

2022 Impact Report

The
INNOVATEFUND
Transforming Communities





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Dear Friends and Supporters,

The Innovate Fund (TIF) is proud to be one of the 100 Community Development Entities (CDEs) to receive New Markets Tax Credits (NMTC) allocation.

TIF received \$50 million in NMTC allocation from the Community Development Financial Institutions (CDFI) Fund in September 2021.

Over the following six months we deployed our allocation to four projects, bringing our total investment amount to \$238 million.

The Innovate Fund also had the opportunity to implement structural changes as a result of joining the team of Cherry Bekaert, an accounting and consulting firm with offices throughout the southeast. Cherry Bekaert's support, in addition to the ongoing support from The Greenville Local Development Corporation, was vital as The Innovate Fund deployed our first allocation outside the state of South Carolina. The expanded service area provided an opportunity to re-envision our strategic plan and mission. A strategic plan was developed in 2021, which adopted the following guiding principles:

Mission:

Transform communities by supporting the creation of quality jobs and improving health and wellness for our region's low-income residents

Vision:

The lives of the Southeast's most disadvantaged and underserved populations are improved through economic opportunities

As TIF grows, our focus areas still hold true to our roots. We seek to provide capital to create quality jobs, improve health and wellness outcomes, deepen community outreach across our 4-state service area, and maintain financial stability.

Finally, TIF welcomed a new team of leaders in 2021 to manage The Innovate Fund's strategic initiatives undertaken to achieve our mission. Laurel Tinsley joined the team as the Operating Officer of TIF and the Managing Director of Tax Advantage Group by Cherry Bekaert. As a leader in the industry, Laurel brings extensive experience in structuring complex transactions. Prior to joining our team, Laurel served as the Chief Executive Officer of MBS Urban Initiatives CDE and as Deputy General Counsel of Development at McCormack Baron Salazar in St. Louis, MO. We also welcomed Emma Wyatt as The Innovate Fund's Program

Manager. Emma brings knowledge of the pre-development process from her training and experience in Urban Planning, and she specializes in deal sourcing and development in rural, Appalachian communities. Emma joined our team after serving in the NMTC program at People Incorporated Financial Services in Abingdon, VA.

Over the coming months, you can find TIF staff hands on in our communities working to develop projects and build capacity for NMTC. We hope that our expanded service area gives us the opportunity to partner with new organizations and most importantly, serve additional low-income communities and low-income people.

Thank you for all you do to improve the communities we collectively serve and for your continued support of our efforts!

Sincerely,



Emma Wyatt

EMMA WYATT
Program Manager

Community Impact

COMMUNITY OUTREACH

The Innovate Fund's Board and Staff work to improve NMTC program awareness in communities left out of the economic mainstream and deepen our community outreach across the service area. When working with resourced depleted communities that often lack the local capacity to plan, structure, fund, and carry-out large community and economic development projects, we ensure that they are knowledgeable about all forms of flexible and creative financing to find the best way to meet their goals and benefit the community. In FY22, TIF staff participated in 11 community outreach events across the service area directly connecting with over 400 people.

The Innovate Fund took specific steps in FY22 to become more engaged with Appalachian communities. TIF is now a technical assistance provider for the Opportunity Appalachia program, an initiative designed to assist communities in structuring investments in real estate projects that support strategies for economic restructuring and diversification by allowing projects across Appalachian counties in VA, WV, TN, NC, and OH to apply for funding up to \$75,000 for a range of technical assistance. TIF is providing technical assistance to projects needing support in high level structuring of project financing, connection to funding partners, community engagement and planning work, and business planning support. Additionally, The Innovate Fund serves on the North Carolina Opportunity Appalachia project selection review team.

INVESTMENTS

The Innovate Fund, a Community Development Entity (CDE), has deployed \$238 million of New Markets Tax Credits (NMTC) investments to transactions that support 6,958 jobs, provide community goods and services to 143,156 low-income community residents and low-income people, and create or rehabilitated over 2.3 million sq. ft. of real estate in South Carolina, North Carolina, Tennessee, and Georgia. When prioritizing projects for investment, TIF's AB and BoD focus on improving income levels for low-skilled workers and low-income community residents through the creation of quality jobs, including collaboration with workforce development organizations for training and advancement opportunities, and they work to improve health and wellness outcomes for the most vulnerable populations. The community demographics of The Innovate Fund's current investment portfolio consist of Poverty rates as high as 67%, median family incomes as low as 14% of the Statewide Median Family Income, and unemployment rates as high as 26%.

PARTNERSHIPS

The Innovate Fund is committed to partnering with community and economic development organizations that are participating in the community development finance industry. Our partnerships vary in values and services, but we see each player as vital to the community development ecosystem. The boards that represent The Innovate Fund are active participants in this ecosystem. In fact, our team has assumed leadership roles in over 50 community organizations.



