



Illinois

NMTC Allocatee

Advantage Capital
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Mason Manufacturing

Decatur, Illinois-based Mason Manufacturing produces heat exchangers, dryers, and vessels for some of the world's best-known industrial processing companies. Its pressure vessels and heat exchangers have been placed in over half of American and Canadian ethanol plants. The company has shipped vessels across the United States and outside of North America, and has been a leading custom fabrication provider since the late 1980s. However, experiencing the devastating effects of the contraction of the manufacturing industry, a decline in the ethanol boom, the unevenness of past several business cycles, and the Great Recession of the late 2000s nearly clobbered the 61-year-old company.

In May 2010, Advantage Capital, along with non-New Markets Tax Credit (NMTC) investors, provided \$12.05 million in NMTC financing to the company. The investment came at a critical point in the company's development when cash was extremely tight. The company took the growth capital as an opportunity to make important operational changes to enhance both business and management structures. Since the investment, the company has had its ups and downs as a result of the aforementioned manufacturing declines, prolonged cyclical troughs, and the crash in the ethanol market. Throughout that time, Advantage Capital supported the company, advising on business strategy and restructuring the company's capitalization to provide added flexibility. When existing management began to consider retirement and selling the business, Advantage Capital helped identify and hire a new management team that has moved the company forward.

The importance of the investment is deeper than the impact on Mason Manufacturing. Keeping manufacturing in Decatur is very important to the local economy: Decatur has a poverty rate of 60 percent and an unemployment rate of 18 percent. Since the late 2000s, the heat exchange manufacturer industry has started to come out of prolonged downturn, and Mason Manufacturing has been able to ramp up production and add full-time employees. The company continues to make an impact in the community, with its CEO, Bob McKinley, serving on the board of directors for an organization that works with young future business leaders to promote and cultivate talent and new business development in the area. Mason Manufacturing currently employs 41 people and makes a concerted effort to use and support local machine shops, suppliers, and subcontractors in the Decatur area. The investment has helped the business to grow, putting into place an opportunity for it to realize sustained growth.

Community Profile

Decatur, IL

Poverty Rate 60%

Unemployment Rate 18%

Project Highlights

- **Investor:** U.S. Bancorp Community Development Corporation
- **Total Project Cost:** \$24.2
- **NMTC:** \$12.05M
- **Jobs:** 21 permanent full-time jobs

