

Leadership By Doing ... Urban and Inclusive Economic Development

MEDA Presentation

Lyneir Richardson

July 26, 2023



WHO WE ARE / Leadership and Team

Lyneir Richardson, *Co-Founder and CEO*

- Experienced urban real estate developer
- Publicly engaged scholar
- Tri-sector leader

ENGAGEMENTS

Executive Director, Center for Urban Entrepreneurship and Economic Development, Rutgers Business School (CUUED)

Chief Executive Officer, Newark EDC

Vice President, Urban Development, General Growth Properties

Founder, Lakeshore Development & Construction Co.

Vice President, Thrush Construction, Inc.

Attorney, First National Bank of Chicago

Board Member: CCLB, SDA, IEDC, NGIN, IASJ,

Non-Resident Senior Fellow: Brookings Institution

The Career Journey

- Corporate Jobs (5 years)
- Entrepreneurship (7 years)
 - Age 27; \$70,000
 - Grew to \$9M in Revenue
 - Highs and Lows
 - Fire Sale
- Owner's View/Better Employee
- Corporate Job at GGP (5)
- Government In Newark, NJ (5)
- Academia, Rutgers University (5)
- Return to Entrepreneurship (2)

what people think
it looks like



what it really
looks like





Empowering Entrepreneurship

Building New Jersey's Economic Future.

A large, red-tinted photograph of a modern glass building facade, likely a university building, serving as a background for the lower half of the page. The building has multiple stories with large windows and a prominent glass entrance area.

CUEED

CENTER FOR URBAN
ENTREPRENEURSHIP &
ECONOMIC DEVELOPMENT

/ WHO WE SERVE

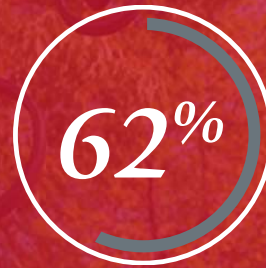
700+ small businesses strengthened since 2008



Based in Newark



**African American
or Latino**



Women

Chicago TREND Corporation

Community Wealth Building

CHICAGO
TREND

A blue-tinted background image of the Chicago skyline, featuring prominent skyscrapers like the Willis Tower. The image is partially obscured by a white diagonal shape on the right side.

**We're entrepreneurs
with a mission**

**We're a socially-minded enterprise,
passionate about revitalizing
communities through inclusive
urban development.**

We launched in 2016 with a seed
investment from the philanthropic sector.

FOUNDING FUNDERS

MacArthur
Foundation



THE CHICAGO
COMMUNITY TRUST
AND AFFILIATES

Doing

From the pipeline to the finish line

✓ COMPLETED DEALS TO DATE



9 projects
completed

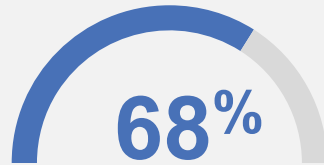


\$7,210,000
invested

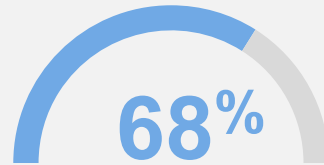
DOLLARS INVESTED



involve
entrepreneurs
of color



in Opportunity
Zones



in Invest South/West
Communities

PROJECT SITES

Austin

Bronzeville

Chatham

South Shore

Uptown

Woodlawn

Black communities receive no financial benefit from the profitability and appreciation of shopping centers that they frequent as customers.



WHAT WE'RE DOING

We see a unique opportunity to invest in e-commerce-resistant, service-oriented shopping centers in and with Black communities.

INVESTMENT CRITERIA

In diverse and dynamic urban markets across the country...