6,958

jobs created

\$738M

total project costs

143k

low-income people served

2.3M

sq. ft. developed or rehabilitated

\$238M

used to support communities

63%

of investments made in Appalachian communities

Community Facilities

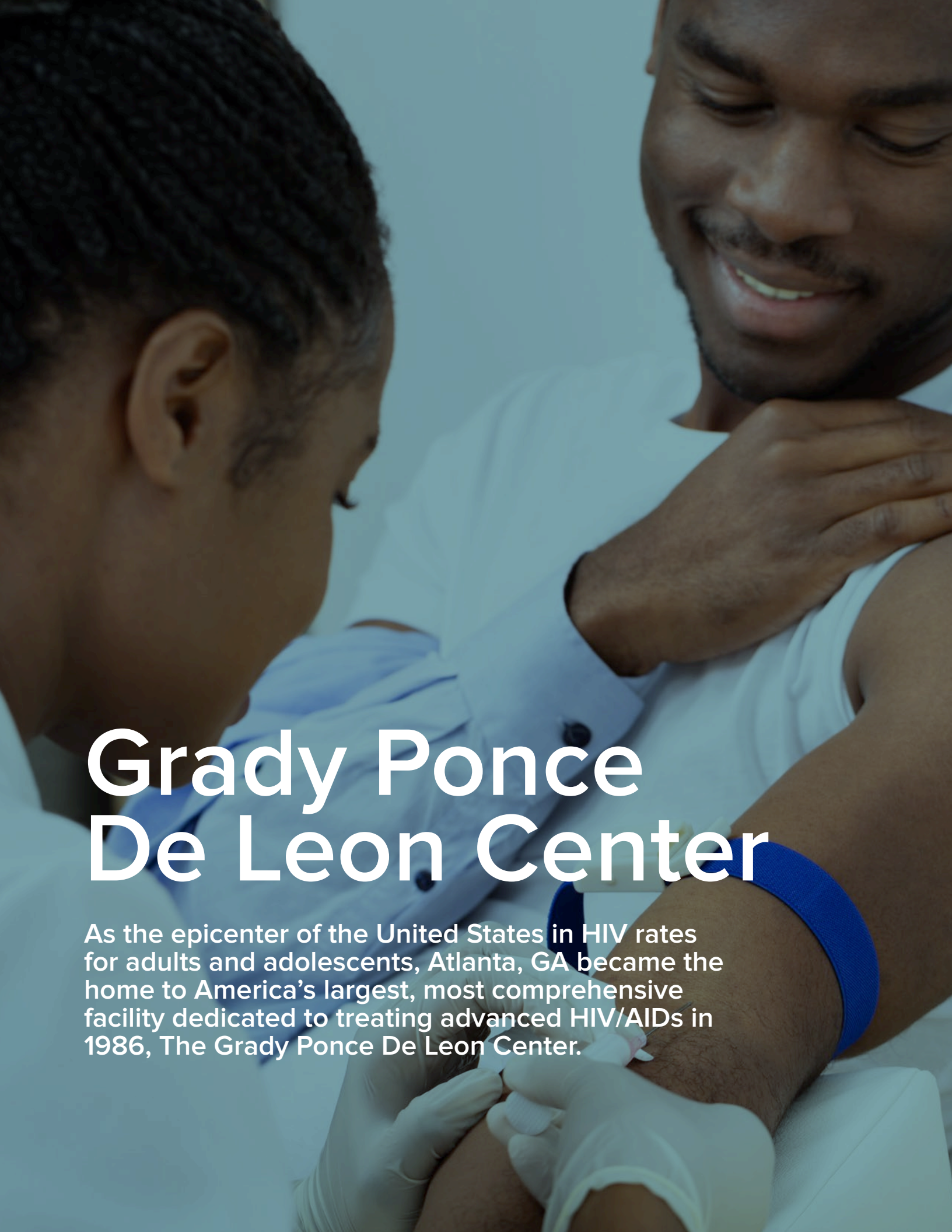
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Grady Ponce De Leon Center

As the epicenter of the United States in HIV rates for adults and adolescents, Atlanta, GA became the home to America’s largest, most comprehensive facility dedicated to treating advanced HIV/AIDs in 1986, The Grady Ponce De Leon Center.

Since the early days of the HIV/AIDS crisis in the 1990’s, however, the facility had not been significantly revamped or updated. In the 30+ years that has passed, everything from perception, to treatment, technology to floor plan needs have significantly changed. The Innovate Fund and three CDE partners worked together to provide allocation to assist in the rehabilitation of the facility’s five existing operational floors.

The facility, which treats one out of seven persons living with AIDS in GA, where some neighboring zip codes have rates of HIV/AIDS that are six to eight times higher than the national average, will provide improved treatment facilities for dental, ECHO, infusion, imaging, lab, pharmacy, and social support services. The upgrades will provide for expansion of services in addition to bringing the building into compliance with current ADA regulations, improving security for patients and staff, and providing a dignified facility that does not stigmatize patients.

The expanded services that the Ponce De Leon Center will be able to provide will support 9,000 annual unique patient visits, which is a 50% increase over the existing capacity of 6,000 unique patient visits. In terms of patient outcomes, the Ponce De Leon Center’s goal is to reduce HIV infections by 75% by 2027 and by 90% by 2032.

The expanded and upgraded facilities are a vital part of the strategy for achieving these ambitious goals.

\$12.5M
allocated

74k
sq. ft.

ATLANTA, GA
2022

“Grady Health is a leader in the global battle against HIV and needed a facility to match that leadership. The allocation from The Innovate Fund is an important part of our strategy for battling the disease effectively. As a super-safety net hospital, Grady has limited cash resources to fund the required facility overhaul and expansion project without the New Markets Tax Credit.”

Shannon Sale
Chief Strategy Officer at Grady Health System

Claflin University

Student Activity and Community Center

Providing the oldest HBCU in the state of South Carolina with a center where the University, the community, and students can blend together.

ORANGEBURG, SC 2022

Claflin University, located in a persistent poverty county with a Poverty rate of 29%, had a desire and vision to blend the University and the Orangeburg community together to move forward in economic development while preserving the integrity and Claflin's academic excellence and achievement. Located in a non-metro community with a lack of access to many social goods and services, Claflin's Student Activity and Community Center (SACC) will provide the community access to flexible meeting space, a community ballroom, food court, educational offices, a movie theatre, and an expanded on-campus food pantry (a collaboration with local grocers to provide healthy food in a food desert to students without access to reliable food sources).

The Innovate Fund was proud to provide \$15 million of NMTC allocation in partnership with one other CDE to facilitate the construction of the 82,500 sq. ft. SACC. The new services at the facility will be provided to 3,000 community members annually in addition to all Claflin students, 80% of which are Pell Grant eligible. Additionally, the facility will hire a total of 275 people for construction and permanent jobs to operate the different functions of the building, which will help alleviate the community's 2.51x the national average unemployment rate.

