

New Markets Tax Credit

KENTUCKY



Consumers Choice Coffee, Inc.

Consumers Choice Coffee, Inc. (CCC) was founded in 1971 in Louisville, Kentucky, as a regional provider and distributor of coffee and related products. In 2004, CCC faced growing demand and looked to relocate to a larger space to house the company's operations.

The company identified a site for its new facility in Park Hill section of West Louisville, an area with high rates of poverty and unemployment. CCC was prepared to invest a significant amount of its own capital into the \$1.3 million project, but faced an \$800,000 financing gap that they were unable to secure from conventional lenders. Community Ventures Corporation, a Community Development Entity based in Lexington, stepped in to bridge the gap by providing an \$800,000 NMTC loan, which allowed CCC to purchase land and construct a new facility.

The new 17,550 sq. ft. facility allowed the company to nearly double its floor space, carry different types of products and significantly increase its market potential. The project was able generate 15 construction related jobs, retain its 26 employees and add 15 additional positions. Just four years after Consumers Choice moved into its expanded facility, the company expanded to 10 states throughout the Midwest, doubled their sales in a decidedly challenging environment, and boasted a 20% annual growth rate. Sales continued to steadily grow for the company, from \$9 million in 2009 to \$13.5 million in 2011.

In 2012, Royal Cup Coffee, Inc., a significant shareholder of Consumer's Choice Coffee, acquired the remaining shares of CCC. Consumers Choice Coffee will continue operations in Louisville under Royal Cup Coffee, which employs 750 workers and serves customers in all 50 states, Mexico, Canada, and the Caribbean.

Without critical support from the NMTC project Consumers Choice Coffee would have been unable to accomplish its expansion project and would have been severely hampered in its ability to grow into one of the most successful coffee distributors in the country.

NMTC ALLOCATEE

Community Ventures Corporation

Lexington, KY
Kevin R. Smith
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COMMUNITY PROFILE

- Louisville, KY
- 44.8% poverty rate
- Median income 38% of Area Median Income

PROJECT HIGHLIGHTS

- Construction and expansion of coffee distributor headquarters
- Total Project Cost: \$1.3 million
- NMTC: \$800,000
- Investor: Kentucky Reinvestment Fund
- Jobs: 15 construction, 26 retained, 15 new



Top: Bob Patterson, founder of Consumers Choice Coffee, is shown at the cupping table, which is used for developing coffee blends for customers

Bottom: Employee's inspect coffee roaster.

Photos: Birmingham Business Journal