

NEW MARKETS TAX CREDIT

**ESCAMBIA PEANUT COMPANY, LLC**  
A UB COMMUNITY DEVELOPMENT (UBCD)  
NEW MARKETS TAX CREDIT SUCCESS STORY



UB Community Development, LLC (UBCD), a community development partner of United Bank, announces \$11.6 million in New Markets Tax Credit (NMTC) funding to Escambia Peanut Company, LLC in Flomaton, Alabama. Escambia Peanut serves as a buying point and warehousing facility for peanut producers in southwest Alabama and northwest Florida. UB Community Development used their knowledge in structured financing to minimize transactional cost to Escambia Peanut. United Bancorporation of Alabama acted as tax credit investor and United Bank provided the leverage for the transaction, further optimizing the capital investment provided.

Escambia Peanut Company, LLC is a 109,000-square-foot peanut buying point that utilizes cleaners, dryers, storage sheds and handling equipment to clean and store peanuts prior to shipment to the peanut shelling plant. Escambia Peanut Company, LLC will now deliver their peanuts to the new Atmore shelling plant project, Coastal Growers, LLC, also a farmer owned facility utilizing New Markets Tax Credits for its funding.

Operating for more than seven years, Escambia Peanut serves family farmers in the rural counties of Monroe, Escambia (FL & AL) and Santa Rosa, Florida. With more than thirty existing farmer members, Escambia Peanut utilized NMTC funding to purchase new equipment, expand existing facilities and most importantly consolidate ownership amongst the family farmers. Escambia Peanut began as a partnership between family farmers in Alabama and Florida with a family owned peanut sheller. After a multi-national corporation acquired the sheller, the farmers decided they need to acquire control of the company.

“UB Community Development works daily to improve the financial viability of our rural communities and their residents,” said Alex Jones, President of UB Community Development. “By assisting the family farmers in their ownership acquisition of Escambia Peanut, we have ensured that they will gain more of the economic benefit from the peanuts they plant and harvest every year.”

*Escambia Peanut Company, LLC.  
Success Story*

**Project Address**  
880 Old Sardine Road  
Flomaton, AL 36441

### **Project Name**

Escambia Peanut Company, LLC  
Flomaton, Alabama

### **Amount of New Markets Tax Credit Funds**

- \$11.6 million

### **Community Profile**

- Population: 37,000
- Unemployment: 6.5%
- Poverty: 24%
- Household Median Income: \$35,000

### **Community Impact**

- The farmer-members will use the NMTC funding to purchase new equipment, expand to existing facilities and consolidate ownership among the family farmers.
- Escambia Peanut Company will now deliver their peanuts to the new Atmore shelling plant project, Coastal Growers, LLC, also a farmer-owned facility utilizing New Markets Tax Credits for its funding.

### **Project Highlights**

- Escambia Peanut Company is a 109,000-square-foot peanut buying point that uses cleaners, dryers, storage sheds and handling equipment to clean and store peanuts prior to shipment to peanut shelling plants.
- UB Community Development used their knowledge in structured financing to minimize transactional cost to Escambia Peanut. United Bancorporation of Alabama acted as tax credit investor and United Bank provided the leverage for the transaction, further optimizing the capital investment provided.

### **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, affordable housing and more.

Since 2016, the U.S. Department of Treasury, through its New Markets Tax Credit Program, has awarded United Bancorporation of Alabama (OTCQX: 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 nonprofits in rural areas. Finally, UBCD offers Community Housing Capital (CHC) investments as part of its commitment to strong inclusive neighborhoods and diverse housing opportunities. CHC investments are partly funded by Capital Magnet Fund (CMF) awards allocated through the US Department of Treasury. Since 2018, United Bank has been the recipient of two CMF awards totaling \$10 million. Like the New Markets Tax Credit awards, UBCD is the only Alabama-based bank 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:

**[WWW.UBCOMMUNITYDEVELOPMENT.COM](http://WWW.UBCOMMUNITYDEVELOPMENT.COM)**