



The  
**INNOVATEFUND**  
*Transforming Communities*

2021

# IMPACT REPORT





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# A MESSAGE FROM THE INNOVATE FUND



## DEAR FRIENDS AND SUPPORTERS,

We hope you'll enjoy reading through The Innovate Fund's 2021 Impact Report which has been updated to include the 5 projects we funded with our latest New Markets Tax Credit (NMTC) allocation.

We were awarded a \$60 million NMTC allocation in May 2019 from the Community Development Financial Institutions (CDFI) Fund. Over the following 18 months, we deployed it to five projects across the state of South Carolina, bringing The Innovate Fund and its affiliates' NMTC investment total to \$277 million.

We closed our second NMTC investment in the Northside neighborhood (Dr. T.K. Gregg Community Center) of Spartanburg, SC and our third investment in North Charleston, SC (Ingevity Corp.), furthering our goal of concentrating investments in the hardest hit areas of our service area to amplify our impact. We also closed our first investment in Marlboro County (Arris Manufacturing), both a Non-Metropolitan and Persistent Poverty County. Finally, we closed 2 real estate development investments in Appalachian Regional Commission Distressed Areas of Greenville County (Poe West and Judson Mill), both committed to providing below market rental rates for locally and non-profit owned businesses.

As we look to the future, with the needs in South Carolina and its surrounding states as great as ever – especially as the COVID-19 pandemic continues apace – The Innovate Fund looks forward to continuing to bring access to capital to South Carolina's Low-Income Communities, but also broadening our reach and impact as we expand our service area to include the states of Georgia, North Carolina, and Tennessee. As always, we are thankful to our collaborative partners and investors for helping us get to this point, and we're excited about the new relationships we'll form as we embark on our largest service area expansion to date.

Sincerely,

WHITNEY FERGUSON  
Program Manager and Board of Directors



# COMMUNITY IMPACT

## INVESTMENTS

The Innovate Fund, a Community Development Entity (CDE), has deployed \$277 million of New Markets Tax Credit (NMTC) investments to transactions that support 6,358 jobs, provide community goods and services to 70,471 Low-Income Community residents and Low-Income People, and created or rehabilitated 2,529,544 square feet of real estate in South Carolina. The community demographics of The Innovate Fund’s current investment portfolio consist of Poverty rates as high as 67%, Median Family Income as low as 14% of the statewide Median Family Income, and unemployment rates as high as 26%.

## COMMUNITY OUTREACH

We know that funding can often be a hurdle when meeting community development goals. By working closely with local leaders and economic developers, we ensure they are knowledgeable about all forms of flexible and creative financing in order to find the best way to both meet their goals and benefit the community. We do this by offering New Markets Tax Credit workshops, participating in neighborhood meetings and charrettes, and directly consulting with local officials to target and prioritize investments in low-income communities (LICs). Through our workshops and training sessions, we have provided education and empowerment to thousands of people across the state.

## PARTNERSHIPS

The Innovate Fund is committed to partnering with community and workforce development organizations that are accomplishing amazing things each and every day. We actively engage with these groups to both understand and help them accomplish their mission. We have worked closely with groups including South Carolina Community Capital Alliance, an organization dedicated to facilitating investment of capital into underserved neighborhoods; CommunityWorks, Inc., a certified Community Development Financial Institution; and Appalachia Funders Network, a collection of funders working to build a healthier, more equitable Central Appalachian region. Maintaining active involvement in the communities we serve is of the utmost importance to our staff and board members. Our team has assumed leadership roles in over 60 community organizations.

**\$277  
million**  
used to support  
communities

**\$13.3  
million**  
in rent  
reduction

**6,358**  
jobs  
created

**70,471**  
low-income  
people served

**\$782+  
million**  
total project costs

**2.5+  
million**  
sq. ft. developed  
or rehabilitated



# COMMUNITY FACILITIES

- 8 The Franklin School
- 10 Legacy Early College
- 12 Dr. T.K. Gregg Community Center
- 14 Upward Star Center





# THE FRANKLIN SCHOOL

SPARTANBURG, SC  
2018

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. 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 square foot 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.

