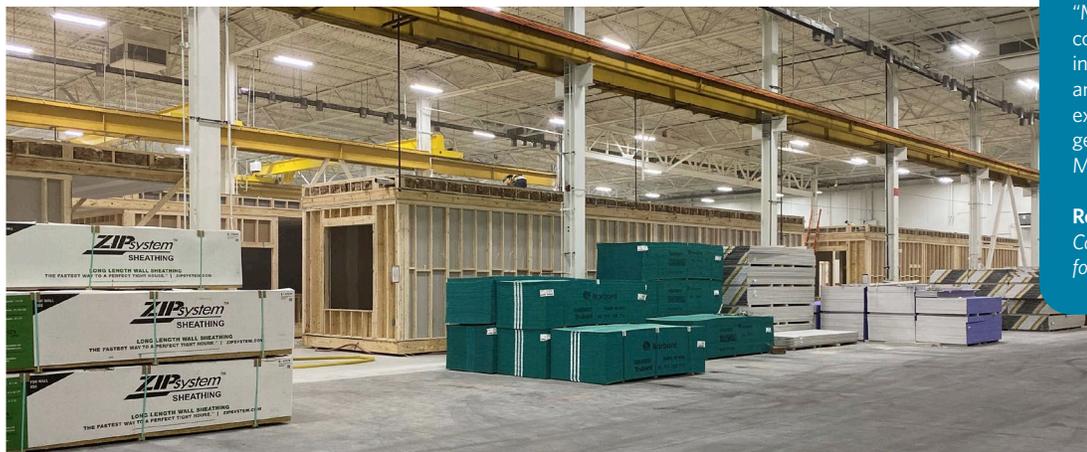


Arris Manufacturing



Project

On the northern border of South Carolina, deep in the heart of cotton country, Clio, South Carolina 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 7th worst of 64 counties in South Carolina for employment opportunities. The lack of employment was exacerbated in 2016 when Baldor Electric, one of the largest employers in the area shuttered its mining equipment component manufacturing facility, laying off the remaining 65 people employed at the site.

Arris Manufacturing has acquired the former Baldor Electric facility and will completely retrofit it to begin building modular housing units for use in 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 \$6.4 MM in land and building, \$2.2MM in equipment and \$9MM for working capital, raw materials and inventory.

The 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 New Markets Tax Credit Allocation provided by The Innovate Fund and \$3 million of New Markets Tax Credit Allocation provided by Capital One Community Reinvestment Fund.

"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 Munneryn
County Administrator and Economic Developer
for Marlboro County

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 29525

CENSUS TRACT:

45069960500

COMMUNITY OUTCOMES:

162,000 SF Manufacturing
140 Direct Jobs

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