

Travois Holdings sets up new home in Kansas City

Company helps tribes finance housing projects

BY ROB ROBERTS | STAFF WRITER

Travois Holdings LLC, a business well known throughout American Indian country, is consolidating its five companies in Kansas City.

The parent company bought a 14,000-square-foot building at 310 W. 19th St. and is scheduled to occupy it by Thanksgiving — a fitting date given the relationship among the companies and their American Indian clients.

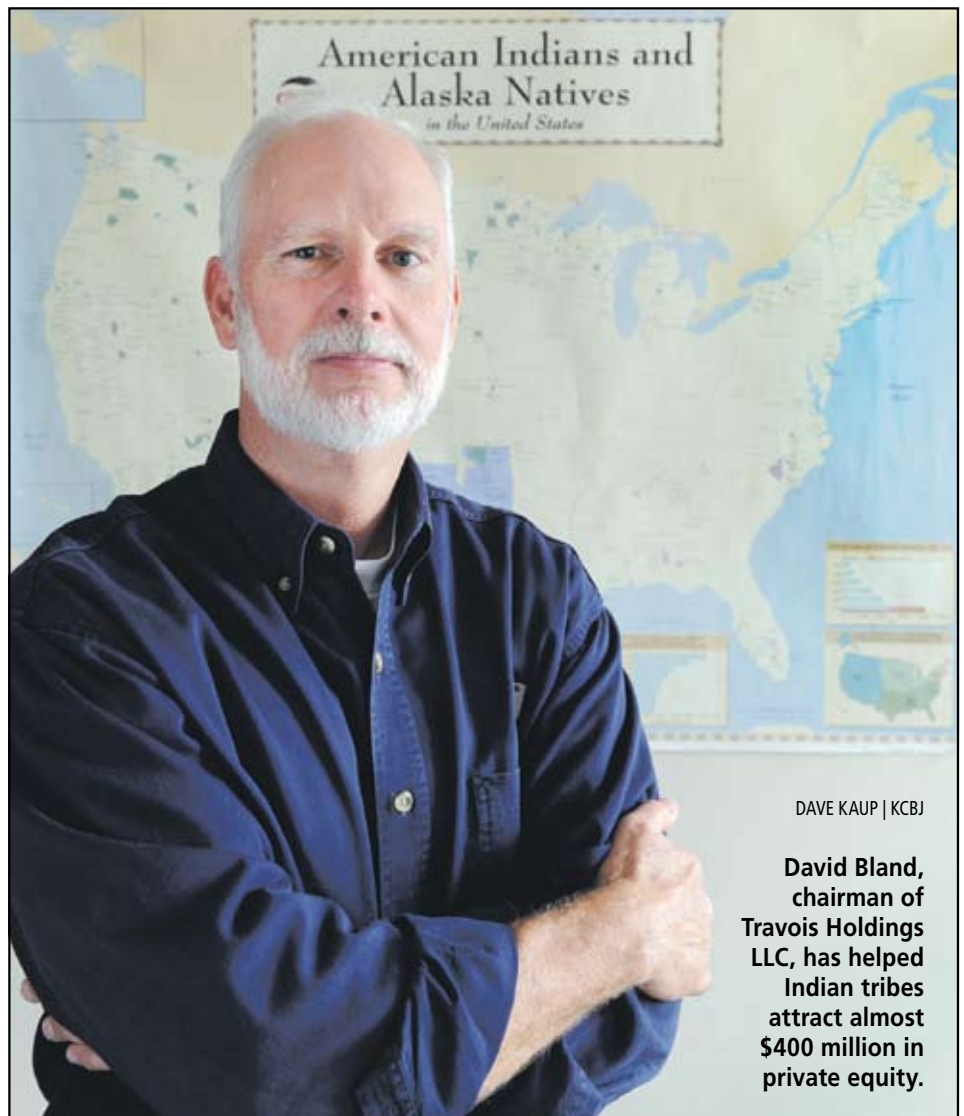
The Travois companies, which have helped tribes attract nearly \$400 million in private equity for housing and economic development, employ 25 people in Kansas City, Florida, Virginia and Montana. All but four are to work out of the new Kansas City headquarters.