Located in an Appalachian Regional Commission Distressed Area with 49.5% Poverty 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 Barnett**

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

**\$10M**  
allocated

**175**  
childcare seats

**28k**  
sq. ft.



*“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

**\$13.7M**  
allocated

**1,430**  
student seats

**210k**  
sq. ft.



# LEGACY EARLY COLLEGE

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 and enhance 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 square feet 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 and an unemployment rate 2.8 times the national average, as all community residents have access to the new library, where resources geared at helping individuals find gainful employment are available.



# DR. T.K. GREGG COMMUNITY CENTER

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 (page 8), 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 but 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.

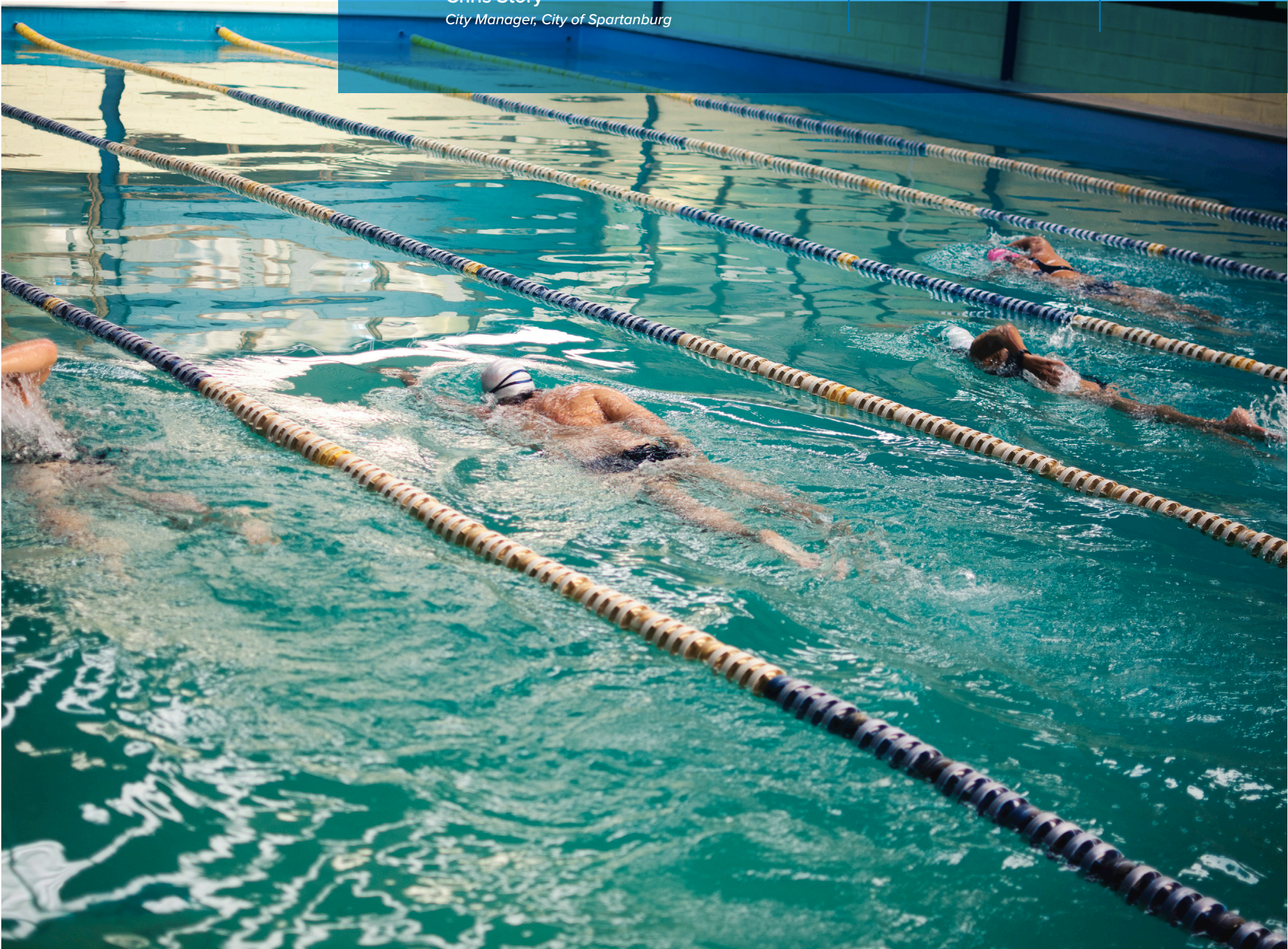
The City of Spartanburg acquired the project site in 2015 and began construction of the 46,810 square foot community facility in late 2018 to include 2 indoor pools, a gym, a running/walking track, exercise/fitness rooms, and community and classroom space. In total, the project cost \$18.1 million to construct and The Innovate Fund provided \$10 million in financing. Located in an area with Poverty of 45.30%, 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.

