

New Markets Tax Credit

WASHINGTON

NMTC CONTACT

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COMMUNITY PROFILE

- Vancouver, WA
- 34.7% poverty rate
- Median income 36.6% of Area Median Income
- Unemployment rate 2.12 times the national average

PROJECT HIGHLIGHTS

- Construction of a new steel processing facility
- Total Project Cost: \$48 million
- NMTC: \$48 million
- Co-Allocatees: Brownfield Revitalization, Community Reinvestment Fund, National Community Fund, Bank of America Merrill Lynch
- Investors: Chase, Bank of America Merrill Lynch
- Jobs: 300 construction, 128 new permanent, 100 retained



Farwest Steel

Farwest Steel is a 56-year old carbon steel product manufacturer and distributor, headquartered in Eugene, Oregon. In 2011, as it looked to expand to stay ahead in a competitive market, Farwest considered building a new processing facility to handle fabricating and distributing services and to house an additional line of business in Vancouver, Washington.

Vancouver is a highly distressed city, with high poverty and unemployment rates. The City, along with the Port of Vancouver, saw Farwest Steel's move to the area as a critical role in their efforts to generate more economic activity and new jobs in the area.

As a first step, Farwest Steel purchased land from the Port of Vancouver. Once the property was acquired, the City of Vancouver, working with the National Development Council, helped Farwest engage the help of three Community Development Entities: the Community Reinvestment Fund, National Community Fund, and Brownfield Revitalization, which provided a combined \$38 million in NMTC financing to help construct the new 365,000 square-foot regional steel processing center. In a separate transaction, Bank of America Merrill Lynch, provided \$10 million in NMTC financing to Farwest for the purchase of the machinery and equipment needed to expand its steel processing operation and to create a new line of business. These two NMTC investments, totaling \$48 million, helped the company expand its operations, generate 300 construction jobs, retain 100 existing jobs, create 128 new permanent jobs, and accelerate the revitalization of Vancouver's working waterfront.

Completed in June 2012, the Farwest Steel facility includes a rebar shop, a fabrication plant, two bays with burning tables and lasers, and two distribution bays for bars and tubes. It has resulted in increased production and service capabilities. The facility represents a significant expansion for the company and an important step toward the revitalization of the Port of Vancouver and the surrounding community. But for the NMTC allocation and collaboration of all involved, this expansion would not have occurred.



Top: Ariel view of Farwest Steel's processing facility in Vancouver, WA

Bottom: Farwest's Vancouver plant includes a rebar shop, a fabrication plant, and two distribution bays for bars