

NEW MARKETS TAX CREDIT

**COASTAL GROWERS PEANUT SHELLING PLANT**  
A UB COMMUNITY DEVELOPMENT (UBCD)  
NEW MARKETS TAX CREDIT SUCCESS STORY



UB Community Development, LLC (UBCD), a community development partner of United Bank, announces the placement of \$10 million of their New Markets Tax Credit (NMTTC) allocation into Coastal Growers. UBCD, jointly with Baker Tilly, assisted in sourcing an additional \$50 million in New Markets Tax Credit allocations from partner Community Development Entities including MuniStrategies, allocating \$5 million, Rural Development Partners \$15 million, Waveland \$15 million and National Impact Fund \$15 million. Additionally, United Bank applied for and received a \$40 million Business and Industry Loan Guarantee from USDA Rural Development to support the project financing.

Alex Jones, President of UB Community Development, stated “It is not often that you get to support a project that will have such extensive impact. UBCD and United Bank are honored that Coastal Growers and over 100 farm families trusted us to guide them through the process of sourcing and structuring a project of this scope.”

The new 475,000-square-foot facility will source peanuts within a 200 mile radius from farms in Mississippi, Alabama, Georgia and Florida. The project will create 95 construction jobs and 130 permanent jobs with training and career advancement opportunities. The project anticipates shelling 140,000 tons of peanuts annually, which will be sold domestically and internationally.

“Without the continuing support of Alex Jones and the team at UB Community Development, Coastal Growers would still merely be a dream,” said Brad Smith, President of Coastal Growers. “Their dedication to the project during times of uncertainty with COVID-19 and political upheaval show their commitment to customers and the community. Simply put, without UBCD, Coastal Growers would not exist nor would the jobs it has created and the ones it will create in the near future.”

Due to the proximity of the project to the growers and buying points, 250,000 fewer gallons of fuel will be burned annually and sustainable farming practices used by growers will result in a reduction of water use by 90,000 gallons annually.

*Coastal Growers Peanut Shelling Plant  
Success Story*

**Project Address**  
437 Industrial Park Road  
Atmore, AL 36502

## **Project Name**

Coastal Growers Peanut Shelling Plant  
Atmore, Alabama

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

- \$10 million

## **Community Profile**

- Population: 9,107
- Unemployment: 2.7%
- Poverty: 34.6%
- Household Median Income: \$26,118

## **Community Impact**

- The new 475,000-square-foot facility will source peanuts within a 200 mile radius from farms in Mississippi, Alabama, Georgia and Florida.
- The project will create 95 construction jobs and 130 permanent jobs with training and career advancement opportunities.
- Coastal Growers currently works with 100 regional farms with over 200 employees and \$4.8 million in total wages. Upon completion they anticipate working with 130 regional farms supporting almost \$8 million of wages.

## **Project Highlights**

- The support of several entities, including the City of Atmore Industrial Development Board, the city of Atmore, the Alabama Farmers Association (ALFA), Alabama's Workforce Training Program (AIDT), made the project possible. Additional support includes a new rail transload facility which will service several nearby businesses in addition to Coastal Growers, and the potential future expansion of a blancher at the project site.

A number of partnerships made this project possible. The City of Atmore, through its Industrial Development Board, has extended an abatement of non-educational ad-valorem taxes for 10 years, as well as an initial abatement on construction-related non-educational sales and use taxes on construction materials and equipment. The city also offered to purchase 15 acres of property and construct a rail spur to service the facility as well as other projects in the area for a total cost of \$2.5 million. Finally, the city will also donate 60 acres of land for construction of the facility which saves the project \$240,000.

Additional support includes a new rail transload facility which will service several nearby businesses in addition to Coastal Growers, and the potential future expansion of a blancher at the project site. The project received a \$2,000,000 loan from the Alabama Farmers Association (ALFA) as well as \$937,000 of contributed value for workforce training from the AIDT (Alabama's Workforce Training Program). Coastal Growers also received \$8.2 million in Alabama Investment Tax Credits over a 10-year period.

## **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, United Bank 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)**