*"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

**\$10M**  
allocated

**46k**  
sq. ft.





\$10M  
allocated

120k  
sq. ft.

*“Upward Sports is responding to market demand by creating a new sports developmental and performance program for ages 8-18, which will augment the current recreational sports programs we provide 5-12 year olds. The New Market Tax Credit financing made possible by TaxAdvantageGroup and The Innovate Fund provide critical funding to build a flagship sports facility for the local community and give us the capacity to expand this new program nationwide.”*

**Terry Smith**  
Senior VP Corporate Development



# UPWARD STAR CENTER

SPARTANBURG, SC

2015

Established in 1995, Upward Unlimited is the world’s largest Christian youth sports provider with approximately 500,000 athletes at more than 2,000 churches in 47 states who participate in camps, clinics, and leagues through Upward Sports’ Recreation Division.

Located in Spartanburg County, The Innovate Fund provided \$10 million in financing for the 120,000-square-foot Upward Star Center that features six full-size basketball courts, 12 regulation indoor volleyball courts, four batting cages, a running track, a fully equipped gym, meeting rooms, a café, and retail shop. The space is shared between Upward Sports and Spartanburg Regional Health Services, a regional non-profit hospital system, which offers strength training, rehabilitation, and orthopedic services to the community.

Serving over 20,000 youth annually, including 4,700 low-income youths, Upward Unlimited has the capability to truly effect change in the Spartanburg community. In addition to its existing faith-based partnerships, the non-profit organization provides support for at-risk youth through participation in sports programs and leadership training. For example, Upward Unlimited offers its facilities free of charge to the Boys and Girls Club of the Upstate and other non-profits for activities like field trips and after school programs. By reaching deeper into the community, these preventative health measures can lead to healthier lifestyles.



# OPERATING BUSINESSES

- 18 Arris Manufacturing
- 20 Brown Packing
- 22 Greenco Beverage
- 24 Highland Baking
- 26 Ingevity Corp.
- 28 Limehouse Produce
- 30 Restaurant Depot
- 32 Sweet Street Desserts
- 34 Swiss Krono
- 36 TDC Cutting Tools





# ARRIS MANUFACTURING

CLIO, SC  
2020

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



*"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

**\$15M**  
allocated

**140**  
direct jobs

**173k**  
sq. ft.



*“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.

**\$13.7M**  
allocated

**396**  
direct jobs

**166k**  
sq. ft.



# BROWN PACKING

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 1980’s 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 harvest 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 unemployment backgrounds. 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 low monthly cost if they participate in the wellness program.



# GREENCO BEVERAGE

GREENVILLE, SC

2016

Once a bustling economic hub for the Upstate, the Poinsett Corridor, a major throughway 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-square-foot 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 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.

*"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*

**\$8.3M**  
allocated

**330**  
direct jobs





*“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

**35k**  
sq. ft.



# HIGHLAND BAKING

SPARTANBURG, SC

2018

Jim and Gail Rosen opened Highland Baking Co. (HBC) in Highland Park, Illinois in 1984 with only 5 employees. 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 square foot 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, and 17.4% unemployment.

HBC has begun working with the Northside Development Group, a local nonprofit community development corporation and a Network Member of Purpose Built Communities, 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.



# INGEVITY CORP.

NORTH CHARLESTON, SC  
2019

The Innovate Fund allocated \$7 million in New Markets Tax Credits (NMTCs) to provide flexible, below market financing to Ingevity Corporation for the build out and upfit of its new 84,283 square foot 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, 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, page 18; Restaurant Depot, page 30), Ingevity Corp. is an example of our strategy to cluster investments in severely distressed geographic pockets to increase our community impact.



*"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

\$9M  
allocated

293  
direct jobs

84k  
sq. ft.



“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

\$9M  
allocated

145  
direct jobs

# LIMEHOUSE PRODUCE

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 shortage 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 square foot 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.





