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Honeywell International, Inc. QUICK FACTS

CDE

East Baton Rouge Community Development Entity (EBRCDE)

TOTAL DEVELOPMENT COST

\$34,400,000

EBRCDE ALLOCATION

\$17,500,000

LOCATION

2966 Lupine Avenue
Baton Rouge, LA 70807

NMTC CONSULTANT

taxadvantagegroup, llc

QALICB

Honeywell Baton Rouge Real Estate Company, LLC

LEVERAGED LENDER

Self-Leveraged

NMTC INVESTOR

Chase Community Equity, LLC

PERMANENT JOBS

211 Direct

CONSTRUCTION JOBS

98 Direct

TARGETED DISTRESS

Poverty Rate 39%
MFI 52.6%
Unemployment Ratio 4.57x
DRA Distressed Area
State Enterprise Zone

FINANCING COMPLETE

June 2012

Honeywell International, Inc.

BATON ROUGE, LA

Background

The New Markets Tax Credit (NMTC) Program permits taxpayers to receive a credit against federal income taxes for making Qualified Equity Investments (QEIs) in designated Community Development Entities (CDEs). Substantially all of the QEIs must in turn be used by the CDE to provide investments in Low-Income Communities (LICs).

The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period. The NMTC program provides financing availability for projects in underserved geographic areas and with extremely favorable terms for businesses and real estate developers or owners. The result of these investments fulfills financing gaps for projects to be completed, and it allows projects to be enhanced with community-oriented components, which generate measurable community impacts.

Project

The project, located on a 57-acre site, is the design, procurement, construction and startup of a new facility to produce a low-global-warming blowing agent and propellant (technical name – 1234ze) used in insulation and aerosols. The project's environmental benefits include: ultra-low global warming potential, zero ozone depletion potential and a near drop-in replacement of R-134a. 1234ze has been accepted for use and sale in foam and aerosols by the U.S. Environmental Protection Agency. It is also currently used in Europe and Japan, with the majority of demand coming from Europe. As a significant quality job creation and retention project, it was greatly supported by state and local governments, receiving state and local commitments through the Industrial Tax Exemption, Retention and Modernization Program and Quality Jobs Program. Honeywell's Baton Rouge facility was built in 1945 and continues to serve as one of its main manufacturing sites for its specialty materials business. Products made at the facility are shipped to customers around the world.

The Financing

With a total project cost of \$34.4 million, EBRCDE served as the lead CDE, providing the largest allocation of \$17.5 million. Subsequent to EBRCDE's first-in investment, the project was supported by Chase New Markets Corporation and Community Reinvestment Fund.

“One of the products the facility makes was becoming obsolete due to changes in environmental regulations. The funds will help Honeywell upgrade its facility to produce a new, more environmentally friendly product and retain jobs.”

- Mark Goodson, Executive Vice President of the East Baton Rouge Redevelopment Authority

For more information contact:
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