Demographic Make-up

- 50% + African-American
- More than 100,000 residents within a 3-mile radius
- “Cusp” location poised for positive change or at risk of decline
- Access to both low- and high-income populations is a plus



Location Characteristics

- Visibility through signage, adequate street frontage and property configuration
- Access via auto, transit and walking
- Parking adequate for mix of uses



Strong Tenant Mix

- Service- and convenience-oriented; diverse mix; identified by TREND as more likely to do well during a financial downturn
- “Non-Amazonable” business types
- Rolling lease terms with value-add opportunity on renewal and opportunity to curate community-supporting tenant mix



Compelling Financial Returns

- Purchase at a cap rate of 8-10% on in-place NOI
- Cash flow (after debt service) is available for distribution
- Below-market rents; potential for value appreciation as part of the TREND portfolio
- Well-maintained properties, limited capital improvements needed



TREND Structures Deals to:

- Build wealth for 1000+ Black, local and/or small dollar community investors
- Reinvigorate commercial corridors, create jobs and increase home values in majority Black neighborhoods
- Generate returns for impact-minded institutional investors

Example

Walbrook Junction (2021)

Walbrook | Baltimore, Maryland

Overview

- ❖ Working-class Black neighborhood
- ❖ 47,070 SF; 80% Occupied
- ❖ Valuation is \$6.2M; Mortgage is \$5.6M
- ❖ Construction to begin in 2023

Strategy

Obtained over \$1.6M of grant funding for safety and façade improvements

Leasing space to Black-owned bank



COMMUNITY OWNERSHIP MODEL

Owned and operated by the community they serve

With very little capital, community members can have an ownership stake in shopping centers in their own neighborhoods.

“Great concept. The income split here is generous. An unselfish vision to promote positive change. Thank you. Happy to help as an investor.”

Community Investor Walbrook Junction

Walbrook Junction

\$332,500 raised

OPEN TO EVERYONE

Reg CF + 506(c)