# RESTAURANT DEPOT

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 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 55,027 square foot 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.

“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

\$8.5M  
allocated

62k  
sq. ft.





*“We are extremely pleased to establish new operations in Greenville, and very appreciate of the New Markets Tax Credit funding from The Innovate Fund. It allows our company to maintain industry leadership while bringing new jobs to South Carolina - a win/win for all.”*

**Sandy Solmon**

*Founder and CEO, Sweet Street Desserts, Inc.*

**\$10M**  
allocated

**150**  
direct jobs

**120k**  
sq. ft.



# SWEET STREET DESSERTS

GREENVILLE, SC

2015

In 2009, when a local Greenville Sara Lee Corporation bakery closed its doors, approximately 200 employees found themselves without a job. The bakery remained vacant for many years until Sweet Street Desserts, considered the premier gourmet dessert manufacturer in the world and a certified Woman Owned Business (WBE), purchased the facility and transformed it into a state-of-the-art manufacturing plant capable of handling multiple baking processes.

Our investment of \$10 million was used to renovate the vacant bakery, located in an Appalachian Regional Commission Distressed Area, and purchase new machinery and equipment. While 150 jobs have been created through this project, it is noteworthy that Sweet Street sought to hire many of the former Sara Lee employees. The true community impact exists in not only the refurbishment and transformation of the space, but also in the transformation of the lives of the people who were affected by the plant closure in the first place, resulting in Poverty of nearly 30% and an unemployment rate in the community that is 2.5 times the national average. To further encourage opportunities for advancement, Sweet Street created nine U.S. Department of Labor registered apprenticeship programs with Apprenticeship Carolina™ and local Greenville Technical College. Registered apprenticeship programs are an “earn while you learn” training model that enable employees to receive increased wages through structured on-the-job-training and job-related education.



# SWISS KRONO

BARNWELL, SC

2018

The Promise Zone Initiative was created in 2013 as a plan to create a better bargain 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 their payroll by 105 employees, SWISS KRONO has invested heavily in training and re-skilling the residents of Barnwell County through a youth apprenticeship program which allows SWISS KRONO to offer qualified high school students the opportunity to learn a specific skill or trade and to gain valuable work experience and a College Co-Op Program that allows them to partner with local and surrounding technical schools which provide programs that align with the skills and trades utilized in their 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.



*"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*

**\$11.2M**  
allocated

**272**  
direct jobs

**250k**  
sq. ft.



"The Innovate Fund funding was instrumental in the significant job creation project in Oconee County. We are excited to see TDC continue to grow in our community."

**Richard Blackwell**  
Executive Director, Oconee Economic Alliance

\$7M  
allocated

337  
direct jobs



# TDC CUTTING TOOLS

GREENVILLE, SC  
2016

Located in rural Oconee County, Seneca is a historic town that thrived during the first half of the twentieth century when textile mills were the main industry. As the textile industry has moved overseas due to globalization, this area has struggled to replace those jobs. TDC Cutting Tools, Inc., one of the world’s leading manufacturers of cutting tools, established its overseas headquarters in Seneca at the same site as its subsidiary, Greenfield Industries, creating quality jobs in an area with almost 33% Poverty. In addition to office space, the company built its first high-speed metals recycling facility with the purpose of providing sustainable solutions to the metal recycling industry and reducing solid materials waste.

The \$7 million investment provided by The Innovate Fund to this operating business supports over 300 jobs, which pay an average wage 121% greater than the low-income community’s per capita income. Employees have access to opportunities for job training and advancement, including participation in the company’s U.S. Management Trainee Program. The company has also established two registered apprenticeship programs for CNC Operators and Maintenance Technicians and a Youth Apprentice Program with Apprenticeship Carolina™ in conjunction with local Tri-County Technical College— the first apprenticeship programs to be established in Oconee County. Being registered with the U.S. Department of Labor shows TDC’s visible commitment to developing a high-quality workforce that meets nationally recognized training standards. TDC Cutting Tools is a true innovator in the cutting tool industry, as it is the only manufacturer worldwide with the capability of utilizing recycled scrap metal.



