



City of Seattle
Office of Mayor Mike McGinn

News

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City invests to revitalize historic INS building, preserve artist workspace

\$10 million in New Markets Tax Credits helps leverage financing

SEATTLE – Mayor Mike McGinn today joined community and business leaders from the Chinatown/International District and Pioneer Square neighborhoods to announce the city's investment in the INSCAPE project to revitalize the historic INS building at 815 Airport Way South.

“This project is a win for jobs in Seattle, for ensuring local artists have affordable workspace, for revitalizing our Chinatown/International District and Pioneer Square neighborhoods, and for celebrating our local history,” said Mayor Mike McGinn. “I thank Representative McDermott and Senator Cantwell for their support of the New Markets Tax Credits program, a strong federal incentive to help support Seattle's fragile economic recovery.”

The INSCAPE will result in multiple public benefits, including:

- reactivate the former INS Building;
- strengthen the connection between the Chinatown/International District and Pioneer Square;
- create or retain over 100 permanent jobs while providing affordable artist space; and
- preserve the history of the building's past in conjunction with the Wing Luke Asian Museum.

“The INSCAPE project will support more than 100 jobs and help to preserve the cultural heritage and history of the Chinatown/International District and Pioneer Square,” said Senator Maria Cantwell. “Using New Markets Tax Credits to leverage millions more in private financing, this smart investment is the type of public-private partnership we should replicate across the state to foster economic growth. That's why I am fighting to extend this program, which is creating new employment opportunities and strengthening communities across America.”

The Office of Economic Development has invested \$10 million in New Markets Tax Credits (NMTCs) through Seattle Investment Fund LLC that helped leverage private financing, including \$3 million in HUD Section 108 funds, which lessened the cost of borrowed funds.

“We must not forget the struggles of those who entered this building: their hopes and fears as they strove to start a new life in a new land,” said U.S. Rep. Jim McDermott. “Thanks to, INSCAPE, Wing Luke, and all those preserving this structure - these memories will not be lost.”

The Office of Economic Development has a successful track record of using Section 108 funds, providing over \$59 million in HUD Section 108 loans since 1996, in such projects as the Cadillac Hotel and the Bush Hotel.

“I sponsored the legislation approving the Section 108 loan because this project will honor the often tragic stories of detained immigrants and refugees while highlighting that community’s resilience through art and economic development opportunities,” said Council President Richard Conlin. “I am confident the \$3 million investment in this project will yield tremendous benefits to the residents and businesses of Chinatown/International District and Pioneer Square and to the artistic vitality of our city.”

“City financing provided a critical piece of funding for the project, so we are appreciative of the City’s support,” said Rolf Hogger, principal of INSCAPE ownership. “Now, we look forward to completing renovations, creating affordable space for local artists and working closely with the Wing Luke Museum in designing and installing interpretive exhibits that will acknowledge the building’s historical importance.”

Along with the city financial resources, the project is being financed with a loan and equity investment by JP Morgan Chase.

“As part of the Seattle Jobs Plan, we are focused on investments that help us create a sustainable economy with shared prosperity,” said Steve Johnson, director of the Office of Economic Development. “We are excited about the way revitalizing the INS building helps strengthen the connection between the Chinatown/International District and Pioneer Square neighborhoods, where we are working to strengthen the neighborhood commercial activity.”

In the Seattle Jobs Plan, the city has been actively investing New Markets Tax Credits. The INSCAPE project follows these two additional projects:

- Pike Place Market Phase II Renovation: \$10 million investment financing tenant improvements and temporary relocation assistance for more than 60 small businesses impacted by the Market’s significant infrastructure renovations (March, 2011)
- Bullitt Center: \$10 million investment financing development of nation’s first office building to achieve Living Building standards, exceeding LEED Platinum efficiency standards; creation or retention of 141 direct permanent jobs; creation of 94 direct construction jobs that will provide opportunities to WMBEs, pre-apprenticeships and apprenticeships; and creation of green building educational center (July, 2011)

NMTCs are federal tax credits that can be distributed to private investors who provide low-cost financing for business and real estate projects located in eligible census tracts. For more information about the city's Office of Economic Development's NMTCs program, visit www.seattleinvestmentfund.com.

Seattle Jobs Plan

Mayor Mike McGinn's vision for next generation economic development that creates a sustainable economy with shared prosperity in Seattle was launched in August 2010. It consists of new and existing policies, programs and investments designed to help create quality jobs, protect the environment, and ensure that taxpayers get true value from the city of Seattle's public investments. For more information, visit www.seattle.gov/jobsplan

City's Office of Economic Development (OED)

OED supports a healthy business environment and empowers companies to succeed and grow. We provide services directly to businesses through advocacy, retention and expansion assistance, and workforce development. OED has several financing options for businesses, including options for small to medium to large businesses. Visit www.growseattle.com to access city services for businesses, and for more information about our office, visit www.seattle.gov/economicdevelopment

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