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Greenco – Distribution Facility

GREENVILLE, SC

Background

The New Markets Tax Credit (NMTC) Program permits taxpayers to receive a credit against federal income taxes for making Qualified Equity Investments (QEIs) in designated Community Development Entities (CDEs). Substantially all of the QEIs must in turn be used by the CDE to provide investments in Low-Income Communities (LICs).

The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over the seven-year credit allowance period. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period. The NMTC program provides financing availability for projects in underserved geographic areas and with extremely favorable terms for businesses and real estate developers or owners. The result of these investments fulfills financing gaps for projects to be completed, and it allows projects to be enhanced with community-oriented components, which generate measurable community impacts.

Project

Established 100 years ago, Greenco Beverage Co. is one of the largest beverage distributors in Upstate South Carolina. Recently, the company purchased approximately 12 acres of property along the Poinsett Corridor in its hometown of Greenville to construct a new 120,000 sq.-ft. distribution center. The new state-of-the-art, energy efficient facility will replace Greenco's current outdated distribution center on White Horse Road, which also lacks sufficient space for expansion.

The Greenco project is the first major industrial development to occur along the Poinsett Corridor in nearly 40 years and is expected to have a catalyzing effect for the surrounding area. A major artery between downtown Greenville and Travelers Rest, Poinsett Highway has long been littered with abandoned buildings fronting poverty-stricken neighborhoods. Greenco's new distribution facility will be built on the site of a long vacant thrift store, replacing it as well as an unsightly paved parking lot currently surrounded by chain link fence and barbed wire. The new distribution center will feature manicured landscaping that blends into surrounding green space. In addition, the County of Greenville has committed to improving a nearby intersection, making it more usable and opening access to future development.

Community Impact

GNMO II's investment will support 330 direct quality jobs, with permanent jobs paying a wage 47 percent higher than the LIC's per capita income of $8.70 per hour. Permanent jobs will be provided with the following employment benefits: health insurance, dental insurance, vision insurance, AD&D insurance, disability insurance, and an employer-matched 401K plan. To encourage accessibility of jobs to LIC residents and in addition to hiring from the local community, Greenco will establish an apprenticeship program with Apprenticeship Carolina and the local technical college with a goal of two enrollees in the program throughout the seven-year compliance period.

In addition to supporting quality job creation, GNMO II's investment catalyzes the entire blighted Poinsett Corridor, which once was an economic hub of Greenville. Textile mills operated around the clock, producing the fabrics that clothed America. Hard-working families lived, worked and played in the neighborhoods surrounding the mills. But time has taken its toll on this proud community. The corridor is now an unsightly thoroughfare for drivers traveling to and from northward lying Blue Ridge Mountain communities and downtown Greenville. Dilapidated buildings riddled with graffiti give way to uneven sidewalks and power lines that litter the skyline.

Greenco – Distribution Facility QUICK FACTS

CDE
Greenville New Markets Opportunity II, LLC (GNMO II)

TOTAL DEVELOPMENT COST
$11,500,000

GNMO II ALLOCATION
$8,300,000

LOCATIONS
10 Metts Street
903 Poinsett Highway
912 Poinsett Highway
Greenville, SC 29609

PROJECT SPONSOR
Greenco Beverage Co., Inc.

SQUARE FOOTAGE
120,794

LEVERAGED LENDER
First Citizens Bank

NMTC INVESTOR
Capital One, N.A.

PERMANENT JOBS
130 Direct
83 Indirect/Induced

CONSTRUCTION JOBS
200 Direct
49 Indirect/Induced

TARGETED DISTRESS
Poverty Rate: 56.2%
MFI: 20.71%
State EZ
Appalachian Regional Commission (ARC) Distressed Area

FINANCING COMPLETE
April 2016

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PROJECT UPDATES

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In 2011, the Poinsett Corridor emerged as an underutilized community asset and a movement began to revitalize the area. A grant from Hollingsworth Funds, a local charitable supporting organization, funded a market study commissioned by the Greenville Revitalization Corp., which showed the emerging Poinsett Corridor could support more industrial activity, rental housing, a tech and entrepreneurship district, and even a mid-scale hotel in the coming years. In the wake of new activity, such as Greenco's distribution facility – and several years after launching the Poinsett Corridor Revitalization Coalition – the market study highlights what advocates have been saying for years: progress is taking shape in the Poinsett Corridor. GNMO II's investment in Greenco is vital to the corridor's continued growth, as it brings financial legitimacy to an area that has suffered from high unemployment and blight.

"The Greenco Beverage team is excited to partner with GNMO II in the redevelopment of the Poinsett Corridor and make it a dynamic business location."

- *Russell Farr, President, Greenco Beverage Co.*

For more information contact:
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