

Pennsylvania Housing Finance Agency

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**Commonwealth Cornerstone Group provides new markets
tax credits to help finance new Reading four star
Hilton Doubletree Hotel and Convention Center**
Facility intended to attract more business to the inner city

HARRISBURG – Commonwealth Cornerstone Group (CCG) has completed a \$5 million new markets tax credit (NMTC) financing transaction that will help fund construction of a new, 208-room Hilton Doubletree Hotel and Convention Center in downtown Reading. The project developer is Our City-Reading Inc, chaired by Albert Boscov.

The new hotel will include meeting and convention space, a restaurant, and a lounge with an adjacent parking garage. The project will create the first new downtown hotel in almost 100 years to be located in inner-city Reading and will attract convention activity and support tourism. It's expected the new facility will encourage more growth and profitability for Reading's entire business community. The project will complement other downtown amenities, including arenas, the movie-plex, GoggleWorks Center for the Arts and restaurants.

"This new hotel and convention center in downtown Reading has the potential to attract business growth for itself and for businesses throughout the city," said Brian A. Hudson Sr., CCG chairman and executive director of the Pennsylvania Housing Finance Agency (PHFA). CCG was created in 2004 by PHFA to serve as a nonprofit community development entity.

"Commonwealth Cornerstone Group is helping fund this project because it should serve as a critical economic magnet that can draw new business to Reading to support its own growth and the economic growth of the downtown core."

It's estimated that the planned hotel will generate 75 full-time jobs; 100 permanent, indirect jobs; and 300 construction jobs. The hotel positions will provide annual salaries of between \$16,000 and \$100,000. Aggregate payroll and benefits are estimated at \$2.5 million per year.

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 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/.

About Our City-Reading Inc.

The development team on this project is led by Albert Boscov, chairman and CEO of Boscov's Department Stores. Boscov is experienced in retailing and associated retail real estate. Our City-Reading Inc. is a 501(c)3 with a mission to create stability in Reading through homeownership, bring high-quality jobs to the area, and enhance the quality of life in Reading. Since 2001, Our City-Reading has helped more than 550 families to become first-time homebuyers by purchasing, restoring, and selling affordable homes. Our City-Reading has built a new banking facility for Sovereign Bank (creating 500 jobs in downtown Reading), enticed Directlink Technologies to Berks County, and undertook the KVP Falcon, Quaker Maid Meat, Sun Rich Fresh Foods, and Hydrojet projects. Our City-Reading developed the Reading GoggleWorks community arts center that includes an IMAX and 10 stadium-style theatres, along with new shops and restaurants. In addition, Our City-Reading has developed the GoggleWorks Apartments, which consists of 59 high-rise apartment units in downtown Reading.

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.

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