

PRESS RELEASE

Merchants Capital Provides \$21.5MM+ Loan for Transit-Oriented Apartment Community in Minneapolis



SAINT PAUL, Minn. (Dec. 2, 2020) – Mortgage banking company **Merchants Capital** has provided more than \$21.5 million in financing for a Minneapolis apartment complex currently under construction, The Bessemer at Seward Commons. The 30-month loan was secured on behalf of Bessemer Apartments, LLC, in partnership with co-developers Schafer Richardson, Seward Redesign and Noor Companies.

Located at 2200 Snelling Avenue, The Bessemer at Seward Commons will consist of 128 housing units

without income restrictions. The development will be transit oriented, as it is situated directly adjacent to the METRO Blue Line and Hiawatha Bike Trail and one block from the Franklin Avenue Station with no required street crossings. Building amenities will include a club room, fitness center, outdoor terrace, dog run, controlled entry, 24/7 package notification and storage system, bicycle storage and bicycle repair station, pet wash station, and on-site management.

The Bessemer is part of a community led, master planned redevelopment referred to as Seward Commons that includes four separate housing developments with 260 rental units to accommodate a broad spectrum of incomes, as well as 33,000 square feet of small business incubator space for local business and arts organizations that reflect and serve South Minneapolis. These small businesses are primarily owned by women and/or Black, Indigenous and People of Color (BIPOC).

The Bessemer represents a significant achievement for the Seward community as it represents the first non-income restricted housing project development in this neighborhood in over 40 years. In the face of multiple unprecedented challenges, including the pandemic and the civil rights uprising in the immediate area, Seward Redesign and Schafer Richardson, in partnership with multiple public and private partners including Merchants Capital, were able to successfully bring the project to life in partnership with the broader Seward community.

“Throughout all the uncertainty, on top of a complex loan structure, Merchants Capital and Merchants Bank of Indiana stood by the loan and remained committed, providing assurance to the transaction,” said Marsha Goff, Merchants Capital executive vice president and lead originator on the deal. “During this

period of meaningful protests and action of many types in our city, we have been very present for our existing clients and for new clients in bringing deals to market. We are proud to be leaning in.”

As part of a redevelopment area with Noor Companies, this project utilizes Tax Increment Financing (TIF) awarded by the City of Minneapolis, an estimated \$5.4 million over a 26-year period. The development also received environmental clean-up funds from Hennepin County, Metropolitan Council, and MN Department of Employment and Economic Development as well as a Transit-Oriented Development loan from Hennepin County.

“The Bessemer had a complex structure with ten different funding sources,” said Amanda Janzen, Schafer Richardson senior development manager. “The Bessemer is also located in a census tract that is designated as an opportunity zone. We structured the deal to include two Qualified Opportunity Zone Funds (Catalyst Opportunity Funds and Schafer Richardson Opportunity Zone Fund), which resulted in the Bessemer being one of the first opportunity zone projects in the City of Minneapolis.”

“This project is a key component of the larger Seward Commons redevelopment area, as it provides important socio-economic diversity within our local housing stock,” said Christopher Romano, executive director of Seward Redesign. “This diversity is good for our local entrepreneurs and commercial corridors, and it contributes to vibrant, diverse and healthy neighborhoods. The Bessemer is the result of significant voice and effort provided by many key community partners. We are very excited about this next phase of the Seward Commons development.”

To learn more about Merchants Capital and its services, visit www.merchantscapital.com or find Merchants Capital on [Facebook](#), [Twitter](#), [LinkedIn](#) and [Instagram](#).

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