

New Markets Tax Credit

PENNSYLVANIA

NMTC ALLOCATEE **National City New Market Fund ***

Pittsburgh, PA
David Gibson
412.762.3081

*An affiliate of PNC Financial Services

COMMUNITY PROFILE

- Erie, PA
- 25.8% poverty rate
- Median income 48.6% of Area Median Income
- 14.2% unemployment rate

PROJECT HIGHLIGHTS

- Manufacturing plant modernization
- Total project cost: \$8 million
- NMTC: \$7.3 million
- Investor: PNC Bank
- Jobs: approximately 130 high-skill jobs retained



Zurn Industries, LLC

Since its founding in 1900, Zurn Industries, LLC has been a recognized leader in commercial, municipal, and industrial markets and manufactures the largest breadth of engineered water solutions in the industry, including a wide spectrum of sustainable plumbing products. Zurn delivers total building solutions for new construction and retrofit applications that enhance any building's environment.

In 2007, Zurn was acquired by Rexnord, a leading worldwide multi-platform industrial company specializing in highly engineered solutions for a broad range of industries including water management. To remain strong in an increasingly competitive and global market, Rexnord knew it needed to upgrade the equipment and infrastructure at its foundry but the cost of the retooling effort was prohibitive. Rexnord officials reached out to local city leaders, and the EDC of Erie County which contacted PNC's NMTC team for assistance.

PNC, a national bank with a sizeable community development footprint in Pennsylvania, stepped in and made a \$7.3 million NMTC investment that helped Zurn finance equipment upgrades at the Erie foundry. The Commonwealth of Pennsylvania also provided funding through a \$275,000 Opportunity Grant.

The plant upgrades made it financially feasible for the company to maintain their century-long presence in Erie. Without a NMTC investment making the modernization feasible, the company would have struggled to maintain the approximately 130 skilled-labor manufacturing jobs that average over \$25/hour. Beyond sustaining the plant and its good paying jobs, these upgrades allowed Zurn to reduce operating costs and become more efficient and competitive in the market.

The NMTC investment provided the capital that allowed a longstanding business to finance the modernization of one of its manufacturing plants, thereby shoring up efforts to revive the manufacturing base in a community with a 25.8% poverty rate and a median family income that is 48.6% of the area median income.



Top: New electric melt furnace installed at Zurn Industries in Erie, PA

Above: Zurn is investing in upgraded facilities in Erie.