The SACC will focus on economic inclusion, equity, and racial justice at the core of all activities. Through relationships with the Chamber of Commerce, Minority Business Development Association, and Pathways From Prison program, the SACC will create opportunities for people with barriers to employment and participation.

\$15M
allocated

82k
sq. ft.

"Claflin University, the oldest HBCU in the state of South Carolina, has determined that a Student Activity and Community Center within the heart of campus where the community and students meet generates the best opportunity to impact multiple areas of focus and furthers the University's desire to blend the University and community together."

Tijuana Hudson
Claflin University VP for Fiscal Affairs

Dr. T.K. Gregg Community Center

Construction of a new state of the art facility provides a wide range of events, activities, and courses to a thriving, diverse community.

SPARTANBURG, SC 2019

The Northside neighborhood in Spartanburg, SC is a 400-acre blighted and forgotten area since the Spartan Mill, the long-time foundation of the neighborhood for over a century, closed in 2001. In 2010, the Edward Via College of Osteopathic Medicine chose the Northside Neighborhood as the site of its Carolinas' Campus, prompting the City of Spartanburg to create the Northside Initiative. The Northside Initiative represents an unprecedented collaboration of public, private, civic, educational, and philanthropic institutions in Spartanburg with a broad vision for the Northside neighborhood: a thriving, diverse community home to mixed-income housing, mixed-use commercial development, an innovative new curriculum and public school model with The Franklin School, and access to health and wellness programming at the new, state-of-the-art Dr. T.K. Gregg Community Center.

The original Dr. T.K. Gregg Center was built in the 1930's and was eventually replaced by the Brotherhood Recreation Center in 1974. In the early 80's its name was changed to honor Dr. T.K. Gregg and the earlier recreation center he had started. With the promise of a new state of the art facility soon to be under construction, the aging facility was closed in 2012.

The City of Spartanburg acquired the project site in 2015 and began construction of the 46,810 sq. ft. community facility in late 2018 to include 2 indoor pools, a gym, a running/walking track, exercise/fitness rooms, and community and classroom space. In total, the project cost \$18.1 million to construct and The Innovate Fund provided \$10 million in financing. Located in an area with Poverty rate of 45.30% and Median Family Income of 45.14%, the project is expected to provide community services to an estimated 3,500 residents annually, with 75% being low-income.

\$10M
allocated

46k
sq. ft.

"Since the closing of the last T.K. Gregg Community Center, it has been a priority of the City of Spartanburg to re-open a state of the art community facility in the Northside neighborhood and New Markets Tax Credits have been a key financing tool to help us get there."

Chris Story
City Manager, City of Spartanburg

The Franklin School

The Franklin School is part of the Northside Initiative, a comprehensive effort to fundamentally transform a 400-acre, once blighted and forgotten neighborhood into a community of choice.

SPARTANBURG, SC 2018

The Initiative represents an unprecedented collaboration of public, private, civic, educational, and philanthropic institutions in Spartanburg, led by the Northside Development Group, a Network Member of Purpose Built Communities, a national initiative designed to break inter-generational Poverty through holistic community revitalization. As part of the Northside Choice Neighborhood Transformation Plan, the \$10 million, 28,000 sq. ft. educational facility will catalyze over \$50 million of additional follow-on private sector investments to create a community center, mixed-income housing and additional health care services in the neighborhood.

The Franklin School was TIF's gateway into multiple investments in and around the Northside Community. In addition to The Franklin School, TIF has supported investment in TK Gregg (pg. 12) and Highland Baking (pg. 34), both of which are examples of our strategy to cluster investments in severely distressed geographic pockets to increase our community impact.

Located in an Appalachian Regional Commission Distressed Area with 49.5% Poverty rate and 32.1% Median Family Income (\$21,742), The Franklin School believes the enrollment of the learning center should reflect the diversity of the community and has committed to ensure that at least 60% of the children enrolled, ages 6 weeks through 5 years, will be from low-income families who will receive tuition support from SC's child care voucher program, Early Head Start, Head Start, and SC's CDEP 4K program. In addition, enrollment priority will be given to Northside residents and children zoned for Cleveland Academy, the local Elementary school, of which 100% of students are eligible for the National School Lunch Program.

