

## California



### Fireclay Tile

Aromas, CA (2022)

Founded in 1986, Fireclay Tile began as a small-scale artisan tile manufacturer in Aromas, California. Initially focused on producing handcrafted ceramic tiles for the wholesale market, the company recognized the need to evolve with industry trends. In 2009, Fireclay shifted its business model from wholesale manufacturing to a vertically integrated brand, selling directly to consumers, contractors, and designers. As a result of its rapid growth and success, Fireclay's current 30,000 sq. ft. manufacturing facility has reached capacity, limiting its ability to meet rising demand. To address this, Fireclay is expanding its headquarters and manufacturing space from 80,000 sq. ft. constructing a new facility and making significant upgrades to existing structures. These improvements include the installation of a micro-grid with solar panels, new kilns, forklifts, and water recycling equipment.

### FINANCING

NMTC Financing: New Markets Community Capital, California Statewide Community Development Corporation, and Chase New Markets Corporation: \$23.5 million  
Equity Investor: JPMorgan Chase  
Total Project Cost: \$24.4 million

### IMPACT

- 32.5 construction jobs
- 400 permanent FTE jobs

### COMMUNITY

- Median Income: 60.2% of the AMI
- Unemployment Rate: 21.9%

**Strategic expansion of tile manufacturer boosts local economy and creates quality jobs in a distressed community**

Fireclay Tile sought financing from a variety of public and private sources to support the expansion of its manufacturing facility. Despite securing a \$5.6 million loan from Santa Cruz County Bank, the project still required \$23.5 million in NMTC financing through three CDEs: New Markets Community Capital, California Statewide Community Development Corporation, and Chase New Markets Corporation.

The community in which Fireclay operates faces significant economic challenges, including an unemployment rate 2.64 times the national average, and a median family income that is just 60.2% of the area's average.

With the NMTC financing, Fireclay Tile expects to increase its production capacity by as much as 500 percent times and create 240 new full-time equivalent (FTE) jobs while retaining 160 existing jobs. The new positions will offer competitive wages and benefits, with 100% of the jobs classified as quality jobs. A substantial portion of these jobs will be filled by residents of low-income communities, and many positions will be accessible to individuals without college degrees. Fireclay is also committed to sustainability, using clean energy and reclaimed water throughout its manufacturing process. The project will invest over \$2 million in renewable energy and water recycling efforts, contributing to the company's goal of becoming Zero Waste Certified.