

UrbanAmerica, L.P.

When most people think of Las Vegas, they likely think of its Strip, brimming with lavish resorts and 24-hour-a-day entertainment. But on the west side of town, a predominantly African American community, low-income residents lack many basics — grocery stores, gas stations, and retail services — that contribute to a thriving community. The Nucleus Community Development Corporation (Nucleus) owned a small retail/office property across the street from a vacant city-owned lot. Although active in the community for over 15 years, Nucleus lacked the technical and financial resources to develop the retail/office site, with its potential for providing badly needed retail stores and jobs in the community. By allying itself with UrbanAmerica, L.P., a private real estate investment partnership, Nucleus has dramatically expanded its capacity and is jointly developing a 200,000 square foot retail center that will create new jobs and expand entrepreneurial opportunities.

UrbanAmerica is building a nationwide portfolio of urban retail and office properties. Its strategy is to provide investors with risk-adjusted, market rate returns while also creating jobs and fueling economic and redevelopment efforts,

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a “double bottom line.” According to company President and Chief Executive Officer Richmond McCoy, “We recognized that low-income communities have a critical need for equity investments to stimulate economic development.” The company has thus far raised \$111 million for investment in urban communities (of which \$50 million is available for investment), creating 800 new jobs for low-income community residents in the Detroit, Atlanta, Kansas City,

Washington, DC, Las Vegas, and New York City areas and in several Florida cities.

The company frequently works in partnership with community-based organizations that know and understand the local market and have relationships with community leaders. Of the 21 properties in which Urban America has invested, 25 percent have involved community development corporations (CDCs). Urban America expects that these partnerships will grow to be 50 percent of its business. For CDCs, this is an opportunity to create liquidity that can be recycled in new development projects. It’s also an opportunity to change public perceptions about their work because they have real money and expertise on their side.

UrbanAmerica attracts national retailers to inner city shopping centers and office buildings, increasing each property’s value and improving the choices for neighborhood residents. Local company vendor contracts for janitorial, landscaping, security and other services create local wealth. One acquisition, the Lakes Mall in Lauderdale Lakes, Florida generated approximately \$196,000 in annual vendor contracts for local companies and 36 new full-time jobs for local residents.

While UrbanAmerica’s investors such as the General Mills Pension Fund or LACERA may not have been attracted to the “double bottom line” that the company offers, according to McCoy, no one’s

UrbanAmerica, LP is a private investment fund seeking income from, and capital appreciation through, commercial real estate investments in low- and moderate-income communities in the United States. The Fund acquires and develops commercial properties in inner-city areas nationwide and provides opportunities for corporate and retail tenants to locate facilities in such communities. The Fund specializes in properties used for office, and retail, industrial and distribution purposes.

Direct Social Benefits:

UrbanAmerica has committed to serve as a “take-out” (buyer) for projects involving new commercial real estate property developed by community development corporations. In addition, the Fund directs at least 50% of its contracts for management, security and landscaping services to community-based vendors.

Year founded: 1999

CEO: Richmond McCoy

Total Capital Raised: \$111MM

Current Heron investment: \$1.5MM

unhappy about it, “This isn’t something we have to do, but something that we could and should do.”



UrbanAmerica, LP, New York, NY: Heron takes limited partnership interests to help develop commercial real estate in communities like this one in Detroit.