

New Markets Tax Credit

ALABAMA



Gulf Coast Agricultural and Seafood Co-Op

Gulf Coast Agricultural and Seafood Co-Op (GCASC) is a non-profit cooperative located in Bayou LaBatre, Alabama. The community was devastated in 2005 when Hurricane Katrina hit, destroying many local businesses including the plant local fisherman relied on to process their seafood waste. Without a local processing facility, area fishermen had no alternative but to pay a significant cost to dispose of their waste in a landfill more than 50 miles away. In an effort to alleviate this cost burden that put many local businesses at risk, 23 local shrimp and crab companies formed the GCASC.

In September 2011, AMCREF Community Capital (AMCREF), a community development entity based in New Orleans, provided \$8.4 million in NMTC financing to help develop a new, first-of-its-kind green manufacturing facility in Bayou LaBatre, where GCASC members can cost-efficiently dispose of their waste. The innovative plant turns the seafood waste into fertilizer and incorporates other environmentally beneficial features into its production.

The new facility offers the Co-Op members the option to process the seafood waste locally and turn it into marketable products, including fertilizer and high-grade medical materials, such as chitin, which can be sold for use in supplements, surgical sutures and artificial skin. At full capacity, the facility will process more than 10,000 tons of seafood waste annually, creating 2,500 tons of output per year, greatly reducing the processing waste expense, and providing an additional revenue stream for Co-Op members.

The Co-Op members worked with the Alabama Farmers Market Authority to raise a total of \$5.2 million in grants from the Economic Development Administration and Marine Fisheries Commission and raised \$1 million in debt, and equity capital from Co-Op member companies. However, the project needed additional capital to complete necessary plant optimization. Without AMCREF's NMTCs, the Co-Op would have been unable to finish the facility and meet its startup phase cash-flow requirements, jeopardizing the long-term viability and success of the project.

NMTC ALLOCATEE

AMCREF Community Capital, LLC

New Orleans, LA

Cliff Kenwood

504.891.3118

COMMUNITY PROFILE

- Bayou LaBatre, AL
- 23.3% poverty rate
- Unemployment 1.3 times national average
- State/Local Enterprise Zone
- Median income 72.1% of Area Median Income

PROJECT HIGHLIGHTS

- Seafood waste processing facility
- Total Project Cost: \$8.4 million
- NMTC: \$8.4 million
- Investor: U.S. Bank
- Jobs: 119 construction, 82 new full-time, 364 retained



Top: Walton Kraver, President of GCASC, explains the facility's processes (Press-Register /G.M. Andrews)

Bottom: The Seafood Waste Processing Facility uses a field of 48 Solar Water Heating Panels to keep a bacterial digester warm