USU Moab receives New Markets Tax Credit for New Building

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While construction has already begun on Utah State University Moab’s Campus building project, university officials have continued to seek the funds needed to complete the project. Thanks to a generous investment from Community Development Financial Alliance (CDFA), USU now has all funds necessary to complete the first building on the new campus site.

“We could not be able to move forward with the project without them,” said USU Moab Associate Vice President Lianna Etchberger. “The COVID pandemic pushed construction prices up because of all the uncertainty. We are so thankful to Amy [Rowland] and CDFA for choosing us.”

USU Moab submitted an application for New Markets Tax Credits (NMTC), a program created and approved by Congress to incentivize private investment in distressed, low-income areas that have traditionally had inadequate access to capital. With construction material prices rising due to the COVID-19 pandemic, USU officials needed to find another way to help bridge the funding gap that was created prior to the groundbreaking of the new building project in November.

Jon Paulding, Senior Director of Corporate and Foundation Engagement, had already worked with University Development Officer Michael Bowen and Vice President for Advancement Matthew White on local donations for the project. Seeing these unexpected cost hikes, Paulding met with CDFA to discuss options. Vice President for Business and Finance Dave Cowley decided to move forward with the application for the NMTC credits and Executive Director of Business Operations Chris Nelson worked to apply for the credits and make sure all things were in place to comply with application requirements.

Paulding is thankful the construction for the campus building project is already underway and looks forward to the building being able to help the people of Eastern Utah with higher education and helping industries hire local community members who are trained and earn their education in Moab.

“USU is incredibly fortunate to have been approved for an allocation of New Markets Tax Credits through the Community Development Finance Alliance of Utah,” Paulding said. “These tax credit funds completed the funding needed to construct the new USU Moab building, ensuring that the project would happen in an environment of rapidly escalating construction costs. USU is grateful for Executive Director Amy Rowland of CDFA for working closely on this project and providing the opportunity to apply for tax credits.”

CDFA is a non-profit Utah-based community development organization with a mission of deploying capital in underserved communities by providing below-market financing coupled with strong technical assistance. Private investors provide capital for below-market rate loans to fund projects in return for federal tax credits. CDFA President Amy Rowland saw the USU Moab as an excellent candidate, based on how it would affect the community of Moab and Grand County.

“CDFA has found that educational facilities have multiple positive impacts in low-income communities, accruing to low-income individuals (as they increase their ability to earn a better living), and providing wider economic impacts to the surrounding community,” she said. “Particularly in a rural area such as Grand County, we feel confident that an educational campus will have a strong multiplier effect.”

“We were also attracted by the project’s strong development team and its advanced stage in the development process, which gave it a high likelihood of actually starting construction during 2020, which was important to our organization’s goals.”

Having seen the plans for the new building, Rowland saw it as an ideal candidate to receive help from CDFA.

“We are confident that the new campus will increase opportunities for low-income individuals in Grand County to obtain skills and credentials to improve their lives, without having to leave the community,” Rowland added. “This in turn will help Grand County build a stronger economic base overall. The expansion of programs such
as nursing and other health professions, construction, permaculture, and technical education are well-tailored to local needs and opportunities."

This isn’t the only project that CDFA will be working on in Moab. They provided similar financing to the Arroyo Crossing development—a affordable housing subdivision owned by the Moab Area Community Land Trust. The first homes should be under construction in the next few months.

USU Moab’s new campus will be a combustion-free, net-zero energy building that is passively designed to harness solar energy. Some of the building’s features include ground-source heating and cooling, photovoltaic solar parking canopies, PVC-free interior finishes, natural day lighting and natural material construction. These building features, which are all designed to reduce the campus’ carbon footprint, will meet silver-level LEED certification when construction is completed.

The state-of-the-art facility will have indoor and outdoor spaces for hands-on learning experiences. Students and visitors will enjoy a campus reflecting Moab’s natural landscape, linking them to their broader ecosystem.

For more information on the new USU Moab campus, visit statewide.usu.edu/moab/newcampus.

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