The oldest and best known of the companies is Travois Inc., which was founded in 1995 by David Bland and his wife, Marianne Roos, chairman and COO, respectively, of the parent company.

Travois has helped tribes fight homelessness by accessing private equity through the federal Low Income Housing Tax Credit program. The program provides millions of dollars in credits each year to state housing agencies, which award them to developers of affordable-housing projects. The developers resell the credits to investors, providing capital to fill financing gaps.

Bland said Travois has helped tribal housing authorities attract more than \$350 million for a total of 3,500 units.

Jane Barrett, executive director of the housing authority on the Chippewa reservation in Red Lake, Minn., said Travois has



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David Bland, chairman of Travois Holdings LLC, has helped Indian tribes attract almost \$400 million in private equity.

helped secure tax credit financing for 10 projects totaling 247 homes there.

Tribes also receive annual allocations through the National American Housing Assistance and Self-Determination Act, but Bland said it is “a pittance that doesn’t come close to meeting Indian housing needs.” For the Chippewa reservation’s last

project, Barrett said, only about \$700,000 was available through the program.

“It ended up being a \$5 million project,” she said. “But if we didn’t have the tax credits — and we have Travois to thank for helping us get through that process — we would have built seven or eight houses instead of 30.”

TRAVOIS: Daughter's marriage helps CEO settle on KC office

Bland began working with American Indians in the early 1990s, after his wife was hired to run the Ramsey County Library system in suburban St. Paul, Minn. Working with the Federal Reserve Bank of Minneapolis, Bland was charged with bringing banking services to reservations.

"But when I'd go meet with the tribes, trying to get them interested in bringing bank branches to their reservations, they all told me they had housing crises they had to focus on," Bland said. "And it dawned on me: That's something I can help with."

Soon thereafter, Bland and Roos launched Travois. But they proceeded slowly.

"I recognized there was a huge amount of distrust of white people among Indian tribes, and for darned good reason," Bland said. "They'd been ripped off for 300 years."

Travois has gained its clients' trust, in part, through its "success-based" fee system, Roos said. The firm charges \$10,000 for filing the initial tax credit application, a labor-intensive process that involves hundreds of pages of documentation. If credits are allocated, Travois receives fees for finding tax credit investors and helping complete housing projects.

R. Lee Harris, president of Cohen-Esrey

Real Estate Services LLC, said Travois has found a successful niche. Because of the availability of federal financing and free land, he said, tribal housing authorities that receive low-income housing tax credits can offer rents that are affordable to even the lowest-income tenants.

"I couldn't do a deal like that," said Harris, whose firm supports traditional low-income housing developments.

Bland said Travois Inc.'s success created the demand for three other Travois companies that assist in designing, building and managing housing projects.

Lorna Fogg, president of Travois Inc., said success on the housing side also created demand for assistance with commercial projects. That demand, and the marriage of Bland and Roos' daughter, Elizabeth, led to the creation of Travois New Markets LLC as Travois Holdings' first Kansas City company three years ago.

Elizabeth Bland Glynn, a vice president of Travois Inc., married Phil Glynn, who was working here for DST Systems Inc. In 2006, Phil agreed to become the first director of Travois New Markets, which uses money from the federal New Markets Tax Credits program to help American Indian

entrepreneurs and organizations secure financing for commercial development. But he and Elizabeth wanted to live and work in Kansas City, not Montana, where Travois Holdings previously was based.

Phil Glynn said Travois New Markets has provided \$30 million in low-cost financing for a salmon-processing plant on the Bering Sea, a hotel that employs American Indians in Albuquerque, N.M., and new electrical substations that will provide power to 400 families on the Navajo Nation reservation in Shiprock, N.M.

Travois New Markets, a federally designated Community Development Entity, receives equity investments from private investors and uses them to arrange financing for qualified projects. In return for equity totaling about 25 percent of a project's cost, the investors receive tax credits equal to 39 percent of the project's cost.

Travois New Markets expects to learn this month whether the U.S. Treasury Department will approve its application for a new round of credits that would allow the company to provide an additional \$90 million in project financing.

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