# REAL ESTATE DEVELOPMENT

- 40 AC Hotel
- 42 Claussen Bakery
- 44 Judson Mill
- 46 Poe West





# AC HOTEL

SPARTANBURG, SC

2016

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.” In 2016, OTO Development finalized financing on the construction of a full-service AC Hotel in downtown Spartanburg. The AC Hotel, a 97,668 square foot, 114-room Marriott property, features a signature AC Kitchen restaurant, fitness center, business center, and 2,500 square feet 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, 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

**97k**  
sq. ft.



*"The revitalization of this building will take it from a blighted eyesore that sat vacant for years, to a modern mixed-use development that will create construction jobs, direct and indirect employment, increased economic development to the immediate community, and the added benefit of facilitating new entrepreneurs investing in start-up businesses. It is clear to us that this project would not have existed without the New Market Tax Credit Program."*

**Steve Navarro**

*President, The Furman Co. Inc.*

**\$5M**  
allocated

**223**  
direct jobs

**38k**  
sq. ft.



# CLAUSSEN BAKERY

GREENVILLE, SC

2014

The Claussen Bakery, founded by German immigrant Johann Claussen, opened its first steam bakery location in Charleston in 1841. By 1930, the company had expanded its business and located a bakery facility near Greenville's Greater Sullivan neighborhood. The bakery has a very special place in the community because of its role in the civil rights movement in the 1960s. In 1967, the late Reverend Dr. Martin Luther King, Jr. spoke in Greenville in support of 22 African-American employees who were on strike for fair wages and better working conditions. For decades, the bakery, though changing hands several times, contributed to the industrial and commercial success of Greenville's west side. It is situated on a stretch of Augusta Street that is on the precipice of revitalization and has the opportunity to have lasting benefit on reshaping several of Greenville's "Special Emphasis" neighborhoods. In 2014, a local real estate firm purchased the property and began renovating the building, as it was found to have significant structural issues. Today, the space houses commercial tenants, with locally-owned small businesses receiving reduced rental rates. The overhaul and update of this historic building serves as a catalyst to stimulate redevelopment and revitalization to the surrounding neighborhoods.

A \$5 million investment that supports almost 220 jobs in an Appalachian Regional Commission Distressed Area with 36.8% Poverty, the reuse of the Claussen Bakery building has had a positive impact on the continued economic viability of Greenville's maturing city and surrounding communities. In early 2017, part of the bakery's history was honored with an event hosted by the Greenville NAACP, the Greater Sullivan Neighborhood Association, and the Greenville African-American Genealogical & Historical Society with the unveiling of a historical marker.



# JUDSON MILL

GREENVILLE, SC

2020

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. Deering Milliken Co. (now Milliken & Company) bought the mill in 1960 and actively operated and expanded the mill into an eventual 800,000 square foot 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, a substantially lesser number than the thousands of employees 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 square foot 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 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 square feet 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 square foot 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.

*"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*

**\$16.5M**  
allocated

**197**  
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)*

**\$11.5M**  
allocated

**156**  
direct jobs

**57k**  
sq. ft.



# POE WEST

GREENVILLE, SC

2019

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. 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 square feet, 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 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.



# THE INNOVATE FUND AFFILIATES



THE  
CHILDREN'S  
MUSEUM OF  
THE UPSTATE



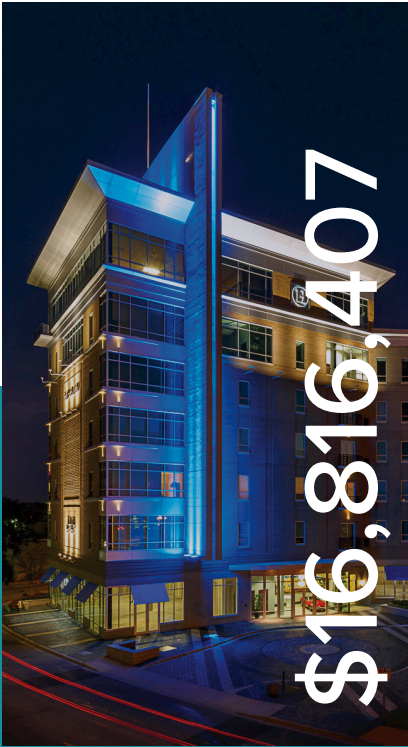
MAIN @ BROAD



NEXT  
INNOVATION  
CENTER



PROJECT ONE



RIVERWALK



DAUGHTERS  
OF CHARITY



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