

50 Projects – 50 States: West Virginia

NMTC Allocatee

**West Virginia Community
Development Loan Fund, Inc.
Barboursville, WV
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Community Profile

- Empowerment Zone
- 30% poverty rate
- SBA HUB Zone
- Brownfield redevelopment area



Project Highlights

- Real Estate: furniture company expansion
- Total Project Cost: \$3.7 million
- NMTC: \$1.73 million
- Other financing: line-of-credit
- Jobs: 17 permanent jobs created
- SBA Guarantee

National Wood Products

Huntington, WV

National Wood Products is located in Fairfield West, a low-income neighborhood in Huntington, West Virginia. Huntington is a city that in the last 30 years has lost significant well-paying jobs due to the loss of chemical, glass, and metal manufacturing facilities. A major thoroughfare runs through this part of the city from the Interstate to downtown and Marshall University. Once an area of high crime and drugs, it is slowly undergoing a transition.

To help spur revitalization the CDE, West Virginia Community Development Loan Fund, Inc. structured a \$1.73 million New Markets Tax Credit (NMTC) loan to help expand National Wood Products' operation. National Wood Products is no-run-of-the-mill furniture company. It produces solid wood furniture exclusively from wild black cherry lumber indigenous to the Appalachian forests at a single factory in Huntington, West Virginia. The company's craftsmen and craftswomen use the so-called imperfections to finish the furniture with a series of stains and glazes that create the aged appearance of well-worn furniture. All the furniture is made to order. There is no finished goods inventory. Each customized piece is based on requests from customers, many of whom are interior designers. Several of its largest customers are to-the-trade design showrooms.

Since the expansion, they have increased their payroll from 24 to 41 full-time employees (a 71 percent increase) with an average factory salary of \$11 per hour. Gross revenues have increased more than 400 percent since the inception of the loan. National Wood Products is providing economic stability to their employees and, since all of their sales are generated outside of West Virginia, they are bringing outside dollars to the local economy.

Because West Virginia Community Development Loan Fund, Inc. had a New Markets Tax Credit allocation, it was able to make a 100 percent NMTC loan with a Small Business Administration (SBA) guarantee. The loan did not have sufficient cash equity contribution or collateral to meet normal underwriting guidelines. The patient, flexible capital provided by SBA and NMTC were key to making this project work and a small business grow.