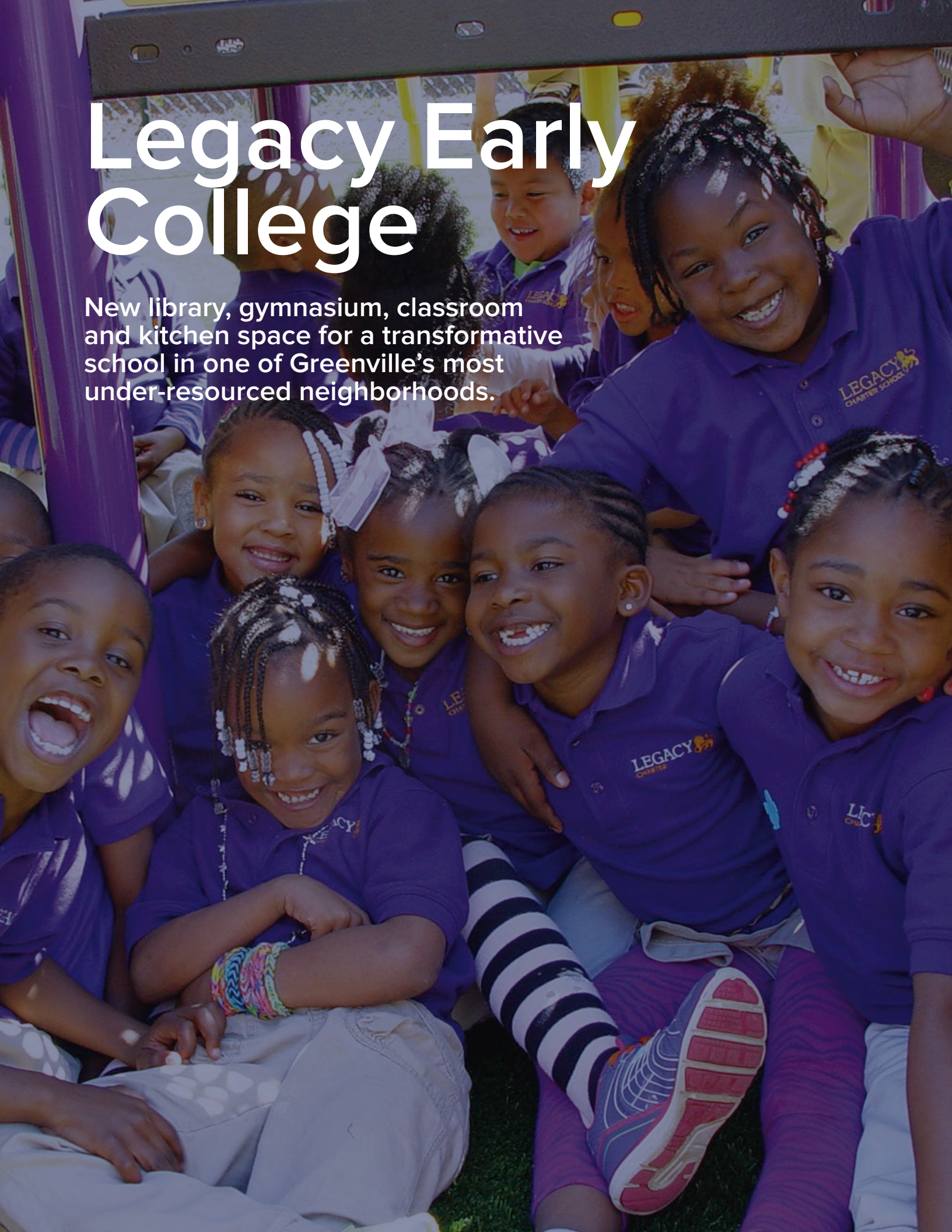
"NDG and its many community partners have and continue to work towards a shared vision – to create a vibrant cradle to career education pipeline, affordable housing options, and a healthy environment that supports all stages of life, regardless of income."

Bill Barnet

CEO and Board Chair, Northside Development Group and former mayor of Spartanburg

\$10M
allocated

175
childcare seats



Legacy Early College

New library, gymnasium, classroom and kitchen space for a transformative school in one of Greenville’s most under-resourced neighborhoods.

GREENVILLE, SC
2016

At the turn of the twentieth century, West Greenville was a thriving commercial district. However, as commercial activity shifted away from cotton, mills along the Reedy River struggled financially and many residents left the city. West Greenville became increasingly abandoned or blighted, with derelict manufacturing buildings, textile facilities, and vacant and abandoned service stations. It is home to the Sterling Community; a community that, historically, has seen only a 50% graduation rate, with 7% of students going on to attend college. It is here that William W. Brown founded Legacy Early College, a public K–12 charter school open to all students in Greenville County, with the notion that “all students deserve the chance to receive a world-class education, one where they are taught how to lead a healthy life.”

After several years in operation, it became clear that the school would need to expand to continue its mission and further its community impact. The Innovate Fund was proud to provide over \$13 million in financing to facilitate the construction and renovation of 210,445 sq. ft. of non-profit educational facilities to include the school’s first formal library, additional classroom space, a new gymnasium, and a renovated kitchen. These enhancements allowed the school to increase its capacity from 1,200 to 1,430 student seats, of which 94% are minorities and 100% participate in the National School Lunch Program, and brought nearly 250 new jobs to the area, as well as provided incredible resources to an Appalachian Regional Commission Distressed Area with 50.5% Poverty rate and an unemployment rate 2.8 times the national average. All community residents have access to the new library, where resources geared at helping individuals find gainful employment are available.

\$13.7M
allocated

1,430
student seats

“Changing the trajectory for underserved kids won’t be simple or fast, and it will take a coordinated community effort like the funding from The Innovate Fund. The opportunity to build our school’s first library is tremendous, not only for our students but the entire neighborhood.”

William W. Brown
Founder and Chairman, Legacy Early College

Operating Businesses

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38 Limehouse Produce



Red Bullet Anderson

Building upon a community's manufacturing tradition to catalyze new opportunities.



ANDERSON, SC 2022

Anderson, South Carolina, an Appalachian community with an unemployment rate of 16.9% (2.04x the national unemployment rate), was prioritized for investment as the community was in desperate need of quality jobs. Despite the population growing by an annual rate of 5.3%, 39% of all residents are commuting out of Anderson County for employment to places like Greenville, Pickens, and Spartanburg. However, Anderson has a competitive advantage in that the county has a strong backbone in the manufacturing industry, with the number of employees working in the manufacturing industry outnumbering the second closest industry by over 5,000 people.

To bring additional quality manufacturing jobs into Anderson County, The Innovate Fund supported the 150,000 SF expansion of an existing 168,000 SF manufacturing, warehouse, and office facility for the purpose of housing Pregis Films, LLC, a high tech, blown film manufacturer, by providing \$10,000,000 of NMTC allocation.

The expanded manufacturing space will support the retention of 36 jobs and the creation of 151 new, permanent

full-time jobs. Additionally, the construction activities on site will support another 20 construction jobs. All permanent jobs created by the project will be quality positions with pay double the living wage for Anderson County and benefits such as healthcare, retirement, an employer funded wellness program in partnership with the local YMCA, and job training in partnership with Ready SC.

\$10M
allocated

318k
sq. ft.

