



PINE BELT WOOD PRODUCTS, LLC. PROJECT NEW MARKETS TAX CREDIT LOAN & INVESTMENT FUNDS SUCCESS STORY



UB Community Development, LLC, a community development partner of United Bank, has provided \$617,000 in New Markets Tax Credit (NMTC) loan and investment funds to facilitate a change in ownership of Pine Belt Wood Products, keeping the mill in operation and allowing it to add employees.

Pine Belt Wood Products is a 46-acre timber processing facility which purchases pole timber from local loggers, strips the bark from the poles and prepares them to be delivered to timber processing plants that treat and finish them into utility poles.

The NMTC funding will help keep the Pine Belt Wood Products mill in operation as it changes ownership. The company currently employs 391 and will add another five jobs after the ownership transition.

Since Hurricane Michael ravaged the Florida timber industry in 2018, Alabama timber plants have experienced an increase in demand for their poles from Florida. Keeping the Pine Belt Wood Products mill open will help Alabama processing plants meet the increased demand for poles while also saving Alabama loggers money on transportation costs as they are able to use a local facility for pole processing.

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Pine Belt Wood Products, LLC. Success Story

Project Address
13795 Highway 17
Chatom, Alabama 36518

Project Name

Pine Belt Wood Products, LLC.
Chatom, Alabama

Amount of NMTC Funds

- \$617,000

Community Profile

- Population: 1,000
- Poverty Rate: 23 percent
- Unemployment Rate: 6.2 percent
- Median Household Income: \$40,000

Job Creation

- The company currently employs 391 and will add another five jobs after the ownership transition.

Project Highlights

- Keeping the mill open and expanding operations will help Alabama timber industry meet increased demand for utility poles from Florida.
- It will also save Alabama loggers money as the ability to use a local facility for pole processing will reduce transportation costs.
- These costs savings will eventually make their way to utility companies and consumers.

About UB Community Development

UB Community Development's strong history and experience in New Markets Tax Credit transactions, coupled with our passion for improving the communities around us, make UBCD Alabama's premier financial partner for economic and community development. Through our NMTC projects, Community Facilities Lending Program and Community Housing Capital Fund, UBCD is working with community development partners in the fields of healthcare, education, manufacturing, public works, and more.

Since 2016, the U.S. Department of Treasury, through its New Markets Tax Credit Program, has awarded United Bancorporation of Alabama (OTC: UBAB), the parent corporation of United Bank and UBCD, \$120 million in New Markets Tax Credit allocations. UBA, and subsequently UBCD, are the only community development entities (CDE) headquartered in Alabama to receive a NMTC allocation from Treasury in the last decade. This success was made possible largely because of United Bank's designation as a Community Development Financial Institution (CDFI) and the organization's unwavering commitment to its CDFI mission to bring positive and sustainable economic and quality-of-life improvements to underserved communities, not only in its traditional banking footprint, but throughout the entire states of Alabama and Florida.

Additionally, UBCD, as the community development management entity for UBA, manages a \$40 million Community Facilities Lending Program, which provides accessible, low-cost capital to local government and non-profits in rural areas. Finally, UBCD also manages the \$4 million Capital Magnet Fund Award that Treasury recently provided to United Bank. The CMF award requires UBCD, in conjunction with United Bank, to inject at least \$40 million in capital to facilitate accessible, affordable and quality housing communities. Like the New Markets Tax Credit awards, UBCD is the only Alabama-based entity to receive and administer these programs.

For more information about the impact of the Community Facilities Lending Program, Community Housing Capital Fund, and New Markets Tax Credit visit:

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