

Arris Manufacturing

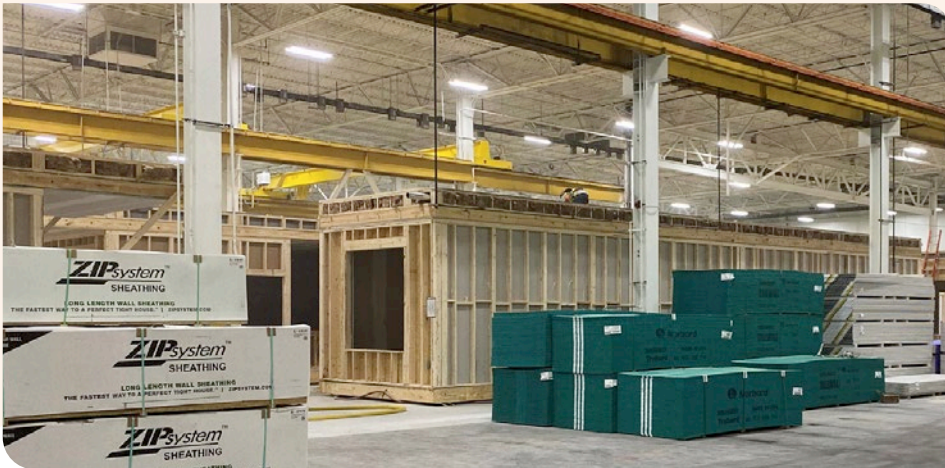
Quality Job Creation From Manufacturer's Expansion In Clio, SC



40
Direct Jobs



162,000
SF Manufacturing



Project

On the northern border of South Carolina, deep in the heart of cotton country, Clio is home to some 900 people. This small town was once a thriving hub for agrarian commerce due to the successful cotton industry at the turn of the 20th century. The town's population has shrunk over the last 100 years, and now over 70% of the population have no more than a high school diploma or GED. Roughly 60% of this non-metro, persistent poverty county's population is minority, and unemployment rate remains stubbornly high (24.30% as of the 2015 census).

Marlboro County, which has a slightly better overall unemployment rate than Clio as a whole, ranks as the seventh lowest in employment opportunities out of the 64 South Carolina counties. The lack of employment was exacerbated in 2016 when Baldor Electric, one of the largest employers in the area, shuttered its mining equipment manufacturing facility, laying off its remaining 65 employees.

TOTAL PROJECT COST:
\$19,000,000

NMTC ALLOCATION:
\$18,000,000

FINANCING COMPLETE:
January 2020

PROJECT SPONSOR:
Arris Manufacturing, LLC

CDES:
The Innovate Fund, LLC/Capital One
Community
Reinvestment Fund

NMTC INVESTOR:
Capital One

LEVERAGED LENDER:
Arris Clio Lending, LLC

ADDRESS:
2660 Highway 9 East
Clio, SC

CENSUS TRACT:
45069960500

LOW-INCOME COMMUNITY:
Poverty Rate: 30.90%
Median Family Income: 64.71%
Unemployment Rate: 24.30%
Unemployment Ratio: 2.93x
Non-Metropolitan County
State/Local Economic Zone

Arris Manufacturing has acquired the former Baldor Electric facility and will completely retrofit it to begin building modular housing units for multi-family housing. The sponsor is a multi-family housing developer in the Southeast and will use this facility to vertically integrate their modular unit manufacturing with their multi-family housing developments.

The project will create 134 new permanent quality jobs in Clio (82% of which will be accessible to employees with no more than a high school diploma or GED). The project sponsor has also implemented a Skills Incentive Program where employees can earn higher pay for learning new skills regardless of the ability to immediately progress to a higher position. The project involves \$6.4MM in land and building, \$2.2MM in equipment and \$9MM for working capital, raw materials and inventory.

Financing

The approximately \$19 million dollar project was financed utilizing sponsor equity and a loan from Renasant Bank to provide a self-leveraged structure, with NMTC equity from Capital One, N.A., \$15 million of NMTC Allocation provided by The Innovate Fund and \$3 million of NMTC Allocation provided by Capital One Community Reinvestment Fund. After acquisition, FC will renovate the four-story building, taking over more than one full floor as its new headquarters. The remaining space in the four-story building will be leased to other non-profits, government and other office users. Collectively, these groups will provide services to over 17,000 low-income Austinites annually, including, Communities In Schools assisting 5,000+ students overcome challenges to their educational success, and FC providing wrap-around services to 12,000+ low-income residents in their housing units.

Marlboro County Government is committed to assisting Arris Manufacturing in every way possible so that the company and our workforce will prosper. We're excited to see this innovative company get its start here with the help of the New Markets Tax Credit program."

Ron Munnerlyn

County Administrator & Economic Developer, Marlboro County

About Cherry Bekaert

"Cherry Bekaert" is the brand name under which Cherry Bekaert LLP and Cherry Bekaert Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with applicable professional standards. Cherry Bekaert LLP is a licensed CPA firm that provides attest services, and Cherry Bekaert Advisory LLC and its subsidiary entities provide tax and advisory services. For more details, visit [cbh.com/disclosure](https://www.cbh.com/disclosure).

© 2023 Cherry Bekaert. All Rights Reserved. This material has been prepared for general informational purposes only and is not intended to be relied upon as tax, accounting, or other professional advice. Before taking any action, you should consult a professional advisor familiar with your particular facts and circumstances.

v. 012323 Case-Study_CB-NMTC_Arris-Manufacturing_1021633328

[cbh.com/NMTC](https://www.cbh.com/NMTC)

