

Rooms To Go

Distribution Warehouse and Retail Facility Creates Jobs in Dunn, NC



626
Direct Jobs



1,454,147
Square Feet



Project

Rooms To Go is a Florida-based furniture store chain with approximately 225 stores operating throughout the southern United States. It focuses on offering quality home furniture at affordable prices. The company constructed, developed and equipped a more than \$57 million distribution, warehouse, and retail/outlet facility on a 120-acre plot in Non-Metropolitan Harnett County. The 1.4 million square foot facility houses a state-of-the-art Rooms To Go showroom, a Rooms To Go Kids/Teens showroom, an Outlet Center and a large distribution center housing tens of thousands of pieces of furniture. Located along a highly visible portion of I-95, Rooms To Go will receive and warehouse furniture, prepare furniture for shipping to customers, load home delivery trucks and sell merchandise to customers from a retail outlet.

Harnett County is part of the Southeastern Economic Development Commission (SEDC) Region, consisting of 12 counties in the extreme southeastern corner of North Carolina. This region is the largest Economic Development District in NC. Per the 2012 Comprehensive Economic Development Strategy, in the period between 1990 and 2010, this region was decimated by job losses - over 38,000 industrial jobs alone - as a structural shift in the region's economic took place as

TOTAL PROJECT COST:

\$57,800,000

NMTC ALLOCATION:

\$30,000,000

FINANCING COMPLETE:

May 2014

PROJECT SPONSOR:

Rooms To Go

CDES:

CAHEC New Markets, LLC / CCG
Community Partners, LLC / SunTrust
Community Development Enterprises, LLC

NMTC INVESTOR:

SunTrust Bank / US Bancorp
Community Development
Corporation

LEVERAGED LENDERS:

Rooms to Go / SunTrust Bank

ADDRESS:

Saddlebred Road, Dunn, NC

CENSUS TRACT:

37085070200

LOW-INCOME COMMUNITY:

Poverty Rate: 25.7%
Median Family Income: 72.1%
Non-Metropolitan County

companies downsized and shifted activities offshore to countries with lower wages, and less business and environmental protection regulations. These job losses and record unemployment wreaked havoc on income. The Rooms To Go investment is projected to create 626 direct jobs to be filled by community residents in a highly distressed census tract with 9.5% unemployment.

Financing

With total project costs over \$57 million, Rooms To Go received \$30 million in NMTC Allocation from CAHEC New Markets (\$10 million), CCG Community Partners (\$10 million), and SunTrust Bank (\$10 million). Project debt was in part self-leveraged by Rooms To Go and by additional conventional debt from SunTrust Bank. The project was originally designed to be 1.2 million square feet with future expansion capacity. However, due to sales growth, the project size grew by over 230,000 square feet, increasing its total project cost. As conventional financing for rural projects in high-risk areas is difficult to secure, without the NMTC subsidy, additional equity funding would have need to be raised to accommodate the growth. This would have either delayed the project timeline or reduced the project's scope.

An integral part of the Harnett County economic development plan, the project was strongly supported by the local community and the State of North Carolina. As a result of the private and public investments, Rooms To Go would become the second largest industrial employer in Harnett County.

It's a great day to be in Harnett County. I think what you see here behind you is a beacon. It's a beacon that's going to cause hundreds of people to work at good jobs and good paying jobs everyday."

David Lewis

State Representative, North Carolina

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