



Hilton Garden Inn

Real Estate Financing

- Project Sponsor: Redstone
- Investment: \$10.35 million
- Downtown historic redevelopment

Vermont Rural Ventures provided a key piece of financing for Redstone's final phase of the TD Bank Block redevelopment in downtown Burlington. An allocation of \$10.35 million of New Markets Tax Credits helped redevelop the historic Armory into a \$33 million, 139-room hotel and parking garage.

Gap and Investment

This difficult to develop downtown, urban, in-fill, historic, contaminated block required a significant amount of funds to meet its \$33 million development budget. New Markets Tax Credit equity helped fill the gap along with significant private equity, conventional and subordinate debt, and state tax credits.

Impact

Sitting vacant, underutilized, and contaminated for over a decade until Redstone purchased the downtown block in 2005, its build out was nearly complete until an economic crash in 2009 put everything on hold. The economic downturn kept the economic instability of the already high poverty and low income area at risk for additional disinvestment, crime, and vandalism.

Complete and operational in 2015 the project brings a minimum of 60 new jobs to the severely stressed downtown area. Hotel management supports workforce development and job training opportunities for low and moderate, under and unemployed individuals through partnerships with the existing programs of Chittenden County Food Shelf Community Kitchen Program, Association of Africans Living in Vermont, Committee on Temporary Shelter, and King Street Youth Center. And the area is seeing new investment with a renovation and expansion of several adjacent buildings.

Project Team

Vermont Rural Ventures:
Beth Boutin and Glenn Van Bernewitz

Developer:
Catamount Van Ness LLC

Legal:
Husch Blackwell LLP
Nolan, Sheehan and Patten LLP
Nixon Peabody LLP
Murphy Sullivan Kronk
Gallagher, Callahan & Gartrell PC

Accounting:
CohnReznick LLP

Contractor:
Opechee Construction Corporation

Partners

US Bancorp Community Development Corporation
Mascoma Savings Bank
Vermont Economic Development Authority
Vermont Agency of Commerce and Community Development
City of Burlington Vermont