

Location

Clendenin, West Virginia

Funding

\$1,140,000 USDA Community Facilities Loan and Grant

\$95,000 USDA Rural Business Enterprise Grant

\$2,700,000 Neighborhood Stabilization Program

\$400,000 in medical stimulus funds

\$1,073,630 in state and federal historic tax credits

Partners

Town of Clendenin

Poca Valley Bank

Foss Special Historic Fund, LP

WV Housing Development Fund

Kanawha County Commission

WV Department of Culture and History

National Park Service

US Department of Housing and Urban Development

WV Development Office

US Department of Agriculture

Abstract

The historic district of downtown Clendenin, West Virginia was tainted by a deteriorating, vacant school building. A local non-profit organization decided to redevelop the building into a sustainable, mixed-use building comprised of affordable, senior housing and a medical clinic. This USDA-supported project used innovative financing of multiple federal investments to redevelop one of downtown Clendenin's unique, historic assets.

Project Description

Nestled between the Elk River and Big Sandy Creek, the West Virginia town of Clendenin was established by pioneers in the 19th century and was incorporated in 1904. The area was attractive because of the level topography and access to natural resources including timber, salt, coal, gas, and oil. The town boomed in the 19th century but its economic vitality waned in the early 20th century as factories moved to Kanawha Valley for vast, available flat land.

Buildings from Clendenin's hey days remain in the downtown area, warranting the town its Historic District on the National Register of Historic Places. Unfortunately, many of the buildings in Clendenin's downtown fell into disrepair over the past century.

Understanding that the downtown was a key community asset, a group of concerned community members

established 20545-A New Clendenin (referred to as 20545), a non-profit organization dedicated to the revitalization of downtown Clendenin. As its first major project, 20545 decided to renovate the 1912 historic Clendenin School, a relatively large building that was vacant for about 15 years and was adding to an image of blight in the town. Members of 20545 determined that renovating the school would positively impact the entire community.

The Board of Education donated the school building to 20545; however, it took several years for 20545 to plan and finance the redevelopment. 20545 finally received funding for basic repairs to the building through a Congressional appropriation, but a robust development strategy was still needed.

To assist with a master plan and a financing strategy, 20545 sought the involvement of a community revitalization consultant, Terrell Ellis. Ellis helped 20545 position the Clendenin School within the community economy by assessing the needs of the Clendenin population. She discovered three major trends in the community: a growing medical services industry, an aging population, and a lack of affordable housing. 20545 realized that Clendenin School's redevelopment was an opportunity to address several community needs while improving the image of downtown.

Cabin Creek Health Care Systems is a major health care provider in the area and desperately needed a new facility to serve the Clendenin area. Their old facility was falling into the Kanawha River, and they were forced to move into a modular building. After 20545 approached Cabin Creek about partnering in the Clendenin School project, Cabin Creek recognized 20545's vision for the historic school and enthusiastically joined.

Because Cabin Creek did not need the entire building, 20545 used the remaining space to address the need for affordable housing among the community's aging population. The plan for Clendenin School was in place; all that was needed was the financing.

Based in Lexington, KY, AU Associates, was the master developer and general partner in the Clendenin School Limited Partnership, with 20545 and Cabin Creek as special partners. 20545 selected AU Associates because it specialized in adaptive reuse of historic schools.

20545 and AU Associates sought to combine funds from HUD, USDA, and HHS, as well as proceeds from selling federal and state historic tax credits. While for-profit entities were not eligible for loans and grants from USDA, historic tax credits needed to be issued to a for-profit organization; as a result, the financing structure had to be tailored to meet conflicting requirements. This strategy was complex and required a sophisticated approach to integrate several funding sources.

Working with USDA and other federal agencies' staff, AU Associates and 20545 found a solution for financing more than \$5,000,000 in redevelopment for the Clendenin School. The details of the financing are as follows:

- According to the limited partnership arrangement, as general partner, AU Associates owned the building. However, as a for-profit entity, it was ineligible for the USDA redevelopment financing. AU Associates and 20545 entered a long-term, leasehold interest agreement so that 20545 could rent the second-floor from AU. In turn, 20545 would enter a long-term lease for the second floor with Cabin Creek Health Care Systems. Since there was a long term lease between AU Associates and 20545, the non-profit was considered the owner of the second-floor for tax purposes.

- This agreement ensured that the Clendenin School project was eligible for USDA funding. 20545, a non-profit, was granted the USDA Community Facilities Loan. The loan included a \$1,000,000 construction loan, a \$100,000 grant, and \$40,000 to pay off interest during construction. These funds would be used for the second floor renovations for the clinic.
- 20545 also received a \$95,000 Rural Business Enterprise Grant from USDA for the building's elevator.
- 20545 received a Neighborhood Stabilization Grant through the state of West Virginia from HUD for \$2,700,000. These funds were used for the 1st and 3rd floor renovations for senior housing.
- Cabin Creek Health Care Systems received a medical stimulus grant of \$400,000 from US Department of Health and Human Services to be used for construction of the facility. An additional \$80,000 in tax credits was generated from the use of these funds.
- Finally, AU was able to sell the tax credits to finance the development of affordable senior housing. AU received \$1.3 million in state and federal historic tax credits for the Clendenin School project.

