

New Markets Tax Credit

VIRGINIA



Lyon Shipyard

The Norfolk Ship Repair & Drydock Company (NSDC) is located in the South Brambleton Redevelopment Area of Norfolk, VA. The company was once a leader in the ship repair industry, but since the late 1990s, its plant and facilities faced growing disinvestment and underutilization, and needed repairs to existing buildings, upgrading of production equipment, and environmental remediation.

Lyon Shipyard, Inc. is a full-service ship repair company also based in Norfolk, with a facility adjacent to the NSDC shipyard. Lyons provides a full range of ship maintenance and repair to the U.S. Navy and related maritime companies in the area. With 120 employees, Lyon Shipyard had a strong track record in maintaining and investing in its facilities and sought to purchase the fledgling NSDC.

In 2007, City First Capital provided \$7.1 million in NMTC financing for Lyon Shipyard's acquisition and rehabilitation of the NSDC shipyard, which included 2 dry docks, a pier, machinery, and a cluster of buildings on the approximately 11-acre property. Dry docks, which are narrow basins that can be flooded for ship construction and transportation, are in high demand and had a two-year waiting period for new construction. The expanded capacity gave Lyon Shipyard a competitive edge in the shipbuilding and repair industry.

The acquisition and upgrade of the shipyard helped retain 120 existing jobs. With the full rehabilitation, which included re-roofing of existing buildings, pier repairs, removal of a damaged pier, utility repairs and upgrades, production equipment upgrades, and integration of the shipyard with Lyon Shipyard's existing facilities, the number of new jobs created by this project exceeded 100.

NMTC ALLOCATEE

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COMMUNITY PROFILE

- Norfolk, VA
- 52% poverty rate
- 16.5% unemployment rate
- Median income 39.2% of Area Median Income
- Empowerment Zone
- SBA HUBZone
- Enterprise Zone

PROJECT HIGHLIGHTS

- Shipyard acquisition and rehab
- Total Project Cost: \$8.5 million
- NMTC: \$7.1 million
- Investor: Wells Fargo
- Jobs: 120 retained, 100 new direct



Top: Lyon Shipyard in Norfolk, VA

Bottom: One of Lyon Shipyard's dry docks