

River District Tower



"The (development) is preserving the original building of Danville's largest historic employer, which is important for me. I love adaptive reuse."

Linwood Wright

Consultant for City of Danville Office of Economic Development

Project

The City of Danville, Virginia was founded in 1793 and chartered in 1830. Like so many other manufacturing areas that have lost their traditional industries, the area has its challenges. Specifically, when Dan River Mills, the area's longtime textile giant, closed its doors in 2006, it lost a business that at one time employed 12,000 people. The company left town and its most visible structure, the Dan River Research Building, remained vacant for many years. The NMTC project is the renovation of the Research Building to become River District Tower, a mixed-use medical office facility housing two primary medical tenants, among others. Danville Orthopedic Clinic, occupying two floors of the facility, provides for the diagnosis and treatment of disorders and injuries to bones, joints, tendons, muscles, ligaments, and nerves; and Danville Regional Medical Center, which occupies one floor, will serve as an Accountable Care Hub, providing the community convenient access to a wide variety of health services.

The project is part of the City of Danville's River District Master Plan. The Plan notes that from 2007 to 2010, the City of Danville experienced an 8% decrease in population and a 7% decrease in households. However, the River District has successfully attracted businesses and increased employee volume, and is becoming an important node for the area. A specific recommendation was made to redevelop the Research Building as a catalyst project to support quality jobs in the community. During creation of the Plan, hundreds of residents and stakeholders gave input on their vision for the future. The process included two public meetings and a live webinar. In total, 30 stakeholder interviews were conducted, 12 property owner discussions were completed, and 5 market segments were evaluated. DVCDE's investment in River District Tower caused the Plan's primary catalyst project to move forward.

The Financing

With total project costs of nearly \$25.2 million, DVCDE's \$20 million NMTC investment funded the majority of the project, which supports 48,900 annual patient visits. The City of Danville worked with the Project Sponsor, a local investor group, and its local lender for a five-year period to identify and secure numerous sources of funding including Federal and State Historic Tax Credits. In addition, the City of Danville, through its Industrial Development Authority (IDA), provided a parking solution to reduce the cost of the investment.

TOTAL PROJECT COST:

\$25,200,000

NMTC ALLOCATION:

\$20,000,000

FINANCING COMPLETE:

September 2015

PROJECT SPONSOR:

River District Development, LLC

CDES:

Danville, Virginia CDE (DVCDE), Inc.

NMTC INVESTOR:

Carter Bank & Trust

LEVERAGED LENDER:

Carter Bank & Trust

ADDRESS:

109 Main Street
Danville, VA

CENSUS TRACT:

51590000500

COMMUNITY OUTCOMES:

122,027 square feet
130 Direct Jobs
Capacity: 48,900

LOW-INCOME COMMUNITY:

Poverty Rate: 35.4%
Median Family Income: 30.05%
Federal MUA
State/Local Economic Zone