



## THEARC - WASHINGTON, D.C.

### Project Type

New Construction; Community Center



### Investment

\$10 million

### Project Description

Town Hall Education Arts Recreation Campus (THEARC) is developed by a nonprofit called Building Bridges Across the River (BBAR) to address the economic, academic and social challenges facing families living east of the Anacostia River, in wards 7 and 8 – the poorest and most underserved communities in Washington, D.C. The development will be the third phase of THEARC which consists of two parts: construction of a new 92,000 square foot building and renovation of a suite in one of the existing buildings. In total, the Phase III expansion project will cost \$34 million. The new building will be home to four partner organizations: Children’s National Health System/Children’s Health Fund, the Bishop Walker School for Boys, The Phillips Collection and AppleTree Institute for Education Innovation. The new building will also include a black box theater and a community meeting room managed by BBAR. During the expansion, the suite previously used by the Children’s Health Center in an existing building will be renovated into a commercial teaching kitchen and café.

Currently 10 nonprofit organizations are based in two buildings at THEARC campus and are providing families with accessible, high-quality academic, artistic and cultural programming and social services that were historically out of economic and geographic reach. Combined, these 10 nonprofit organizations provide \$14 million worth of services annually to more than 85,000 patrons, students and clients.

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## Investment

Financing includes \$32.2 million of New Market Tax Credit (NMTC) allocation provided by City First Bank, Low Income Investment Fund (LIIF), Enterprise and SunTrust. SunTrust is the NMTC investor. SunTrust Bank provided a loan to the leverage lender, BBAR. BBAR is combining the proceeds of the SunTrust loan with capital campaign proceeds and fundraising by Children's Health Center, Phillips and Bishop Walker School (tenants of the future building).

## Market

THEARC is located at 1901 Mississippi Avenue, SE, in Washington, D.C., in an area with a poverty rate of 34.2 percent; a Median Family Income equal to 26.7 percent of the applicable metropolitan area Median Family Income; and an unemployment rate 1.87 times the national rate. The communities east of the Anacostia River have been critically underserved, especially Wards 7 and 8 where 40 percent of all D.C. youth reside. Forty-nine percent of the community's children live at or below the poverty line. Ward 8 has the highest rates of teenage pregnancy, obesity, unemployment, low birth weights, single-parent headed households and lowest average household income.

## Community Impact

The construction is expected to create about 200 construction jobs. When complete, the tenants expect to create 169 full-time and 39 part-time jobs. All of the full-time permanent jobs created are expected to pay at least the living wage of \$13.60 per hour and 100 percent will offer employee benefits.

## Sponsor

Building Bridges Across the River is the 501(c)(3) nonprofit organization that built and runs THEARC. The mission of BBAR is to improve the quality of life for children and adults who reside east of the Anacostia River by providing leadership, management and financial oversight of the Town Hall Education Arts Recreation Campus (THEARC). Through a collaboration of partner organizations, THEARC provides access to high quality educational, health, cultural, recreation, and social service programs. By providing these programs, BBAR and its partners aim to contribute to the revitalization of the community in southeastern Washington.

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BBAR was incorporated as a nonprofit organization in 1997 by WC Smith, a Washington, D.C.-based multidisciplinary real estate firm that has provided integrated real estate services to the Washington metropolitan area and beyond for 45 years. In its role as the leader of THEARC, BBAR is responsible for the collaboration of the nonprofit partner organizations at THEARC, as well as the management of THEARC Theater, and the maintenance and upkeep of THEARC facility and grounds.

## **Investor**

Headquartered in Atlanta, SunTrust Banks, Inc., has three business segments: Consumer Banking and Private Wealth Management, Wholesale Banking, and Mortgage. Its flagship subsidiary, SunTrust Bank, operates an extensive branch and ATM network throughout the high-growth Southeast and Mid-Atlantic states, along with 24-hour digital access. Certain business lines serve consumer, commercial, corporate and institutional clients nationally. As of December 31, 2015, SunTrust had total assets of \$191 billion and total deposits of \$150 billion. The company provides deposit, credit, trust, investment, mortgage, asset management, securities brokerage, and capital market services.

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