



# Arkansas

## NMTC Allocatee

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## BlueOak Arkansas

An estimated 3.2 million tons of e-waste from electronics is disposed of annually in the United States—20 to 50 million tons globally. BlueOak Arkansas’ technology provides for the environmentally sustainable recycling and converting e-scrap into a source of precious metals (gold, copper, silver and palladium) for use in future technology. The company decided to locate its first facility in Osceola, Arkansas—one of the country’s most distressed areas. However, the project faced financing barriers as a new company utilizing new technology. Costly venture capital was the only option to cover the high-risk associated with this type of operation, but venture capital is largely absent in poor areas such as the Mississippi Delta. Thus, New Markets Tax Credits (NMTCs) were essential to make the blended cost of capital affordable.

The company hosted meetings in Arkansas and Osceola with community representatives, business leaders and various government officials. BlueOak Resources’ former chairman, John Correnti, a community member and part of the company’s advisory team, met with then Arkansas Governor Beebe and members of his staff to discuss the benefits BlueOak will bring to Arkansas and, specifically, Osceola. The city currently suffers from a high unemployment rate.

National New Markets Fund and Heartland Renaissance Fund each provided \$15 million in NMTC Allocation, which served as the lynchpin in bringing capital to the project. Silicon Valley venture capital, Arkansas Teachers Retirement System pension fund, and SISA, a German equipment manufacturer and steel industry investment bank, all contributed to the financing of BlueOak Arkansas in one of the poorest, rural communities in America. This project is a testament to the impact the credit can have in distressed, capital-starved communities.

Local hiring plans were developed in collaboration with the Arkansas Economic Development offices of Mississippi County. BlueOak Arkansas committed to hiring local, low-income community members and promoting the hiring of local minority-owned business. Employees will earn an average salary of \$50,000 a year, plus benefits including health, dental, vision and an HSA plan. Further, the project will reach even the most under-skilled in the local workforce by establishing post-employment training, including extensive on-the-job training, third-party administered training, vendor training and certified training with the local community college, Arkansas Northeastern College.

## Community Profile

### Osceola, AR

<b>Poverty Rate</b>	44.3%
<b>Median Income</b>	51.2%
<b>Compared to AMI</b>	
<b>Unemployment Rate</b>	12.7%

## Project Highlights

- Investor: U.S. Bancorp Community Development Corporation
- Co-Allocatee: Heartland Renaissance Fund
- NMTC: \$30M
- Jobs: 200 construction, 75 full-time positions
- Non-metro, Underserved State

