



KENTUCKY

Recycling

SOMERSET RECYCLING PROMOTES ENVIRONMENTALLY FRIENDLY MANUFACTURING

KENTUCKY HIGHLANDS INVESTMENT CORPORATION



Steve Keck Shows Newly Produced Plastic Pellets

“Kentucky Highlands Investment Corporation, using the CDFI Fund Bond Guarantee Program, loaned Somerset Recycling Services much needed capital. This loan was very important and timely for the stability of existing jobs and the creation of new jobs. The loan process was efficient and the money was invested for the benefit of all involved.”

*Steve Keck, Founder
Somerset Recycling Services, Inc.*

Somerset Recycling Services, Inc. (Somerset Recycling) has been in business since 1984 as a for-profit recycling company. Somerset Recycling primarily recycles polyethylene materials, but also recycles other plastics, including PET, polypropylene, nylon, polystyrene, and PVC. The company wanted to increase its capacity as a low-cost producer of recycled raw materials, such as resin, for multiple industries. A greater number of manufacturing companies are using recycled resins in their formulas due to an increased awareness and focus on environmentally sustainable production.

To accomplish this, Somerset Recycling needed to refinance existing debt to improve its cash flow position. This included refinancing real estate debt for property where the company houses its day-to-day operations and debt for its equipment loans. Kentucky Highlands Investment Corporation, a certified Community Development Financial Institution (CDFI), became involved and issued loans that allowed Somerset Recycling to refinance its real estate and equipment debt with long-term fixed interest rates, something Somerset Recycling had been unable to obtain through its previous lender. The refinanced loans additionally enabled Somerset Recycling to retain current

CDFI Bond Guarantee Program Participants

- **Qualified Issuer: Opportunity Finance Network**
- **CDFI Lender: Kentucky Highlands Investment Corporation**
- **Borrower: Somerset Recycling Services, Inc.**

Community Profile: Somerset, Kentucky

- **Population: 11,439**
- **Median Income: \$26,411**
- **34.4% Poverty Rate**
- **7.6% Unemployment Rate**

Project Investment:

- **\$1,686,100 Loan: Kentucky Highlands – Working Capital/Refinance**
- **\$3,233,900: CDFI Fund Bond Guarantee Program – Refinance Real Estate/Equipment**
- **Total Cost: \$4,920,000**

Project Highlights:

- Somerset Recycling Service is financially stronger and better positioned for growth.
 - 76 employees were able to maintain their jobs and 5-7 additional jobs are anticipated to be added.
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employment levels (76 existing employees) and move forward with plans to create an additional 5-7 jobs over the next two years.

Kentucky Highlands Investment Corporation (KHIC) began serving the people of Southeastern Kentucky in 1968. Over the last 49 years they have made 2,180 loans to 770 companies totaling over \$401 million. In Fiscal Year 2016, KHIC closed 180 loans totaling just over \$70 million. KHIC's mission is to provide and retain employment opportunities in Southeastern Kentucky through sound financial investments and the provision of managerial assistance. KHIC coordinates and promotes community, economic, and social development efforts within its twenty-two-county footprint. For more information, visit www.khic.org.

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ABOUT THE IMPACT OF CDFIS
AROUND THE COUNTRY,
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