

DOTHAN EAGLE

TAX REFORM COULD HELP COMPANY BRING 100 JOBS TO DOTHAN

- Jeremy Wise
jwise@dothaneagle.com

Dec 28, 2017 Updated 4 hrs ago



The inside of a Blumberg Grain facility in Egypt is shown here. Boosted by the recent tax reform package, Blumberg Grain has plans to construct a cold-chain storage facility and peanut processor in Dothan – a move that could create 100 jobs.



The processing area of a Blumberg Grain facility is shown here.

Philip Blumberg wants to invest in Dothan, much like his relatives Larry and Leslie Blumberg have for years, and the recent tax reform bill may help him accomplish the goal.

Philip Blumberg serves as the CEO of Blumberg Partners – a Miami-area firm that manages real estate investments and operates steel and grain facilities, among other investments. He said the recently passed tax reform bill that President Donald Trump signed into law last week is one of two major steps needed for Blumberg Grain to create a cold-chain food storage facility and a peanut processor in the Circle City.

Blumberg believes Trump's administration and pro-business attitude will soon help Blumberg Grain complete the other necessary step – the finalization of two major contracts in Egypt and Algeria.

"If they hear from Trump, they will move forward," Blumberg said. "We are hopeful he will take action after the first of the year."

Blumberg Grain specializes in the concept of "food security," Blumberg said. He said factors like rats, mold, and rot cause up to 50 percent of the world's produce to be wasted.

Cold-chain storage, though, reduces that percentage greatly – noting Blumberg Grain loses only 5 percent of its products due to those elements. In the case of peanuts, green peanuts are placed in a cold facility where nitrogen replaces oxygen in order to better preserve the peanuts.

The cold-chain process can extend the life of products by months, Blumberg said.

The proposed Dothan facility could create 100 "quality" manufacturing jobs, and Blumberg credited the pro-business tax reform package for making expansion feasible. One of the aspects that helps is the tax credits corporations receive for any investments in new facilities or equipment.

"We get an immediate reduction in the income taxes," Blumberg said. "The tax reform provides an encouragement to invest in infrastructure. The reduction in regulation makes it easier and quicker to invest."

Trump's policies provide a stark contrast to the bureaucracy-ridden administrations of past Republicans and Democrats, Blumberg said, calling the moves a "sea change."

"I'm a Democrat, and I've been impressed with Trump and his business advocacy," he said. "I find myself supporting Trump."

Should the company finalize the contracts with Egypt and Algeria, Blumberg expects it to take six months to begin construction on the Dothan facilities. He credited officials with the Dothan Area Chamber of Commerce, the local government, and regional representatives from the Alabama Cooperative Extension Services for providing an easy platform for his business to expand to the Wiregrass.

“They have given us access to an industrial park and everything we need,” he said. “They have been one of the most responsive local governments we’ve worked with – my compliments to Dothan.”

For Blumberg, the project would fulfill a dream of investing in a city where his family has roots. His great-grandfather, Hyman Blumberg, immigrated to America and eventually settled in the Dothan area. He farmed and operated a local store, and some members of the family still live here today.

Local firm Larry Blumberg and Associates is involved in several industries, particularly hospitality.

“Compared to what they’ve done (for Dothan), this would be a relatively small investment,” Philip Blumberg said.