



COURT SQUARE CENTER - MEMPHIS, TENN.

Developer/Sponsor

Telesis Corporation / CGI & Partners Court Square Center, LLC

Project Type

Residential/Office/Retail

Square Footage

122,100 total square feet

Investment

\$22.35 million

Description

The Court Square Center project involved the historic rehabilitation of three adjoining buildings located in the heart of downtown Memphis. The development, with total development costs of \$47 million, is transforming the 22-story Columbian Mutual Tower, the seven-story Court Annex Building and the five-story Lowenstein Building into a single mixed-use property with 77 residential units and approximately 37,000 square feet of retail and office space. Court Square Center overlooks Court Square Park, the historic economic center of the city. A unique downtown living community, Court Square Center features loft apartments, specialty retailers, a themed restaurant/café, as well as a multistory glass atrium that connects two of the buildings. By generating renewed street life, pedestrian activity and economic growth



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in the community, Court Square Center is part of downtown Memphis' transformation from an office district into a vibrant combination of apartment, office and entertainment properties.

Investment Type

The Court Square Center development involved a complex leveraged financing structure. An upper tier fund was created to assemble capital that was enhanced with New Markets Tax Credits (NMTC) and Historic Rehabilitation Tax Credits (HRTC). The fund totals \$41 million including:

- \$10.5 million loan from Enterprise Bank and Trust, a lender unaffiliated with Enterprise
- \$10.5 million loan from the city of Memphis
- \$20 million in tax credit equity from U.S. Bancorp Community Investment Corporation

The fund made four Qualified Equity Investments into Community Development Entities (CDEs) managed by Enterprise and another NMTC allocatee, National Development Council (NDC). The CDEs then made loans totaling \$21 million and equity investments totaling \$20 million to Court Square Center, LLC. Enterprise provided an NMTC allocation of \$26.5 million and NDC provided NMTCs of \$14 million to the transaction. U.S. Bank is expected to receive \$15.8 million in NMTCs and \$7.5 million in HRTCs over the life of the investment via the upper tier fund.

Market

Court Square Center is located on Main Street in the downtown core of the Central Business District, just east of the Mississippi River. Main Street is connected by a recently completed trolley system to numerous downtown tourist attractions, such as the Mud Island Theme Park, AutoZone AAA baseball park, the FedEx Forum NBA Arena and the Beale Street Entertainment District.

Community Impact

In addition to saving three architecturally significant buildings, Court Square Center is considered the anchor of the redevelopment of North Main Street, contributing to increased residential, pedestrian and retail activity in the neighborhood. By transforming an entire city block into dynamic residential and commercial space, the development will also generate employment opportunities and stimulate economic growth in the community.

Developer

Telesis Corporation, a developer of large-scale, complex, urban redevelopments, has primary responsibility for managing the development of Court Square Center, in partnership with Memphis-based CGI & Partners Court Center Square, LLC (CGI & P). Telesis has developed numerous projects, ranging from affordable and mixed-income housing to urban commercial properties, often incorporating supportive services and amenities to strengthen neighborhood life.

The principals of CGI & P have extensive experience in community development. In addition to securing financing and maintaining relationships with the city of Memphis, CGI & P is responsible for leasing the commercial and residential space in Court Square Center.

Investor

[U.S. Bancorp's Community Investment Corporation \(USBCIC\)](#), with assets of nearly \$2 billion, is one of the largest New Markets Tax Credit (NMTC) investors in the country. It also makes equity investments in low-income housing and historic tax credits. It is a subsidiary of U.S. Bank, N.A. (NYSE:USB), the sixth largest financial holding company in the United States, with assets of \$210 billion. The company operates 2,430 banking offices and 4,941 ATMs, and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services and products to consumers, businesses and institutions.

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