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## Iconic Library Becomes Nonprofit Center in Jacksonville, Fla., thanks to NMTCs

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**B**y many accounts, the biggest initial impact of the Jessie Ball duPont Center in Jacksonville, Fla., wasn't the development of a great space for nonprofits. It was the salvation of a funky, iconic building.

"When we announced that we were interested in buying the building and doing our due diligence study, people came out of the woodwork to thank us," said Sherry Magill, the president and CEO of the Jessie Ball duPont Fund, a charitable foundation that developed and operates

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*Image: Courtesy of Jessie Ball duPont Fund*

The interior of the Jessie Ball duPont Center is designed to encourage collaboration among the nonprofit groups that have their headquarters there.



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the center in the former Haydon Burns Library. "I don't know how many people told me 'I love that building.' We found out that politicians and the business community missed it—the public loved that building."

Now, thanks to more than \$23 million in funding that was led by new markets tax credits (NMTCs), the building provides offices, meeting spaces and more for area nonprofits. The grand opening was June 25 and it is expected to provide space for 12 to 18 area nonprofit organizations. While the biggest benefit will be a reduction in expenses and an increase in collaboration for area nonprofits, the use of the iconic mid-century modern structure is what turned a lot of heads. "The thing that was interesting was the building," said Nelson Black, the chief lending officer at Florida Community Loan Fund (FCLF), which provided \$10 million in NMTC allocation to the development.

### **New Idea for duPont Fund**

Jessie Ball duPont was the widow of Alfred I. duPont, the famed American industrialist of the late 19th and early 20th century. She died in 1970 and her will created the Jessie Ball duPont Religious, Charitable and Educational Fund, which gives away a minimum of 5 percent of its assets every year. To date, the fund has awarded more than \$350 million in grants over the decades to finance 330 organizations identified by Mrs. duPont in her will. They range from major universities to small mission-based organizations and churches, primarily in Delaware, Virginia and Florida.

But this was a different idea: a 123,000-square-foot center that offers space with robust IT infrastructure and other amenities to local nonprofits with affordable rates, set up to simply cover operating costs. "Hot desks" are available for rent by the day, week or month, while multiple conference rooms and classrooms are available for nonprofit and community use.

"The most exciting thing about this is the ability for collaboration among nonprofits," said Wight Greger, president and chief executive officer of WSG and Partners LLC, which serves as an affordable housing consultant to the duPont Fund. "Their missions often overlap, but they don't know that if they're spread out."

Magill said there already has been collaborative work among nonprofits in the duPont Center, such as Family Foundations teaming up with Catholic Charities and the Delores Barr Weaver Policy Center to present financial training classes.

En Jung Kim, vice president of Chase Community Development Banking's new markets tax credit group, said that may be the biggest benefit. "It fosters collaboration for the nonprofits and reduces the rent for them," Kim said. "And it's in downtown Jacksonville, which will benefit from increased foot traffic and more redevelopment."

### **Longtime Public Library**

The Haydon Burns Library was named after the longest-sitting mayor in Jacksonville history and was built in 1965 for \$3.7 million. Architect Taylor Hardwick intended it to be different from a classic library: he designed it to be airy and open, with an interior featuring bright tile mosaics.

It served for 40 years before the city vacated the building in 2005 to move to a new library a few blocks away. After several attempts to sell the building, the city closed a deal with a group of private business owners in 2007—but the Great Recession frustrated their attempts to redevelop the property and by 2012, they walked away. By 2013, it had been vacant for eight years.

### **From Vacancy to Development**

In December 2012, after a staff holiday luncheon, Greger took Magill on a tour. Greger considered it a possible site for affordable housing, but Magill saw it otherwise. "Sherry, with a philanthropic focus, said we could turn this into something great, a gathering place for the community," Greger said. So it happened. The Fund purchased the building in June 2013 for \$2.2 million and \$250,000 in unpaid taxes.

