



REVOLVING LOAN FUND - APPLICATION

I. Application Information:

Name of Business: <u>IVEX Specialty Paper LLC</u> Address: <u>1 Sloan Street</u> City/State/Zip: <u>Peoria, IL 61602</u> Name/Title: <u>Thad Edmonds, Controller</u> Telephone: <u>309-686-3830</u> Email: <u>thad.edmonds@new-indycb.com</u>	Name of Applicant (if different): _____ Address of Project (if different): _____ City/State/Zip: _____ Relationship of Applicant to Business: _____ Telephone: _____ Email: _____
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Applicant is organized as: an Individual a Corporation a Partnership Other LLC

Date Business Established: Paper Mill started om 1912, LLC is New Owner established 10/21/2019

Loan Amount Requested: \$250,000

II. Project Description: (please write or attach a summary)

Paper Investment LLC plans to purchase IVEX a specialty paper mill, and upgrade its machinery and equipment for a total project cost of \$3.025 million. In addition, a Line of Credit of \$1.25 is being sought to cover working capital needs.

The business and all of its existing assets located at 1 Sloan Street in Peoria will be sold as a going concern to Paper Investment LLC. The purchase agreement of \$1,025,000 will transfer all assets free and clear of all financial liability. liens, encumbrances, mortgages and the like. The property consists of approximately 125,000 sf on 6 acres on an irregular shaped lot.

A total of \$2.0 million of strategic capital improvements is planned and would result in several efficiencies making IVEX more profitable, competitive, and grow sales. A listing of capital expenditures include equipment purchase. transportation, tear down, foundation work, utility/mechanical modifications, and installation and setup.

III. History of Business /Applicant: (please write or attach a summary)

The original paper mill was formed in 1912. The current owner, New Indy - JV Corporation purchased the IVEX paper mill along with three other paper mills in June 2015. The paper mill in Peoria was unique in that it was a small specialty paper mill producing compared to the other three mills, which were commodity high volume paper mill operations.

The paper mill's main operation in Peoria takes clean recycled cardboard as its raw material and coverts it into large rolls of a specialty paper products with unique qualities--thickness, strength, texture, and weatherization capacities. Product lines include: a) bag tape for use to seal charcoal bags, b) crepe filters for food pocessors, c) carpet seam tape, and d) misc. kraft paper. The company employs 46 individuals of \$3.0 million annually, and plans to hire five (5) additional employees over the next two years.

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IV. Project Financing:						
Sources and Uses of Funds						
Uses of Funds						
Uses of Funds (Project Costs)	Total Amount	%	Total Amount - Breakout			
			Owner's Equity	Bank	City RLF	County RLF
Acquire Real Estate	\$ 1,025,000	24%	\$ 325,000	\$ 500,000	\$ 200,000	
Construction/Renovation		0%				
Infrastructure Improvements	\$ -	0%				
Machinery and Equipment	\$ 2,000,000	47%	\$ 1,700,000	\$ 250,000	\$ 50,000	\$ -
Furniture & Fixtures		0%				
Inventory		0%				
Working Capital	\$ 1,250,000	29%		\$ 1,250,000		
TOTAL PROJECT COST	\$ 4,275,000	100%	\$ 2,025,000	\$ 2,000,000	\$ 250,000	\$ -
Sources of Funds						
Sources of Funds	Total Amount	%	Interest Rate	Term (years)	Collateral & Lien Position	
Equity	\$ 2,025,000	47%				
Bank	\$ 750,000	18%	4.5%	7	1st - Mortgage & UCC	
City RLF	\$ 250,000	6%	4.0%	20	2nd - Mortgage & UCC	
City Other	\$ -	0%				
County RLF	\$ -	0%				
Bank Line of Credit	\$ 1,250,000	29%	4.75% - Advance rate 75% A/R & 50% Inventory			
			LOC shown as maximum but will vary			
TOTAL SOURCES OF FUNDS	\$ 4,275,000	100%				

Documents Required (please provide after completing application and meeting with staff):

- 1 **Income/Cash Flow Statements** - Business Actual/Projected/Year-to-Date (3 years past/forward)
- 2 **Balance Sheet** - Business Actual/Projected/Year-to-Date (3 years past/forward)
- 3 **Sources and Uses of Funds** - Finance Commitment Letters from Lenders or Equity Investors
- 4 **Personal Financial & History Statement** - Current SBA Form 413, and Personal History Statement
- 5 **Federal Tax Returns** - Business and Owners (of 20% or more) for 3 years past, IRS-Form 4506-T
- 6 **Schedule of Debt** - Mortgages, Loan Agreements, Promissory Notes, Liens
- 7 **Schedule of Collateral** - Valuation/Description of Assets, Appraisals, Titles, Environmental Studies
- 8 **Legal Documents** - Corporate By Laws, Partnership Agreements, Leases
- 9 **Startup Business** - Above docs plus: Business Plan, and monthly income/cash flow statement in year 1

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V. JOB RETENTION & CREATION:

Employment characteristics of the company and project should be described below.
Employee Certification Form (EIC) must be submitted with the application for existing employees.
PLEASE NOTE: Job Projections should be based upon full-time equivalent positions (2080 hours = 1 FTE) after two years.

	Total Jobs	Sales Tax	Property Tax
Current	46		
To Be Retained	46		
To Be Created	5		
TOTAL IMPACT	51	0	0

VI. APPLICANT ASSURANCES

The applicant provides the following assurances of compliance according to the City's RLF Program guidelines.

1. The applicant is an Equal Employment Opportunity Employer, pursuant to Federal guidelines
2. The applicant agrees to provide additional documentation, if necessary part of loan.
3. The applicant agrees to a personal credit check and business check as a condition of the loan.
4. The applicant agrees to sign a personal guarantee on the loan, if necessary.
5. The applicant agrees to provide project and financing information on a periodic basis to the City of Peoria.



 Signature of Applicant



 Date

The space below is reserved for the City of Peoria

Findings

<u>No. of Retained Jobs (F.T.E)</u>	<u>No. of New Jobs (F.T.E)</u>	<u>Total Jobs (F.T.E)</u>		<u>Factor</u>	<u>Maximum Loan</u>	
<u>46</u>	<u>5</u>	<u>51</u>	times	\$25,000	<u>\$1,275,000</u>	
				\$35,000	<u>\$1,785,000</u>	Job basis
Total Private Investment		<u>\$ 2,775,000</u>	times	50%	<u>\$1,387,500</u>	PI basis
Total Project Cost		<u>\$ 4,275,000</u>	times	33%	<u>\$1,425,000</u>	PC basis
					<u>\$ 250,000</u>	Max Limit
MAXIMUM LOAN AMOUNT					\$ 250,000	