In October 2011, Clendenin School redevelopment was complete. Cabin Creek is ecstatic about its new 13,000 sq. ft. of medical space – three times more space than the last facility. They expanded their services to include a pharmacy and dental clinic, and the clinic now sees 4,000 patients a month. Cabin Creek's expansion of services and providers brought an additional seven jobs to Clendenin. According to Cabin Creek, business increased substantially by being in a more visible, first-class building in downtown Clendenin.

In addition, Clendenin School redevelopment brought 18 units of quality, affordable housing to the community. The housing is available to seniors and the rents are income-restricted. The residents also benefit from being in the same building as the Cabin Creek clinic. They are able to save on gas by using the health services provided in the building.

The Clendenin School project has important economic benefits for the town. The developers hired construction workers from all over the Midwest. The influx of construction employees boosted the local economy. Additionally, the new development will generate property tax for the town now that the building is no longer owned by the Board of Education.

The community is truly proud of the new Clendenin School development and maintains involvement in Clendenin School. Cabin Creek recently worked with the community to create a weekly Farmer's Market at the School. They are also working with community members to create more walking trails in the area.

The members of 20545 are confident that the redevelopment project will bring long-term economic gains to the community. A nearby property owner reported that a major restaurant is now interested in moving to the area because of the increased activity related to the clinic and apartments. Also, a daycare operator is now considering using the school's unoccupied gymnasium area.

Clendenin School redevelopment project required creativity and persistence from 20545, AU Associates, USDA, and other partners. This collaboration is now a great example of a community's inventive reuse of historic assets for the betterment of downtown and greater Clendenin. The beautiful new Clendenin

School building, with its large scale and impact, now serves as a beacon of downtown Clendenin's new prosperity.

Livability Principles Addressed

Promote equitable, affordable housing.
Enhance economic competitiveness.
Support existing communities.
Coordinate and leverage federal policies and investment.
Value communities and neighborhoods.

Lessons Learned

Downtown revitalization can benefit from the **LEVERAGING OF TAX CREDITS**. Think creatively about how to leverage the grants and loans you receive to obtain private dollars.

Think about **SELF-SUPPORTING PROJECTS**. Ask the question, "How will this project pay for itself in the long-term and not be a burden on the community?"

A **CLEAR AND SIMPLE VISION**, backed by documentation, will give your project credibility when applying for grants and loans.

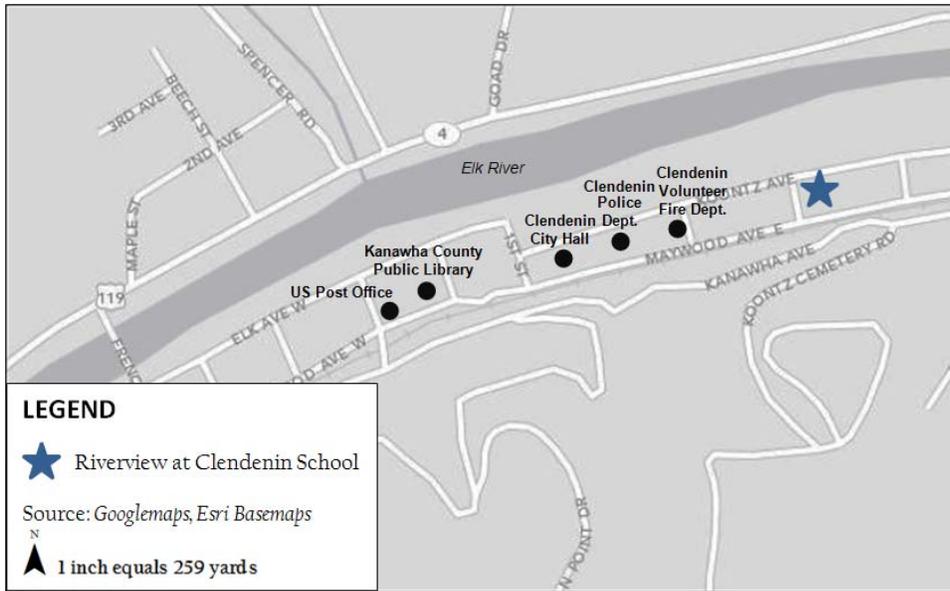
Clendenin is a small town and no one organization needed a building as large as Clendenin School. 20545 decided to create Clendenin School into a **MULTI-USE** building. Multiple organizations within one building also contribute to the long-term viability of the redevelopment.

Pictures and Maps



Description: Context Map.

Source: Esri Basemaps, ArcGIS online database (all layer packages by Esri)



Description: DowntownMap – Eloy, AZ
 Sources: GoogleMaps, Esri Basemap



Description: Exterior of Renovated Clendenin School
 Source: Johan Graham, AU Associates



Description: Opening Ceremony at Renovated Clendenin School
Source: Johan Graham, AU Associates



Description: Downtown Clendenin
Source: http://en.wikipedia.org/wiki/Clendenin,_West_Virginia



Description: Exterior of Clendenin School Prior to Renovations
Source: Johan Graham, AU Associates

Sources of Information from the Text:

Ellis, T. (2012, July 9). President of Terrell Ellis and Associates. (A. Murnan, Interviewer)

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