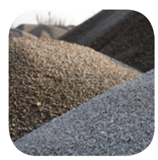
Finance Fund

# Ohio Basic Minerals

15317 Beaver Pike
Jackson, Ohio 45640

*18th Congressional District*

Southern Ohio's rural Jackson County is known for picturesque views of the Appalachian foothills and warm, hospitable people. The region is home to several manufacturing companies that utilize Jackson's abundant natural resources, wealth of skilled workers and low transportation costs. However, in today's rocky economy, small businesses need TLC to continue to grow and flourish. Ohio Basic Minerals (OBM) saw a chance to nourish and revitalize Schrader & Son Sand and Gravel, a small Jackson family-owned recreational sand and gravel plant, to chip into a gold mine of potential in an adjacent silica sand quarry. This would enable the company to increase its product offerings, expand to several new industries, reach more customers and bring more jobs and income to Jackson. However, In order to begin producing large quantities of silica products, the plant required expansion.



To make this expansion a reality, the OBM management team began looking for finance partners. Through a referral from Huntington Bank, Kevin Struzeski, CFO of OBM, met with Finance Fund. An initial interim loan of $1.7 million through Finance Fund's Capital Corporation was provided. Several months later this loan was refinanced, and increased to $2.45 million through Finance Fund's New Markets Tax Credit Program. The $750,000 increase in funding allowed for the purchase of additional machinery and equipment.

The expansion of the Jackson plant became a reality when construction began in January 2009. A large-scale industrial sand dryer was erected, enabling OBM to produce dry silica sand and gravel. Bagging equipment and a screen tower building were also added and two warehouse buildings were refurbished. The project is still in progress, with more upgrades being added, but OBM has been functional since September 2009 – a mere nine months since construction began.

The $6.7 million project employed close to 35 contracted workers. OBM has retained seven invaluable Schrader & Son employees and plans to add at least 30 jobs over the next three years. Expanding the plant's capabilities to extract and dry silica sand and gravel products has made it possible for OBM to reach an array of new markets and increase profits significantly. Jackson's old Schrader & Son facility is now newer, larger, faster and more robust. As a result, job growth and income are steadily returning to the industrial town.

**Finance Fund Provided:**
- **An initial loan of $1.7 million**, subsequently refinanced and increased by **$750,000** for a **total amount of $2.45 million**.
- Entire project cost about $6.7 million. Finance Fund provided funds for more than **35% of the project**.

**Project Results:**
- Close to **35 jobs were created** for the complex renovation.
- 7 **in-house jobs were maintained**.
- **30+ jobs will be created** in the next three years.