"With the NMTC subsidy, the initial construction expansion can begin and serve as a catalyst for the completion of the full scope of the project allowing Pregis to maximize the anticipated benefits to the community."

Jon McClure
President of SC Operations
for Pregis Performance
Flexibles



Container Technologies Industries

Funding for key facility expansion that allows for growth and new skilled workers in rural Tennessee community with high rates of unemployment.

HELENWOOD, TN
2022

With CY20 NMTC allocation, The Innovate Fund expanded its service area outside of the State of South Carolina for the first time to also include the states of North Carolina, Tennessee, and Georgia. The Innovate Fund Advisory and Governing Boards strategized that the expanded service area would provide for additional investment opportunities in underserved states, non-metro census tracts, and Appalachian communities. As the first non-South Carolina deal, Container Technologies Industries (CTI), represented a project that was not only in an underserved state, non-metro, Appalachian community, but the project provided an opportunity for The Innovate Fund to create jobs on a regional scale.

CTI worked with The Innovate Fund and Pathway Lending, a first time allocatee of NMTC, to receive necessary financing to construct and equip their expanded 76,000 SF industrial facility. CTI is a fabricator of specialty nuclear waste containers, which are used to hold hazardous waste, materials, and equipment removed through the deactivation of contaminated facilities. The company hires skilled people, such as welders and painters to assist in the fabrication process.


The \$12,500,000 investment from The Innovate Fund will support at least 20 new, permanent, full-time jobs at the Helenwood facility, which will be added to the existing 39 employees retaining positions at the project site. Employees have access to opportunities including in-house training, wage progression, bonuses, and merit-based promotions. TIF's investment into CTI will go to reduce the unemployment rate in Helenwood, TN, which is 16.8%.

"The size of investment required for the capital improvements and purchase of new equipment would not have been feasible without the NMTC financing structure."

Steve Fieldon
President/ COO, Container Technologies Industries, LLC

\$12.5M
allocated

76k
sq. ft.



Arris Manufacturing

On the northern border of South Carolina, deep in the heart of cotton country, Clio is home to some 900 people.

CLIO, SC 2020

This small town was once a thriving hub for agrarian commerce due to the successful cotton industry at the turn of the 20th century. The town's population has shrunk over the last 100 years, and now over 70% of the population have no more than a high school diploma or GED. Roughly 60% of this non-metro, persistent poverty county's population is minority, and the unemployment rate remains stubbornly high at 24.30%, or 2.93 times the national average.

Marlboro County, which has a slightly better overall unemployment rate than Clio as a whole, ranks as the 7th worst of 46 counties in South Carolina for employment opportunities. The lack of employment opportunities was exacerbated in 2016 when Baldor Electric, one of the largest employers in the area shuttered its mining equipment component manufacturing facility, laying off the remaining 65 people employed at the site.

The Innovate Fund invested \$15 million for Arris Manufacturing to acquire the former Baldor Electric facility and completely retrofit it to begin building modular housing units for use in multi-family housing. The project created 134 new permanent Quality Jobs in Clio (82% of which are accessible to employees with no more than a high school diploma or GED). The project sponsor also implemented a Skills Incentive Program where employees can earn higher pay for learning new skills regardless of the ability to immediately progress to a higher position.

\$15M
allocated

140
direct jobs

"Marlboro County Government is committed to assisting Arris Manufacturing in every way possible so that the company and our workforce will prosper. We're excited to see this innovative company get its start here with the help of the New Markets Tax Credit program."

Ron Munnerlyn
County Administrator and
Economic Developer, Marlboro
County

Ingevity Corp.

High-impact corporate headquarters builds upon prior investments in high-poverty area of North Charleston.

The Innovate Fund allocated \$7 million in NMTCs to provide flexible, below market financing to Ingevity Corporation for the build out and upfit of its new 84,283 sq. ft. headquarters in North Charleston, SC. Ingevity provides specialty chemicals, high-performance carbon materials and engineered polymers that purify, protect, and enhance the world around us. Ingevity operates from 25 locations around the world and employs approximately 1,750 people. The new headquarters will allow for employment growth and consolidate employees into one location while also allowing for the current Ingevity Technical Center, also located in North Charleston, to return to its original purpose as a research laboratory.

Located in a Low-Income Community with 36.60% Poverty rate and 43.66% Median Family Income, Ingevity's new headquarters supports 250 permanent jobs and 43 construction jobs over the NMTC compliance period. Along with The Innovate Fund's other projects in North Charleston (Limehouse Produce, pg. 38; Restaurant Depot, pg. 32), Ingevity Corp. is an example of our strategy to cluster investments in severely distressed geographic pockets to increase our community impact.

NORTH CHARLESTON, SC
2019

"Ingevity has been a longtime supporter of our community and we're happy to see they've chosen to remain headquartered here in North Charleston."

Keith Summey
Mayor of North Charleston

\$7M
allocated

293
direct jobs

Brown Packing

Critical support for a backbone job provider in one of South Carolina's most economically challenged communities.

GAFFNEY, SC 2018

Gaffney, South Carolina, located in Appalachia, has long been home to low or no skill manual labor jobs associated with the textile and farming industry but in the 1980s, this rural area began to suffer from the overall offshoring of those jobs. As the automotive industry has back-filled with mid/high skill level jobs, the working poor of Gaffney have not had the skills necessary to rejoin the workforce. From 2010 to 2015, Poverty in the community jumped by 20% and Median Family Income dropped from 105% of the statewide average to only 81% of average.

Brown Packing Co., Inc. is a third-generation beef packer that harvests cows and bulls, buying cattle from stockyards and producers throughout the southeast. It has operated out of the same facilities in Non-Metropolitan Cherokee County for the last 60 years without any significant upgrades to their building or equipment. The Innovate Fund provided a \$13.75 million investment to the locally-owned operating business for new cooling systems, a new wastewater treatment system, and updated locker rooms and employee wellness facilities for both genders - upgrading the company's facility to meet evolving industry standards, with best in class equipment and technology.

