

# New Markets Tax Credit

# ALABAMA

## NMTC ALLOCATEE

### **CEI Capital Management LLC\***

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\*An affiliate of Coastal Enterprises, Inc.

## COMMUNITY PROFILE

- Aliceville, AL
- 28.3% poverty rate
- Unemployment rate 1.7 times national average
- Highly distressed census tract

## PROJECT HIGHLIGHTS

- Wood pellet manufacturing facility
- Total Project Cost: \$75 million
- NMTC: \$55.5 million
- Co-Allocatees: Wells Fargo, Rural Development Partners, WNC National Community Development Advisors
- Investor: Wells Fargo
- Jobs: 800 construction, 275 permanent



## Westervelt Pellets I, Inc.

Aliceville, Alabama is a rural community in Pickens County with fewer than 3,000 residents. Aliceville was once a prosperous industrial base but when the Huyck Felt brick plant closed in 1998, the community lost hundreds of high-paying jobs and the impact of the shutdown was felt throughout the local economy. The once vibrant factory sat vacant for years despite efforts of local officials to attract new industries to the site.

In April 2011, The Westervelt Company (Westervelt), a privately held company that owns and manages over 500,000 acres of timberland across the country, purchased the former Huyck plant from the Aliceville Industrial Development Authority with plans to use the site for a new wood pellet manufacturing facility. Westervelt launched a capital campaign to raise the funds needed to finance the construction and retrofitting of the existing plant and to purchase the equipment needed for the new manufacturing facility. The company was able to raise \$20 million from local corporations and foundations, but encountered difficulty securing the remaining \$55 million needed to complete the project. CEI Capital Management, a Community Development Entity based in Maine, in tandem with three CDE partners – Wells Fargo, Rural Development Partners, and WNC National Community Development Advisors – provided a combined \$55 million in NMTC financing needed to fill the capital gap.

Already underway, construction of the manufacturing facility is projected to be completed summer of 2013 and is expected produce 280,000 metric tons of wood pellets to be used as an alternative energy resource around the world each year.

With a local poverty rate of 28.3 percent and an unemployment rate of 11.8 percent, this facility will bring much needed economic stimulus to the area, creating approximately 800 construction jobs and nearly 275 permanent jobs either directly or indirectly tied to the wood pellet manufacturing facility. Westervelt committed to purchasing approximately \$16 million of pulp wood and other raw materials annually from local timber markets, helping to increase the demand for timber cutters and trucking firms throughout the local economy.



Top: Construction of Westervelt Pellet I, Inc. is underway

Bottom: Westervelt Pellet I pellet dryer