100% of \$35,000 min goal raised



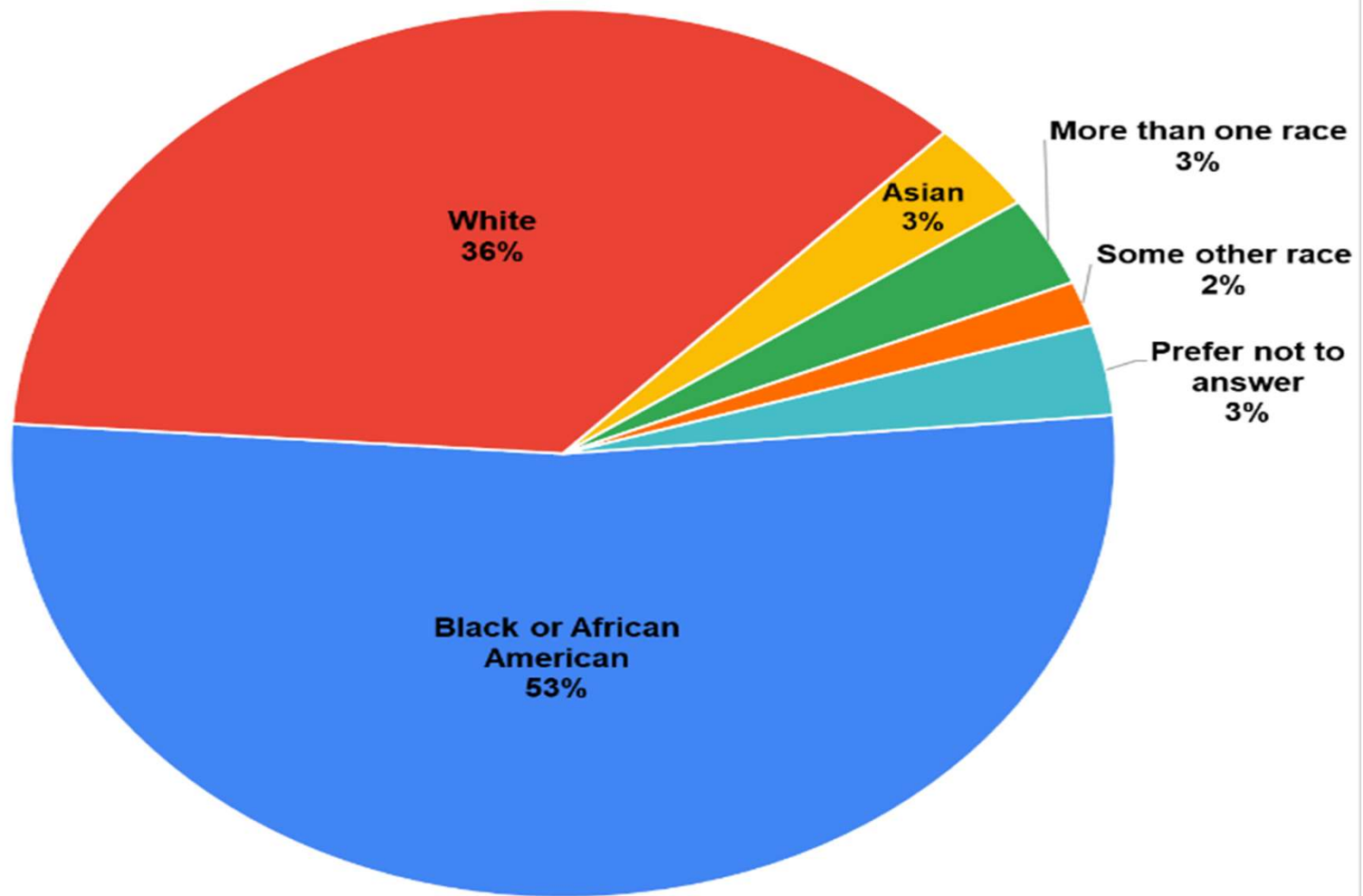
99% of \$335,000 max goal raised



130 investors with **0** days left to invest

 [Click here to download disclosure packet](#)

Offering Closed



MODERNIZING AND REVITALIZING EDMONDSON VILLAGE SHOPPING CENTER

CHICAGO
TREND

10.08.2022



Baltimore Project Highlight: Edmondson Village

READERS RESPOND

Baltimore's historic Edmondson Village Shopping Center can be saved, developer says | **READER COMMENTARY**

By Lyneir Richardson
For The Baltimore Sun • Feb 15, 2023 at 6:01 pm



Expand



ADVERTISEMENT

ADVERTISEMENT

ick.net...



TREND Real Estate Fund Summary of Key Terms

The Partnership	Limited Partnership with noteworthy impact investor; Chicago TREND is the General Partner
Target Fund Size	\$20 to \$50 million
Investment Objective	Acquire community serving shopping centers and structure co-investment opportunities for Black people and small impact investors
Transaction Size	No more than 20% of the Fund equity or \$5,000,000 will be invested in any one transaction
Target Return	8% (with option above preferred return to be donated to TREND CDC or other non-profit)
Investment Period	3 years from initial closing
Term	10 years from initial closing
Anticipated Leverage	80% debt financing from bank or CDFI is anticipated
Leasing and Property Management	Third-party leasing and property management firms to be engaged -- intentional effort will be made to identify Black-owned firms in each local market
Fund Management Fee	3% maximum commitments/investments
Preferred Return	Return of LP capital plus an 5%
Carried Interest/Promote	50-50%

VISION

By 2025:
Inclusive Ownership of 16
Community Serving Shopping Centers

...and jump start the formation of the first Urban Community Retail REIT creating wealth for 1,000 Black entrepreneurs, community residents and other impact investors.

Lessons Learned and a Look Ahead

Working at the nexus of social and financial impact has enabled us to design our initiatives and break new ground in real estate by ensuring that our approach is:

1. Intentionally inclusive/urban lens to transformation
2. Constructing ways to solve problems by building novel financing structures
3. Advocating for project and investor resources (both public and private sector)

Please reach out anytime

Questions/Ideas?

Lyneir Richardson

Chief Executive Officer

Chicago TREND

[https://www.linkedin.com/in/lyneir/
irichardson@trend.com](https://www.linkedin.com/in/lyneir/irichardson@trend.com)