

# New Markets Tax Credit

# SOUTH CAROLINA

## NMTC ALLOCATEE

### **Banc of America CDE**

Charlotte, NC

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## COMMUNITY PROFILE

- Barnwell, SC
- 20.7% poverty rate
- 17.1% unemployment rate

## PROJECT HIGHLIGHTS

- Construction of a manufacturing facility
- Total Project Cost: \$71.7 million
- NMTC: \$20 million
- Co-Allocatee: CEI Capital Management LLC
- Investor: Bank of America Merrill Lynch
- Jobs: 499 construction, 116 new direct, with 80% of all jobs going to low-income persons



## Horsehead Corporation

Headquartered in Pittsburgh, Pennsylvania, the Horsehead Corporation is North America's largest recycler of zinc-bearing materials, including electric arc furnace (EAF) dust, a listed hazardous waste generated during the melting of recycled steel scrap.

In 2009, the Horsehead Corporation chose Barnwell, South Carolina as the site for a new plant that would both increase its capacity and cost efficiency. Plans for a new manufacturing facility were in place, but commercial credit was tight due to the recession. Recognizing the importance of the plant for the economy of this rural community, Banc of America CDE and CEI Capital Management stepped in and each provided \$10 million in NMTC financing to support construction of the \$71.1 million facility.

The Horsehead Barnwell Facility project was an important economic development project for Barnwell, a community where unemployment reached 17.3 percent in February 2009, largely due to the closing of textile and apparel plants that had employed 10.5 percent of the local workforce. During construction, the project generated economic impacts to South Carolina in the form of \$66 million in economic output, 499 new full-time jobs, 116 permanent jobs, and \$16.7 million in increased employee wages.

The new plant, which became operational in early 2010, increased Horsehead's capacity to recycle hazardous EAF dust by nearly 30 percent and expanded Horsehead's capacity to serve approximately 75 percent of the US market. The plant is located in an industrial park that now serves as the centerpiece of the Barnwell County's economic development plan to promote economic growth, job creation, and opportunity for more South Carolinians.



Top: Horsehead Corporation's Barnwell, South Carolina plant

Bottom: Horsehead Corporation is North American's largest recycler of electric arc furnace dust