NMTC Coalition
1155 15th Street, NW, Suite 400
Washington, DC 20005
(202) 393-5225
nmtccoalition.org

ARKANSAS

SAFE FOODS CORPORATION

North Little Rock, AR (2019)

Safe Foods was founded in 1999 to commercialize food safety applications to reduce food-borne pathogens, extend safe shelf-life for food products and manage food safety costs. The company produces 600 food safety applications that are used in 115 facilities for treating 250 million food servings daily. Prior to receiving New Markets Tax Credit (NMTC) financing from Heartland Renaissance Fund, Safe Foods rented its offices and outsourced its blending operation. In 2018, Safe Foods embarked on a new investment in a facility that vertically integrated its corporate office, R&D labs, and all chemistry and production needs. The company purchased a shuttered plant in the North Little Rock Industrial Park in the most severely distressed census tract in Arkansas. Safe Food's $24 million investment in the Industrial Park was the first new project to locate there in fifteen years.

NMTC BRINGS FIRST NEW MANUFACTURER TO INDUSTRIAL PARK IN ALMOST FIFTEEN YEARS

The $6 million in NMTC financing from Heartland Renaissance Fund allowed for vertical integration of all processes of the company, which resulted in increased profitability and the ability to expand into new markets. Since this is essentially a start-up, private equity and equipment financing were cost prohibitive and the senior lender limited debt to real estate. NMTCs provided critical gap financing for working capital and equipment enabling Safe Foods to complete the project. As COVID has impacted food processing facilities, effective "touchless" antimicrobials are critical to protect food supply, and HRF is proud to have invested in this growing essential business.

Safe Foods has retained 60 full-time jobs and is adding 40 additional quality jobs. The project created 300 construction jobs and 172 indirect jobs with suppliers. Safe Foods has a partnership with neighboring Shorter College, a HBCU, to provide training and internship opportunities for students and is working with Seventh Street Elementary to support science curriculum in a school with a high rate of reduced or free price lunch and 85 percent minority enrollment. Safe Foods has already provided $10k in aid, 150 volunteer hours and holiday meals to all students and teachers in 2019. Additionally, the project renovated the 120,000 sq. ft. facility, which is located in a Brownfield, to LEED standards.

FINANCING

NMTC Financing: Heartland Renaissance Fund, LLC: $6 million
Equity Investor: U.S. Bancorp Community Development Corporation

IMPACT

- 300 construction jobs
- 40 new permanent jobs created, 60 retained permanent jobs

COMMUNITY

- Located in the most severely distressed census tract in Arkansas
- Partner to nearby HBCU and public elementary school