



taxadvantagegroup



TDC Cutting Tools/ Greenfield Industries

QUICK FACTS

CDE
Greenville New Markets Opportunity II,
LLC (GNMO II)

TOTAL DEVELOPMENT COST
\$11,731,685

GNMO II ALLOCATION
\$7,000,000

BANK OF AMERICA ALLOCATION
\$3,000,000

LOCATION
2501 Davis Creek Road
Seneca, SC 29678

DEVELOPER
TDC Greenfield Properties, LLC

SQUARE FOOTAGE
47,000

LEVERAGED LENDER
Bank of America, N.A.

NMTC INVESTOR
Bank of America Community
Development Corporation

PERMANENT JOBS
302 Direct
161 Indirect/Induced

CONSTRUCTION JOBS
46 Direct
21 Indirect/Induced

TARGETED DISTRESS
Non-Metropolitan Census Tract
State Enterprise Zone
Poverty: 32.8%

FINANCING COMPLETE
January 2015

TDC Cutting Tools/Greenfield Industries

OCONEE COUNTY, SC

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

TDC Cutting Tools, Inc., one of the world's leading manufacturers of cutting tools, established its overseas headquarters in Oconee County, S.C. at the same site as its subsidiary, Greenfield Industries. The company invested \$11.7 million in the construction of a 47,000-sq.-ft. campus, including a 32,000-sq.-ft. office building and a 15,000-sq.-ft. high-speed metals recycling facility. The recycling facility's purpose is to enable sustainable solutions in the metal recycling industry that reduce solid materials waste. It permits Greenfield to tap into an existing flow of steel scrap to which its strategic partners are highly connected, and it helps ensure additional steel scrap metal will be reprocessed rather than disposed of in landfills. Together, both companies employ more than 3,300 individuals worldwide and produce more than 300 million tools annually.

Community Impact

The project supports 348 direct jobs (302 permanent, 46 construction) with permanent jobs paying an average wage 121% greater than the Low-Income Community's per capita income. In addition, employment benefits such as health insurance, dental and vision insurance, disability insurance, a 401k plan with company match, and on-site health care are provided.

Employees have access to opportunities for job training and advancement, including participation in the company's U.S. Management Trainee Program and an educational reimbursement scholarship program for employees that secure a bachelor's or master's degree.

To encourage accessibility of jobs to LIC residents, the company has established two apprentice programs with Apprenticeship Carolina in conjunction with Tri-County Technical College. An apprenticeship is a time-tested method of employee development that combines supervised on-the-job learning and job-related education. Registered apprenticeship programs also enable employees to receive incremental wage increases as they demonstrate new competencies throughout the training program. Rick Cothran, dean of corporate and community education at Tri-County Technical College, said, "The apprenticeship program we have with Greenfield Industries allows us to provide quality education and training for their employees so they can focus time and resources on their expansion in Oconee County. It's a great partnership." Greenfield Industries is also establishing a youth apprenticeship program where area high school students will learn to work in a metal working manufacturing environment.

"GNMO II funding was instrumental in this significant job creation project in Oconee County. We are excited to see TDC continue to grow in our community." – *Richard Blackwell, Executive Director, Oconee Economic Alliance*

Since 2014, taxadvantagegroup has co-managed its affiliated \$38 million Greenville New Markets Opportunity II (GNMO II) NMTC fund with the Greenville Local Development Corporation. The fund mission is to serve and provide investment capital for projects that create quality jobs and/or enhance health and wellness outcomes in low-income communities across the 10-counties in Upstate South Carolina.

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