

NEW MARKETS TAX CREDIT

REALTYMASTERS, LLC. RAILYARD FACILITY
A UB COMMUNITY DEVELOPMENT (UBCD)
NEW MARKETS TAX CREDIT SUCCESS STORY



UB Community Development, LLC (UBCD), a community development partner of United Bank, allocated \$7 million in New Markets Tax Credit (NMTC) as part of a \$14 million railyard facility at RealtyMasters, LLC, an affiliate of ColorMasters, LLC in Albertville, Alabama. UBCD assisted in sourcing an additional \$7 million in New Markets Tax Credits from contributing partnerships.

“To be able to support such a dynamic company grow and increase hiring in a rural community is exactly what we seek in a project to support,” said Alex Jones, President of UBCD. “Furthermore, when we learned ColorMasters offers an onsite healthcare clinic, it cemented our belief that ColorMasters was a company that deserved support in their expansion.”

An active participant in flexible packaging since 1986, ColorMasters has grown from a 10,000-square-foot facility with one bag machine to over a million square feet of manufacturing and warehousing space housing more than 24 machines delivering packaging and film solutions to the marketplace. A privately-owned company, ColorMasters is providing meaningful jobs to Marshall County as well as significantly increasing their capacity to manufacture, house and ship products all while meeting increasing demand.

“We are pleased to have had another opportunity to work with United Bank and UB Community Development, a community development partner of United Bank,” said Jonn Grochowalski, company official with both ColorMasters, LLC and Realty Masters, LLC. “We are also delighted to be at the vanguard of job creation here in Marshall County. This is a perfect economic development project for our area.”

ColorMasters has built a corporate legacy through organic growth with superior products at competitive pricing. Their high performance state-of-the-art equipment allowed them to efficiently keep up with supply and demand. The company has been proactively building capacity by strategically adding two to three new pieces of equipment for the past several years as it continues to increase market share.

RealtyMasters, LLC. Success Story

Project Address
632 Smith Road
Albertville, AL 35951

Project Name

RealtyMasters, LLC. Railyard Facility
Albertville, Alabama

Amount of New Markets Tax Credits

- \$7 million

Community Profile

- Population: 21,460
- Unemployment: 3.3%
- Poverty: 28.5%
- Household Median Income: \$40,047

Community Impact

- The funds will be used to construct a 15-acre railyard to supply materials at RealtyMasters, LLC, an affiliate of ColorMasters, LLC. ColorMasters is a privately owned company and is providing meaningful jobs to Marshall County.
- The bulk of the company's raw material comes in the form of rail cart, currently more than 35 miles away. At times, they are inconsistent with delivery based on their shipping volume.
- The railyard will vertically integrate their supply source and allow for more control of material transportation. With capacity for 100 rail carts, the railyard will allow for consistent shipping and delivery channels.

Project Highlights

- "We are pleased to have had another opportunity to work with United Bank and UB Community Development, a community development partner of United Bank," said Jonn Grochowalski, company official with both ColorMasters, LLC and RealtyMasters, LLC. "We are also delighted to be at the vanguard of job creation here in Marshall County. This is a perfect economic development project for our area."

The bulk of material comes in the form of rail cart. The company has been reliant on rail cart service providers who are more than 35 miles away and at times are inconsistent with delivery based on their shipping volume. The arrival of supply materials and distribution is critical and time sensitive. The construction of the 15-acre railyard is within a half mile of their Medlock facility. The railyard will vertically integrate their supply source and allow for more control of material transportation. The railyard will be utilizing the existing railway. With capacity for 100 rail carts, the railyard will allow for consistent shipping and delivery channels.

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 2017, 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:

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