

Alabama



Gulf Distributing Co. of Mobile, LLC

Mobile, AL (2024)

Gulf Distributing Company of Mobile, LLC (Gulf Distributing) was founded in 1973 and is a family owned and operated, full-service beverage distributor, spanning across Alabama, 10 counties in the Florida panhandle, and 19 counties in southern and central Mississippi. Through efforts to support growing operations and demand, acquired and rehabilitated a warehouse and office facility that previously housed a company called Press Register Newspaper, who operated as a newspaper office, printing production and distribution site.

Investment into manufacturer restores lost jobs and helps to revitalize distressed community.

In 2023, the facility permanently ceased operations and eliminated over 100 jobs in the city of Mobile, negatively impacting the economic stability of a community facing high poverty rates and unemployment rates. As a result, the vacant building located at the project site became a major focus for redevelopment by the City of Mobile and the Mobile County Industrial Development Authority.

NMTC financing provided by UB Community Development, LLC and Truist Community Development Enterprises, LLC was critical in moving this project forward. The business purchased the site for \$15 million, which included a \$4 million premium required by a prior developer. As the company began the extensive planning, architecture and engineering work necessary to complete the project, the costs to rehabilitate and re-purpose the office building and warehouse increased the budget to over \$30 million. Due to the significant cost increases and limited collateral value of the outdated facility, a financing gap persisted that was unable to be met with internal sources of capital and third-party debt. NMTC financing enabled the gap to be filled and provided a financially viable path forward to complete the project to restore jobs within the impoverished community.

The project created 65 permanent FTE jobs and retained 257 permanent FTE jobs. The company provides training and development for employees through career mapping, succession planning and offering programs that develop employee skills to advance careers. Gulf Distributing partnered with the Alabama Career Center, the Alabama Community College System, local nonprofits and community agencies to actively recruit employees to the company. Gulf Distributing also collaborated with the Mobile Housing Authority to host up to four jobs fairs annually targeted at hiring from the local community.

FINANCING

NMTC Financing: UB Community Development, LLC, Truist Community Development Enterprises, LLC: \$10 million

Equity Investor: Truist Community Capital, LLC

Total Project Cost: \$59 million

IMPACT

- 141 construction jobs
- 322 permanent jobs (65 created, 257 retained)

COMMUNITY

- Poverty Rate: 46.3%
- Median Income: 41.8% of the AMI
- Unemployment Rate: 3.35x the national Shutdown of a previous manufacturer resulted in the loss of 100 jobs.

According to Mobile Chamber President & CEO Bradley Byrne, "This move will play a key role in the revitalization of Downtown Mobile, as we strive to recruit more back-office operations to our downtown area."