33 EAST MAIN STREET - MADISON, WIS.

Developed/Sponsor
Urban Land Interests

Project Type
Retail/Office; New Construction

Square Footage
133,000 square feet

Investment
$16.9 million

Description
33 East Main Street is the new construction of a 133,000 square foot, nine-story office building at 33 East Main Street in Madison, Wis. The development will consist of a mix of retail and office tenants, and represents the final phase of Block 89, the comprehensive redevelopment of a city block across from the State Capitol. The initial three phases of Block 89, consisting of a new five-level underground parking garage, two new office buildings, and the renovation of two existing buildings, are complete. This phase of construction was completed in November 2006.
Investment Type

Enterprise's investment provides both a senior and subordinate loan to the project, and utilizes New Markets Tax Credits. The 33 East Main Street investment was a unique deal as it enabled Enterprise the opportunity to leverage a favorable relationship between a tax credit investor and a lender.

Market

Madison has experienced healthy economic activity over the past several years, and the construction of 33 East Main contributes significantly to this trend. The construction of 33 East Main was the final step in creating a unique environment that integrates office, retail, and restaurants into the fabric of downtown Madison.

Community Impact

This unique transaction provided additional funding for the final stage of a crucial project, which is transforming an area that has long been a focus of redevelopment efforts. Madison has experienced healthy economic activity over the past several years, and the construction of 33 East Main contributed to this trend by creating over 200 construction jobs and over 660 permanent jobs upon building completion.

Developer

The developer for the project is Urban Land Interests, a local real estate development firm specializing in the adaptive re-use of existing structures and the development of new office, retail and multifamily properties. Organized in 1974 by Bradley A. Binkowski and Thomas M. Neujahr, Urban Land Interests is committed to high quality urban development and architectural design, develops for its own account, and holds and manages property for the long term. This is the first New Markets Tax Credit development for the firm.

Investor

U.S. Bancorp Community Development Corporation provided more than $6 million in equity for the transaction through an investment partnership with Enterprise, which provided New Markets Tax Credits to the transaction. U.S. Bancorp Community Development Corporation, with assets of nearly $1.4 billion,
is one of the largest new market tax credit investors in the country. It also makes equity investments in low-income housing and historic tax credits in exchange for tax benefits and CRA investment credits usable by U.S. Bank. Both are subsidiaries of U.S. Bancorp (NYSE: USB), with assets of $195 billion, it is the sixth largest financial services holding company in the United States. The company provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. U.S. Bancorp is the parent company of U.S. Bank.