



THE MERCANTILE

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Repurposing a landmark grocery store into mixed-use affordable housing in Alexandria, IN

Local grocers are often the lifeblood of towns like Alexandria, Indiana. So, when Cox Supermarket closed



its doors for the last time in 2014, for many, it signaled the end of an era. For 78 years, the Cox family owned and operated the independent grocery store in the small town.

Because the supermarket was situated next to another vacant building, a coalition of business partners and community leaders saw an opportunity to reuse the store, build affordable housing, and bring new life to Alexandria's main street. Envisioning a return of commerce to this once

bustling street, plans for The Mercantile – a mixed-use affordable housing development – began to take shape.



Tackling Funding Challenges with FHLBank Indianapolis and Old National Bank

When Chuck Heintzelman and Carla Naum of Milestone Ventures took on The Mercantile project as developers in 2015, they knew that securing funding would be a significant challenge.

“This project was so unique, it felt like we were putting square pegs in round holes, and it took a lot of patience for all of our partners to make this all fall into place,” said Heintzelman.

Between a low-income housing tax-credit and a low-cost loan from the Indiana Housing and Community Development Authority, there was a gap in funding, and they couldn’t saddle the project with more debt. Instead, they partnered with FHLBank Indianapolis member Old National Bank to apply for a grant from FHLBank Indianapolis’ Affordable Housing Program (AHP).

“In rural Indiana, these projects wouldn’t happen without funds from FHLBank Indianapolis,” said Milestone Ventures’ Chuck Heintzelman. “These projects can’t support a great deal of debt. Without a combination of funding from the

member bank and the Affordable Housing grant, we wouldn't be able bridge that critical gap.”

With a total award of \$465,000, the Affordable Housing Program grant provided the extra funding needed to complete the project.



Coming Full Circle

When construction of The Mercantile was almost complete, Alexandria received some very welcome

news. Horner's Midtown Market, a nearby locally-owned grocery store, was looking to expand and had signed a 10-year lease for the commercial space on the first floor.

Now, in 2018, with apartments leased and the store opened, it's official – downtown Alexandria has a new source of safe and affordable housing, and the community had a reliable source of fresh, nutritious food.