbett. “We’re proud to be a part of these revitalization efforts in Reading. We expect that these investments will create focal points to drive further growth and economic development in the City, benefiting its residents.”

Plans involve a \$14.2 million redevelopment of the site, including the complete renovation of the existing structure into 69 affordable residential units and approximately 40,000 square feet of commercial space. It is anticipated that much of the commercial space will be dedicated to businesses needed in the immediate community, such as adult daycare, child daycare and a learning center, a medical outreach clinic, and a farmers market.

The community impact of The Big Mill development is forecast to include 55 jobs created during the construction period and 80 full-time equivalent local jobs. Additionally, most of the businesses to use the commercial space are expected to be minority owned. All 69 of the apartments that will be created will be affordable and 12 of the apartments will be rented to people with disabilities.

Located at 702 North 8th Street, The Big Mill is the second largest building in the former Reading Outlet Center district, which was the commercial heart of northeast Reading until its abandonment in 2003. The 120,000 square foot property is one of the cornerstone properties in the neighborhood, and it is the highest profile building in the area. The building is in a Keystone Opportunity Zone. The project developer is Shuman Development.

The New Markets Tax Credit (NMTC) transaction was overseen by Commonwealth Cornerstone Group (CCG), a nonprofit community development entity established by the Pennsylvania Housing Finance Agency (PHFA).

This tax credit allocation follows on the heels of similar funding provided to the Hilton Doubletree Hotel and Convention Center in downtown Reading last winter.

Brian A. Hudson Sr., CCG chairman and PHFA executive director, explained, "New markets tax credits have proven to be a powerful tool for stimulating revitalization in Pennsylvania, and it's our expectation their use on this project will spur additional community investment in Reading."

The former Reading Outlet Center district has numerous other development activities taking place as part of a comprehensive neighborhood revitalization plan, including the completion of the Save-A-Lot shopping center directly across 8th Street, newly renovated retail buildings on the 800 block of Oley Street, and the proposed \$36 million redevelopment of Reading Outlet Center building #1.

The NMTC 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. The program is administered by the U.S. Department of the Treasury.

CCG through its administration of NMTC funds projects in key areas of communities that have historic or cultural value and offer opportunities to spark economic revitalization. CCG utilizes NMTC's 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 these 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/.

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