

Brown Packing

Upgraded Meat Processor Creates Jobs in Gaffney, SC



 **396**
Direct Jobs

TOTAL PROJECT COST:

\$15,100,000

NMTC ALLOCATION:

\$13,750,000

FINANCING COMPLETE:

October 2018

PROJECT SPONSOR:

Brown Packing Co., Inc.

CDE:

The Innovate Fund, LLC

NMTC INVESTOR:

Bank of America, N.A.

LEVERAGED LENDER:

BPC Leverage Lender, LLC

ADDRESS:

116 Willis Street
Gaffney, SC

CENSUS TRACT:

45021970201

LOW-INCOME COMMUNITY:

Poverty Rate: 23.80%
Non-Metropolitan County
State/Local Economic Zone

Project

Gaffney, South Carolina, located in Appalachia, has long been home to low or no skill manual labor jobs associated with the textile and farming industry but in the 1980's this rural area began to suffer from the overall offshoring of those jobs. As the automotive industry has back-filled with mid/high skill level jobs, the working poor of Gaffney have not had the skills necessary to rejoin the workforce. From 2010 to 2015, Poverty in the community jumped by 20% and Median Family Income dropped from 105% of the statewide average to only 81% of average.

Brown Packing Co., Inc. is a third-generation beef packer that harvests cows and bulls, buying cattle from stockyards and producers throughout the southeast. It has operated out of the same facilities in non-metropolitan Cherokee County for the last 60 years without any significant upgrades to their building or equipment. The Innovate Fund provided a \$13.75 million investment to the locally-owned operating business, for new cooling systems, a new wastewater treatment system, and updated locker rooms and employee wellness facilities for both genders - upgrading the company's facility to meet evolving industry standards, with best in class equipment and technology.

Brown Packing provides one of the few entry level job opportunities in the area for low-skilled workers to obtain full-time employment without basic reading or English language skills. These entry level jobs have effectively no barriers to entry allowing Brown Packing to serve as a rehabilitation employer for ex-offenders or those with long unemployment backgrounds. Brown Packing provides 3-days (20 hours) a week of on-site nurse practitioner and wellness staff for employees. These services are at no cost to employees and provide everything up to biometric screening. Almost all the employees at Brown Packing are using the employee health plan and receive employee coverage for a low monthly cost if they participate in the wellness program.

The Financing

The \$15.1 million project was financed utilizing sponsor equity and a loan from Bank of America, N.A. to provide a self-leveraged structure, with NMTC equity also coming from Bank of America. The Innovate Fund, LLC provided \$13.75 million of NMTC Allocation to fill a gap in financing of over \$2 million.

We believe running a business requires a delicate balance of stability and flexibility, and the New Markets Tax Credit allocation from The Innovate Fund has provided us the flexible capital necessary to complete this project. As a family-owned business, we pride ourselves on the relationships we have developed over the past 40 years, and this project will allow us to continue to offer fulfilling jobs to our loyal employees, remain actively involved in the Cherokee County community, and provide excellent service and safe, quality products to our customers and end-consumers.”

Jim Brown

President of Brown Packing Co., Inc.

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.

© 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. 010923 Case-Study_CB-NMTC_Brown-Packing_1023159435

cbh.com/NMTC

