

New Jersey

NMTC Allocatee
National New Markets Tax
Credit Fund (CRF)
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Community Profile

Paterson, NJ

Poverty Rate 57.2%
Median Income 22.4%
Compared to AMI

Project Highlights

- **Investor:** Chase
- **Co-Allocatee:** New Jersey Community Capital
- **Total Project Cost:** \$31.3M
- **NMTC:** \$18.8M
- **Jobs:** 250 retained and 50 created
- **Garden State Growth Zones™** – a designation the state placed upon Paterson, Trenton, Camden, and Passaic in 2013 in recognition of the extreme blight and job loss these municipalities have experienced.



Accurate Box

Accurate Box Company (ABC) is a 72-year-old, women owned, third generation, privately held family business that manufactures corrugated boxes in Paterson, New Jersey. Since founding, ABC has committed to supporting Paterson, one of the most distressed communities in New Jersey suffering from a poverty rate of 57.2%, and a median family income of 22.37% of the area median. The entire city is eligible for the NMTC, and in fact, 88% of the city's census tracts are severely distressed. ABC is the largest private employer in Paterson. One-half of its employees are from Paterson, two-thirds reside in a low-income community, and eighty percent of its employees are non-white.

In 2014, ABC was at a crossroads. It needed to expand substantially to remain viable in the face of competition and faced the difficult decision of staying in Paterson and renovating its existing facilities at substantial expense or moving elsewhere where they could build without demolition time and costs. ABC opted to stay in highly distressed Paterson and continue its long-term commitment to the community. But, this meant \$22 million in renovation and construction costs and another \$9.3 million in equipment investments, stretching the company's resources beyond economic viability. The company searched out alternative funding to make it possible to stay in Paterson, and the NMTC were essential to making its expansion possible.

CRF partnered with a local New Jersey CDFI, New Jersey Community Capital, to provide \$18.8 million in NMTC financing for ABC. The investor on the project was Chase. ABC was able to access additional increment financing through the Grow NJ Tax Credit to fill the gap. The project – which involved the total demolition of one building and the construction of a new 300,000 sq. ft. facility, allowed ABC to modernize and expand its existing century-old facilities, nearly doubling its production capacity.

The modernized facility allowed ABC to keep 250 jobs in Paterson, and is projected to create 50 additional permanent living wage jobs in the next 2 to 3 years. ABC estimates that approximately 235 jobs are accessible to low-income persons and approximately 66% of ABC employees live in low-income communities. In addition, the project created approximately 170 full-time construction jobs. As the largest private employer in Paterson, ABC's decision to strategically grow its business in Paterson is critical to the continued development of the local economy by expanding employment opportunities and the tax base.