

Project Description

LEGF's NMTC allocation financed the redevelopment of a 26-acre manufacturing complex formerly occupied by WireCo World Group to serve as the company's new state-of-the-art 140,000 square foot janitorial and sanitary products distribution complex in St. Joseph, MO. The NMTC allocation allowed the Sponsor to continue its redevelopment and growth plans based on the increased demand of cleaning and hygiene products due to the COVID-19 pandemic. As a nationwide manufacturer and distributor of cleaning and sanitary products, the Sponsor plays a key role in providing sanitary and hygiene products approved by the U.S. Food and Drug Administration (FDA) and the Environmental Protection Agency (EPA) to fight the COVID-19 pandemic.

Permanent Job Creation

The Hillyard Holdings project created and retained 225 full-time employment opportunities. The weighted average wage of these newly created positions is \$34.65 per hour, and all positions will pay a wage in excess of the living wage threshold in Buchanan County.

Accessible Jobs: 125 / 56%

Quality Jobs: 225 / 100%

Benefits/Training Opportunities: Each position will include a suite of benefit offerings, including health and welfare benefits with full family options including medical, dental, life, and accident insurance; an employee assistance program, a 401k retirement plan with an employer match, vacation days, sick leave, paid holidays, other personal paid time programs, and paid training and education for job progression.

Total NMTC allocation	\$ 17,500,000
LEGF NMTC allocation	\$ 10,000,000
Closing date	March 11, 2022

Census Tract: 29021001200

Distress Criteria:

- Poverty rate of 46.80%
- Median family income of 36.32%
- Unemployment Rate 1.60x of the National Unemployment Rate

NMTC equity provided the gap financing needed to complete the Project. Due to the unforeseen increase in construction costs, there was pressure on the Borrower's capital to bring the new distribution facility up to operational conditions. The Borrower sought alternative sites, but selected the proposed location to remain committed to the community, while also the ability to utilize NMTC financing. Per the Borrower's discussions with local and regional lenders, the outdated facility could not sufficiently collateralize market rate debt at a loan-to-value ratio that supports the project costs.

Community Alignment

The Project directly aligned with the Imagine St. Joseph 2040 Plan, developed by the St. Joseph Chamber of Commerce and the United Way of Greater St. Joseph, which engaged over 1,000 residents to identify critical trends and expectations of the community, which focused across three primary areas: pursuing initiatives that revitalized blighted areas, expanding economic opportunities for low-income persons, and developing the local economy by pursuing new business opportunities and attracting talent. The project collaborated with various workforce development organizations, including the Missouri Workforce Development Board and Northwest Workforce Development Board, and received several letters of support from the Mayor of St. Joseph, Buchanan County Commission, and St. Joseph Chamber of Commerce indicating its support and the anticipated community benefit and economic outcome resulting from the project. Overall, the project was determined to have been in direct alignment with the strategic objectives of the St. Joseph community.