

# Maine

## NMTC Allocatee

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## Community Profile

### Baileyville, ME

Targeted Populations: more than 60% of employees will be low-income persons and/or live in a low income household.

## Project Highlights

- Investor: U.S. Bank, Wells Fargo Bank N.A.
- Co-Allocatee: Enhanced Capital
- Total Project Cost: \$120M
- NMTC: \$20M
- Jobs: Retained 320 full-time jobs, created 80 direct full-time jobs and 200 indirect full-time jobs



## St. Croix Tissue

In Baileyville, on the far east corner of Maine's easternmost county, some workers drive from as far as two hours to reach the high-quality jobs at Woodland Pulp LLC (Woodland). Like many of Maine's pulp and paper mills, the Woodland facility has struggled in recent years, putting 320 existing jobs at risk.

Purchased by International Grand Investment Corporation (IGIC), in 2010, Woodland management has actively sought to improve the performance and efficiency of the mill, including a recent initiative that transitioned the mill from oil to natural gas. The next major initiative in the company's plan is to vertically integrate by installing and operating two light, dry, crepe (LDC) machines, also known as conventional tissue machines, to utilize the pulp and utilities available from Woodland Pulp. A new affiliate company, St. Croix Tissue, Inc. (St. Croix), has been established to construct and operate the new equipment. A full range of tissue grades are expected to be produced and sold to converters in the eastern states. The first machine started production in March 2016, with the second machine going operational in July.

CEI Capital Management LLC (CCML), through the federal New Markets Tax Credit program (NMTC) and the Maine New Markets Capital Investment program (Maine NMCI), helped St. Croix secure the funding necessary to purchase and install the first of these machines. The tissue production facility has created 80+ direct, full-time jobs, while preserving the 320 jobs at the Woodland Pulp facility. An additional 200 plus indirect jobs are expected to be created within the State as a result of the investment. To further boost the employment impact of the project, the project sponsor contributed \$500,000 for funding a workforce development program in the community, to be managed by CCML's parent company, CEI.

CCML allocated \$20 million in NMTC capacity and \$11.7 million in Maine NMCI capacity to finance the project, with U.S. Bank and Enhanced Capital providing additional allocation. U.S. Bank and Wells Fargo provided the equity, while Woodland Finance Co., LLC a subsidiary of IGIC. provided the debt financing for the transaction, which closed December 30, 2013.