Brown Packing provides one of the few entry level job opportunities in the area for low-skilled workers to obtain full-time employment without basic reading or English language skills. These entry level jobs have effectively no barriers to entry allowing Brown Packing to serve as a rehabilitation employer for ex-offenders or those with long gaps in employment history. Brown Packing provides 3-days (20 hours) a week of on-site nurse practitioner and wellness staff for employees. These services are at no cost to employees and provide everything up to biometric screening. Almost all the employees at Brown Packing are using the employee health plan and receive employee coverage for a reduced monthly cost if they participate in the wellness program.

\$13.7M
allocated

396
direct jobs

"We believe running a business requires a delicate balance of stability and flexibility and the New Markets Tax Credit allocation from The Innovate Fund has provided us the flexible capital necessary to complete this project. As a family-owned business, we pride ourselves on the relationships we have developed over the past 40 years, and this project will allow us to continue to offer fulfilling jobs to our loyal employees, remain actively involved in the Cherokee County community, and provide excellent service and safe, quality products to our customers and end consumers."

Jim Brown
President, Brown Packing Co., Inc.



Swiss Krono

A major ‘Promise Zone’ success story in Barnwell County, South Carolina.

BARNWELL, SC 2018

The Promise Zone Initiative was created in 2013 as a plan to create better outcomes for the middle-class by partnering with local communities and businesses to create jobs, increase economic security, and expand educational opportunities among other things. There are only 22 federally designated Promise Zones across the U.S. including a cluster of six rural counties in the southern tip of South Carolina - home to 90,000 people, almost 30% of whom live in poverty – known as the SC Lowcountry Promise Zone.

SWISS KRONO Group is one of the world’s leading manufacturers of wood-based materials. The company’s U.S. subsidiary established operations in Non-Metropolitan Barnwell County, the county with the largest population located within the SC Lowcountry Promise Zone and a Persistent Poverty County, in 2005 and quickly became one of the county’s largest employers with 167 employees. Our \$11.25 million investment allowed the undertaking of a 250,000 sq. ft. expansion of SWISS KRONO’s existing facility to include the construction of a new multi-density fiberboard manufacturing line, ancillary wood yard, energy plant and waste treatment facilities, and the installation of a fourth laminate flooring line.

- In addition to growing its payroll by 105 employees, SWISS KRONO invested heavily in training and re-skilling the residents of Barnwell County. This effort was supported by two impactful programs:
- A youth apprenticeship program that provides qualified high school students the opportunity to learn a specific skill or trade and to gain valuable work experience
 - A College Co-Op Program through which the company partners with regional technical schools that provide programs aligned with the skills and trades utilized in SWISS KRONO's operations.

The College Co-Op Program allows an active student to fulfill his or her academic requirement for on the job training (OJT) while working with SWISS KRONO as a temporary employee.

\$11.2M
allocated

272
direct jobs

"SWISS KRONO is grateful to receive the benefit of New Markets Tax Credits, allowing us to grow the commitment we made to this area over a decade ago. This investment will set us up to continue that support for decades to come."

Erik Christensen
President and CEO, SWISS
KRONO Group's U.S. subsidiary



Restaurant Depot

New local jobs, community revitalization, and a trusted partner for community markets and corner stores in under-resourced neighborhoods.

NORTH CHARLESTON, SC 2018

Since the closing of the Charleston Naval Yard in 1996, jobs have been hard to come by in North Charleston and the area has seen a steady decline until recent years. Located in a Low-Income Community with 44.8% Poverty rate and 29.4% Median Family Income (\$19,271), the North Charleston Restaurant Depot created 135 direct jobs, providing much needed relief to the neighborhood, which has an unemployment rate almost 2 times the national average.

With locations in 33 states, Restaurant Depot is a business-to-business grocery and food service distributor. The majority of its customers are independent restaurant owners, small retailers, caterers, and non-profit organizations which benefit from a full range of quality foods sold at prices significantly lower than traditional delivery wholesalers. Additionally, Restaurant Depot’s willingness to sell without minimum quantities allows small grocers and operators of corner stores and bodegas to opt for fresh, healthy foods rather than long shelf-life products.

The Innovate Fund’s \$8.5 million investment funded a 62,000 sq. ft. healthy food wholesale distribution facility, located in a federally designated Food Desert. The New York Times has identified the company as being vital to providing daily access to a full range of dry and perishable goods, including fresh fruits and vegetables. This access is most valuable to independent food businesses and non-profit providers of meals and food to at-risk citizens.

\$8.5M

allocated

62k

sq. ft.

“I’ve said before that the key to revitalization and creating new jobs is attracting private investments to the area,” “This allocation from The Innovate Fund and the trust of JETRO Holdings to build here sends a clear signal to other businesses that North Charleston is ripe with opportunity.”

Keith Summey
Mayor of North Charleston

Highland Baking

Jim and Gail Rosen opened Highland Baking Co. (HBC) in Highland Park, Illinois in 1984 with only 5 employees.

SPARTANBURG, SC
2018

Jim was a third-generation bread baker and his vision of providing a quality product and exceptional service while treating customers and team members like family has continued under the next generation, Stu and Cheryl Rosen. HBC produces a wide variety of bread products – hamburger buns, pan breads, rolls, and subs – and provides them to companies in the food service industry, large and small.

In 2012 HBC purchased an unused baking facility in Spartanburg, SC, vacant since 2008, and turned it into the company's second location. Since 2012 the HBC production facility in Spartanburg grew to employ 210 full-time workers who operated two production lines for three shifts each day, maxing out the facility's available cold storage space. The Innovate Fund's \$11.5 million investment provided for a 35,000 sq. ft. expansion of HBC's cold storage space and the machinery and equipment necessary to add a third production line, allowing the company to continue its fast-paced growth and create an additional 110 full-time employees in an Appalachian Regional Commission Distressed Area that demonstrates 47% Poverty rate and 17.4% unemployment.

