

# New Markets Tax Credit

# TENNESSEE



## Smart Furniture, Inc.

Smart Furniture, Inc. is a Chattanooga, Tennessee based furniture company that sells customizable home and office furniture through its Design on Demand ® platform via [www.SmartFurniture.com](http://www.SmartFurniture.com). In addition to its patented Smart Shelves ® product line, the Company has partnered with leading furniture manufacturers to provide customers with the ability to customize furniture that is uniquely suited to their needs and preferences. Smart Furniture sells its products almost exclusively via the Internet, but it has one flagship store, the Smart Furniture Studio, located in an economically distressed neighborhood in downtown Chattanooga.

In 2004, when the company was starting up, its owner and sole employee was looking for investment capital that would take the company to the next level. As a small start-up it was difficult to secure financing from conventional banks or venture capital funds. Impressed by Smart Furniture's owner and his innovative approach for selling and marketing furniture, Southern Appalachian Fund - a Community Development Entity affiliated with Kentucky Highland Investment Corporation - made a \$170,000 NMTC investment in the company. This NMTC investment provided the company the capital needed to move ahead with product development and design, executive recruitment, market research and marketing, and website design.

Southern Appalachian Fund has remained committed to Smart Furniture, closing eight investments over the past six years with the company for a total of \$1.2 million. These investments have enabled Smart Furniture to grow and expand, from a single employee shop in 2004 to a company that now employs 29 individuals, with all employees enjoying health and retirement benefits in a community with very high poverty and unemployment rates.

### NMTC ALLOCATEE

#### **Southern Appalachian Fund**

London, KY

Brenda McDaniel

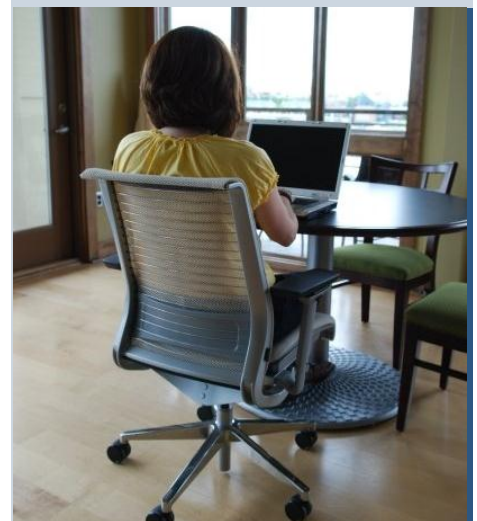
606.864.5175

### COMMUNITY PROFILE

- Chattanooga, TN
- 38% poverty rate
- Median income 50% of Area Median Income
- Unemployment rate 2.2 times the national average

### PROJECT HIGHLIGHTS

- Investment in start-up furniture company
- Total Project Cost: \$1.2 million
- NMTC: \$170,000
- Investor: Multi-investor fund
- Jobs: 1 retained, 28 new full-time



Top: Smart Furniture's flag store in Chattanooga, TN

Bottom: Smart Furniture sells customizable home and office furniture