

FOR IMMEDIATE RELEASE
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Governor Tom Wolf Announces Tax Credits for Renovation and Reuse of Lancaster's Historic Keppel Building

Building will be transformed into mixed-use structure complementing the historic downtown

Harrisburg, PA – Governor Tom Wolf today announced that Commonwealth Cornerstone Group (CCG) has completed a \$7 million new markets tax credit (NMTC) financing transaction that will help fund the adaptive re-use of the historic Keppel Building in downtown Lancaster. The building, which once housed the Keppel Candy Company, is located at 323 N. Queen Street.

“Any time we can save one of our historic buildings in a downtown area and re-purpose it to meet the needs of today’s businesses, it’s a big win for that community and for Pennsylvania,” said Governor Wolf.

This project will convert two connected four-story buildings into 70,000 square feet of mixed-use retail, commercial and residential space. The work to be done includes the installation of new windows, a roof, an elevator, stairs, mechanical, electrical and plumbing systems.

The existing first floor commercial space will be upgraded and expanded to include a coffee shop, venue space and additional office space. The upper three floors will be converted into 38 apartments, with 20 percent of the units designated affordable. A portion of the second floor may be converted into office space for local businesses and non-profits.

Renovation of the Keppel Building is expected to support 25 full-time construction jobs. Once work on the building is completed, the developer anticipates the creation of 40 full-time positions. It’s expected that at least 60 percent of the jobs will be available to people on low-incomes.

“The goal of this project is not only to save a historic building but to also add to the economic diversity of Lancaster’s city center,” 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.

The developer on the project is Zamagias Properties. Zamagias recently completed the redevelopment of a similar building in the city of Lancaster, Steeple View Lofts, utilizing both new market and federal historic tax credits. It received the 2014 C. Emlan Urban Award for Leadership.

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 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 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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