HBC has begun working with the Northside Development Group, a local nonprofit community development corporation, to recruit and hire residents from the Northside community, located less than 5 minutes away, which has an unemployment ratio 3.3 times greater than the national average. Employees of HBC will also have access to opportunities for job training and advancement including professional development programs at Lanier Tech and the American Institute of Baking.

Highland Baking is continuing to expand their facility. As a result of the COVID-19 pandemic and the Great Resignation, HBC has struggled to recruit and retain new employees despite significant increases to pay and benefits. Now, HBC has invested in technology that allows the company to automate components of their baking processes, which have resulted in the need for employees with higher skills. HBC supports their employee's upskilling by partnering with Lanier Tech and the American Institute of Baking.

"We are excited about The Innovate Fund's investment in this project, which will afford us the continued ability to grow and further solidify our commitment to the community of Spartanburg."

Stu Rosen

Chief Executive Officer,
Highland Baking Co.

\$11.5M

allocated

320

direct jobs

Greenco Beverage

Revitalization and hundreds of new jobs for a strategic commercial corridor connecting long-neglected neighborhoods with two rapidly growing Upstate South Carolina communities.



GREENVILLE, SC 2016

Once a bustling economic hub for the Upstate, the Poinsett Corridor, a major thoroughway between downtown Greenville and Travelers Rest, has long been comprised of abandoned buildings and impoverished neighborhoods. The need for someone to take a chance on revitalizing this area has been dire to the many proud residents who have built their lives there.

Established over 100 years ago, Greenco Beverage Company is one of the largest beverage distributors in Upstate South Carolina. Faced with an outdated and inefficient space, the company purchased 12 acres of property along the Poinsett Corridor to build a new 120,794 sq. ft. distribution center. This state-of-the-art, energy-efficient facility is the first major industrial project to occur along the Corridor in nearly 40 years, and is a catalyst for changing the surrounding community, which demonstrates 56.2% Poverty rate and 20.71% Median Family Income (\$11,602). The new facility, located on the site of a long vacant thrift store, features beautifully manicured landscaping, a far cry from the chain link and barbed wire fencing residents looked upon for decades.

As we continue to focus on our Disadvantaged Businesses and Communities, The Innovate Fund provided \$8.3 million in below-market financing to this project located in an Appalachian Regional Commission Distressed Area. While the nearly 330 jobs created have had a profound impact on the region's economic growth, the revitalization efforts will have lasting benefits for an impoverished community. By taking a chance on making something old and dilapidated into something new and beautiful, a once thriving community has the chance to regain its glory.

\$8.3M

allocated

330

direct jobs

"The Greenco Beverage team is excited to partner with The Innovate Fund in the redevelopment of the Poinsett Corridor and make it a dynamic business location."

Russell Farr
President, Greenco Beverage



Limehouse Produce

Hundreds of jobs — and newfound hope — for one of the Charleston area’s most economically distressed areas.

NORTH CHARLESTON, SC 2016

Charleston is the epitome of a bustling Southern town—with plenty of charm to boot. Unfortunately, beyond the picturesque window displays on King Street and the wonderful restaurants dotting the historic district, poverty is a reality for many of the city’s lifelong residents. In the mid-1990s, North Charleston suffered an economic blow when the Charleston Naval Base shut down. Not long after that, the area’s only grocery store went out of business, leaving a food desert in its wake.

In 2015, Limehouse Produce, which provides conventional row crops, local specialties, fresh herbs, and dairy products to Charleston-area restaurants, purchased and renovated the former site of the Charleston Naval Exchange building. In addition, they constructed a new 32,000 sq. ft. produce distribution and cold storage facility and created a food hub where locally-owned businesses and non-profits can have additional tenant space at reduced rental rates, to further extend their community impact in a federally designated Food Desert.

Through our partnership with Limehouse Produce, a \$9 million investment has brought jobs to 145 local residents in an area that demonstrates nearly 22% unemployment—enabling these individuals to provide for their families in ways they weren’t able to imagine even a year ago. Additionally, because of Limehouse’s commitment to community, millions of pounds of food have been donated to area food banks, restoring access to fresh, healthy food for so many. By purchasing the old Naval building, which had been out of use for almost two decades, Limehouse Produce has brought jobs and hope to one of the city’s most impoverished areas.

\$9M
allocated

145
direct jobs

“Limehouse Produce is another outstanding example of how important agribusiness is to South Carolina’s economy. Businesses like this support local farmers and increase market access for certified S.C. grown fruits and vegetables.”

Hugh Weathers
S.C. Department of
Agriculture Commissioner

Real Estate Development

42 Judson Mill

44 Poe West

46 AC Hotel



Judson Mill

Westervelt Mill opened in 1912 as the first fine goods textile mill in the South. The name only lasted one year before it was changed to Judson Mill, after the mill president's mentor, D. Charles Judson.



GREENVILLE, SC
2020

Deering Milliken Co. (now Milliken & Company) bought the mill in 1960 and actively operated and expanded the mill into an eventual 800,000 sq. ft. campus comprised of 6 distinct buildings. The mill ceased operations in 2015 as one of the last two operational mills in Greenville – closing with only 200 employees, substantially less than the thousands once employed working at the mill during its heyday. Located in the severely distressed Judson community, the mill would only remain vacant for a couple of years until it was purchased in 2017 by a joint venture between Taft Family Ventures of Greenville, NC and Belmont Sayre Holdings of Chapel Hill, NC who immediately began planning to redevelop the site including the first commercial phase which is the renovation of a 107,269 sq. ft. warehouse building into a mixed-use building to include non-profit, health and wellness, and retail uses.

