



Community Development QLICIs of the Year Awards



Washoe Travel Plaza

Award Category:

Non-Metro

Developer:

Gilbane Building Company

Owner:

Washoe Tribe of Nevada
and California

Property Name:

Washoe Travel Plaza

Location:

Gardnerville, Nevada

Category Explanation

The Washoe Travel Plaza development is best suited in the Non-Metro category, due to its location just south of Gardnerville, Nevada and the “Trust Property” status of the land upon which the project exists. Although the development could also be considered Small Business or Operating Business, the Non-Metropolitan nature of the Travel Plaza is what makes the project especially unique.

Brief Description of Development

The new Washoe Travel Plaza is named “Wa She Shu” which comes from the Washoe language meaning “The People’s Place.” Featuring a gas station and a convenience store, it sits on Native American reservation land along Highway 395, a popular commercial route between Lake Tahoe and Carson Valley where an estimated 10,500 vehicles pass daily. The 6,000-square-foot development now serves the local Gardnerville community and benefits more than 1,550 tribal members. The Travel Plaza has several gas pumps, a deli, fast food dining options and serves as a rest stop for truck drivers. The new development is expected to generate more than \$1 million annually in revenue for the tribe.

But-For Statement

The Washoe Tribe – a community which operates primarily off grants—explored all possible traditional financing options with numerous banks. However, due to several challenges, this project would not have been feasible without the new markets tax credit financing structure. These challenges included:

- The project, located on Trust Property (Reservation Land), could not be used as collateral.
- Project development required extensive infrastructure improvements, which included an estimated \$3.2 million to create access to Highway 395.
- The Washoe Tribe lacked a significant amount of cash for the down payment.
- The Tribe needed a high loan to value—100 percent if possible.

The project could not have been built “but for” the provision of NMTCs. In particular, the innovative process of combining Nevada State and Federal NMTC allocations provided NMTC equity of roughly 50 percent of the project

costs. Clearinghouse CDFI's \$5.6 million loan, along with State and Federal NMTCs, allowed the Tribe to create the infrastructure necessary to support project development. The new Washoe Travel Plaza, which officially opened in early 2016, is expected to generate a significant amount of income for the Tribe in the long-term.

Narrative Statement

Mission: Clearinghouse CDFI financed the Washoe Travel Plaza in the underserved state of Nevada to help create jobs and a source of sustainable revenue for members of the Washoe Tribe and its surrounding communities. The Washoe Tribe's debut of the new travel plaza is a part of its ongoing business initiative to revitalize this low-income region. As a result of the project and its required infrastructure development, the reservation can now stimulate creation of additional businesses.

Community Impact: The new Washoe Travel Plaza serves the local community, along with tourists and long-haul truck drivers. The development created approximately 27 permanent jobs and more than 100 construction jobs. These jobs provide hourly wages for clerks and annual salaries for managers and shift leaders which range up to 1.5x the average per capita income for the county. The Washoe Travel Plaza employs low-income individuals from the Tribe and surrounding communities, which allows them to further their careers and provide for their families. Healthcare and benefits are provided for all full-time employees. The Washoe Tribe expects the Travel Plaza to generate an additional \$1 million in revenue annually. These funds will help improve the quality of life on this low-income reservation.

Equally important is the catalytic effect this project will have for further development on the site. The new infrastructure, including the Nevada Department of Transportation's approved access to Highway 395 and inroads to the reservation, was financed through this initial Travel Plaza project.

Innovative Financing:

Funding for construction of the Washoe Travel Plaza "stacked" Federal NMTCs with a new and untested Nevada State NMTC program. This financial package was the first of its kind in the state of Nevada. Clearinghouse CDFI provided the key financial resources to make the development possible. This included: \$2 million of Nevada State NMTC allocation, \$10 million of Federal NMTC allocation, and a \$5.6 million loan to the Washoe Tribe. Additionally, Clearinghouse CDFI's loan marks the first use of funds from the United States Treasury Department's CDFI Bond Guarantee Program (BGP) for sovereign nation lending. This unique financial package, which exists well outside the parameters of traditional lending, made this complex, yet viable project a reality.

Achievement of Goals:

The new Washoe Travel Plaza, which opened in early 2016, is already fully staffed by 11 Tribal members and 16 individuals from surrounding communities. Sales have steadily increased over the course of the first few months of operation. The Tribe has also taken steps to promote a green initiative in the Travel Plaza, beginning with the installation of energy-efficient LED lights to replace 90 percent of the center's lighting.

Construction of additional businesses on tribal land is already underway, including prospective developments for a hotel, RV park, and casino. It is expected that the boost in revenue will foster the growth of small businesses in the area as well. Tribal leaders anticipate that the resulting increase in employment opportunities and resources will help Tribe members achieve long-term economic self-sufficiency.

Photos