Magill said she was inspired by similar nonprofit-gathering facilities, particularly one in Wilmington, Del. "We make a lot of grants to nonprofits and we're sensitive to the needs of nonprofits," Magill said. "Just like for low-income people, rent is a big factor because you can't really control it. I did a lot of research on the buildings. We traveled to Denver, New York and other places ... the whole notion is to drive down the operating cost and

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present a gathering place. I've been dreaming about it for a decade and the stars aligned."

That it came in an iconic building was a bonus. "You might call it mid-century modern," Black said. "It's a unique, fun building. I can tell you that people who are native to Jacksonville remember going into the building as children and there's a real feeling that it's a part of history of the 1960s and '70s in Jacksonville. People are thrilled to see it back and renovated."

### **Economic Benefit**

While the Jessie Ball duPont Fund deals with large sums of money, the renovation required some complex financing. In addition to about \$18 million in funding from the duPont Fund, four community development entities (CDEs) contributed NMTCs and Chase invested \$7.8 million in NMTC equity.

The result is more than a building. It created 186 construction jobs and is expected to create or retain 200 permanent jobs—providing a big boost for Jacksonville in the process. "Downtown needs a vibrant center and this building is a lynchpin for development along two major corridors," Black said.

Tony Smith, executive vice president of SB Friedman Development Advisors, the NMTC transaction consultant for the Jessie Ball duPont Fund, said the impact of the duPont Center isn't as straightforward as in some other NMTC-funded developments. "It's a little more subtle and complex," he said. "The tenants are very impactful in various ways: the center helps reduce their operating costs and relieve their administrative burdens for things like IT and supplies purchasing, helping them thrive individually. The co-location and extensive conference and training spaces help incubate new impactful partnerships among the tenants."

He got agreement from Andrew Koelbl, senior asset manager at New Markets Support Corporation, a CDE that manages Local Initiatives Support Company's \$5 million allocation to the development. "For a lot of deals, to measure their success or benefit based on job creation isn't enough," said Koelbl. "As far as service providers with community outreach, these affect more people than

creating one job would do. They impact thousands of lives and we feel you can't underestimate that."

Black said that when he was approached about possible involvement in the transaction, he was interested, because he was familiar with the building. "I told them we'd be interested in committing about \$10 million in allocation, so given the size of the project, they should look at other allocations," Black said. "That building is very interesting and worth saving." With FCLF's initial commitment of NMTCs anchoring the financing, the project team successfully raised about \$14 million in additional allocation.

### **New Look**

Magill said that the former library was perfect for its purpose, although it took a little creativity to see it that way. "It was open. The architect modeled it after a downtown department store—glass on the outside, open space on the inside. It was very open." She said rebuilding for modern technology was a challenge and that her group particularly ran into problems with the historic preservation authorities when they tried to add green features. "I think our system is antiquated," Magill said. "We spent over \$1 million on glass alone and the [historic preservation] staff fought us on it. I'm kind of puzzled by our local inability to adapt quickly and well to environmental challenges."

In addition to the general restoration, there are several other less-obvious "green" features promoted by Magill, including such things as having filtered water available on all floors so that staff members don't need to use bottled water, which creates plastic bottles for the landfills. "That's totally Sherry," Greger said.

In addition to offices, the duPont Center has a conference center, theater, roof garden, great hall and numerous kitchens. All the meeting spaces are common areas, with the nonprofits only paying for their dedicated office spaces.

### **Extended Impact**

The duPont Center is off to a great start. "The building is located almost halfway between City Hall and the Chamber [of Commerce]," said Magill. "I love the symbolism that we're between both."

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And with it filling up and fulfilling its purpose, Kim said that she hopes the duPont Center will also serve as a model for future NMTC transactions in Florida, which is underserved. “We hope it’s a good opportunity to spread the word and find more projects that can use the NMTC,” she said. ❖

### Jessie Ball duPont Center FINANCING

- \$18.8 million from Jessie Ball duPont Fund, supported by a \$16.5 million loan from SunTrust Bank
- \$10 million in NMTC allocation from Florida Community Loan Fund
- \$7.8 million NMTC equity investment by Chase
- \$5 million NMTC allocation from Local Initiatives Support Company
- \$5 million NMTC allocation from Consortium America
- \$4 million NMTC allocation from Chase

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