The Innovate Fund's largest NMTC investment at \$16.5 million, Judson Mill supports 197 direct jobs with 64% being Quality Jobs and 58% being Accessible Jobs to people with a high school diploma or less in an Appalachian Regional Commission (ARC) Distressed Area with Poverty rate of 44.2%. The project sponsor also committed to offering space to non-profit and locally owned tenants of at least 20% below market rates and at closing the average percent below market was 51.48%.

Feed & Seed, a local non-profit with a mission to increase food security for all South Carolinians, will occupy over 18,000 sq. ft. of space, providing them a permanent home for the first time in an HFFI designated food desert. The YMCA of Greenville will operate an almost 13,000 sq. ft. fitness center, providing the neighborhood with its only wellness facility open to the public. Tenants of the project have committed to providing reduced rates for low-income residents, free demonstration and training programs for area residents, and community gardens and produce stands at below market rates.

\$16.5M
allocated

197
direct jobs

"The financial benefit to the project from the NMTC allocation not only helped the project's overall feasibility, but it allowed us to offer commercial space to several local and non-profit tenants at significantly reduced rental rates which helped us bring in the right tenant mix for this historic neighborhood."

Thomas F. Taft, Jr.
Principal of Taft Family Ventures

Poe West

Dating back to April 12, 1946, the property located at 556 Perry Avenue in the heart of West Greenville originally served as the office, yard, and warehouse for Poe Hardware & Supply Company – one of Greenville’s first incorporated businesses.



GREENVILLE, SC 2019

Poe Hardware relocated to the site from their downtown Greenville Main Street location in pursuit of affordable space to support expansion. Decades later with the cost of business once again rising in downtown Greenville, many businesses are again in search of more affordable options. The Furman Co., Development LLC in conjunction with a real estate partnership, Perry Avenue Investors, LLC, spearheaded the renovation of 57,277 sq. ft., split between two mid-century buildings, into a thoughtfully planned mixed-use community where existing West Greenville residents together with both existing and new businesses can flourish.

Through an \$11.5 million investment from The Innovate Fund, the \$12.6 million project supports 25 construction jobs and 131 direct permanent jobs in an Appalachian Regional Commission (ARC) Distressed Area that demonstrates Poverty rate of 54.30% and an unemployment rate that is 2.07 times the national average.

Poe West is anchored by Greenville Technical College’s Center for Culinary and Hospitality Innovation (CHI). CHI is a collaborative approach that includes private sector, government, and education partners working together to bring inclusive economic mobility and workforce development to one of Greenville’s most distressed

neighborhoods. CHI provides a neighborhood-based venue at Poe West to deliver education, job training, and small business and start-up incubator space. CHI’s goals include developing a skilled workforce for Greenville’s rapidly expanding restaurant and hospitality industry and creating pathways for economic mobility for the residents of West Greenville.

Poe West also has a variety of other tenants supporting the space such as Brains On Fire (a marketing company), 6M City (a fast growing news organization), and ShineOM (a yoga studio).

\$11.5M
allocated

156
direct jobs

"When we acquired the property, Poe West was imagined to offer unique and creative space to some of Greenville’s innovative non-profit and locally owned businesses at affordable, below market rental rates. We also wanted to carefully plan for a healthy mix of user types, trying to be sensitive to the unique eco-system of the Village and surrounding community. The New Markets Tax Credit program was instrumental in our ability to meet that goal."

Steve Navarro

President of The Furman Co. Inc (Developer) and Manager of Perry Avenue Investors, LLC (Owner)

AC Hotel

While Spartanburg has had good success in economic development, its downtown struggled for many years to attract a hotel which many believe is key to “Feel the City.”

SPARTANBURG, SC
2016

In 2016, OTO Development finalized financing on the construction of a full-service AC Hotel in downtown Spartanburg. The AC Hotel, a 97,668 sq. ft., 114-room Marriott property, features a signature AC Kitchen restaurant, fitness center, business center, and 2,500 sq. ft. of meeting space. This project by OTO Development has served as the catalyst for the community, supporting over \$44.5 million of additional private sector activity in the immediate area, and acts as an anchor to the west end of downtown Spartanburg.

The Innovate Fund is proud to have provided a \$10 million investment that supports not only the revival of this historic community, but also provides more than 130 jobs for low-income individuals and families in an area with 24% unemployment, 66% Poverty rate, and a Median Family Income of 14.24% of the statewide Median Family Income, or \$7,723. To ensure accessibility of these jobs to low-income community residents, OTO Development works with state and local workforce development organizations, such as the South Carolina Technical College System and local Spartanburg Community College, to target neighborhood residents for job openings.

“For several years, the city has been working toward a vision based on the idea that a vibrant, walkable, livable, entrepreneurial, fun, and economically diverse central business district is both achievable and essential. This project is further confirmation that these collaborative efforts are working.”

Ed Memmott
Former Spartanburg City Manager

\$10M
allocated

130
direct jobs

Unwound Projects

NMTC projects have a seven-year compliance period. After the compliance period is completed, the projects no longer have an active relationship with The Innovate Fund. TIF is proud to continue to highlight all of our past NMTC projects though, and we strive to continue to help them meet their community development goals.



Sweet Street Desserts

\$10M **150**
allocated direct jobs



Claussen Bakery

\$5M **223**
allocated direct jobs



TDC Cutting Tools

\$7M **337**
allocated direct jobs



Upward Star Center

\$10M **120k**
allocated sq. ft.

The Innovate Fund Affiliates



\$19,163,860

The Children's Museum
of the Upstate



\$18,594,630

Project ONE



\$17,325,103

Main @ Broad



\$16,816,407

Riverwalk



\$8,100,000

Next Innovation Center



\$9,000,000

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