

**Application of TES Corporation DBA
New Process Cleaners
To the Montgomery County Economic
Development Revolving Loan Fund
Financial Loan Analysis
Amendment – June 2016**

Request

Ms. Emilie and Joel Bien-Aime, Owners of TES Corporation and New Process Cleaners requested and was approved for a loan for \$100,000 in October 2016 by the Montgomery County Legislatures. In June 2017 he came to the IDA requesting an amendment to the loan amount of \$125,000 for the purchase of 27 Division St, Amsterdam, NY with a term of 20 years and a rate of 4.00%. This will result in a monthly payment of \$757.48. Collateral will be the property located at 27 Division Street Amsterdam, NY.

A lease purchase agreement between the original two parties on the building was negotiated between the current owner and TES which gave the County an un-agreeable position. For this reasons the terms of the original request were not as agreed upon and there was no loan closing. The parties have agreed to terminate the lease purchase option and progress further with a direct purchase in an amount of \$125,000.

An appraisal has been received on the property and all other terms and conditions would remain the same.

RECAP ON ORIGINAL REQUEST

Ms. Emilie and Joel Bien-Aime, Owners of TES Corporation and New Process Cleaners are requesting a loan in the amount of \$100,000.00. A 7-year term is recommended at an interest rate of 3.50%, will result in a monthly payment of \$1,323.99.

***The project total is \$245,000.00 including \$100,000 from MCBDC, \$125,000 from private funding, and \$20,000.00 from owner's equity contribution.

***Collateral will be 1st position on the current facility along with adjacent lot and 2nd position on the Real Estate Property located at 27 Division Street, Amsterdam, NY

***Emilie and Joel will give a personal guarantee.

***4 jobs will be created over the next three years and 6 FTE's will be retained

History and Description of the Company

New Process Cleaners (NPC) owns and operates 2 retail locations, 1 in Johnstown and 1 in Amsterdam. NPC offers drop off service, same day service and pick up/delivery services to retail and commercial clients.

TES Corporation, DBA New Process Cleaners, was founded in 1996 by Joel Bien-Aime after purchasing the Amsterdam/Johnstown region's oldest dry cleaning operations. The Amsterdam facility is located at 110 Brookside Ave, Amsterdam and occupies 2,600 square feet of walk in retail space. The cleaning plant is located at 115 N Market St which house retail space and the plant. After retiring from a successful 25 year career with the State of New York, Joel recognized a business opportunity that would allow him to develop and grow an established business in his hometown community. Since the name and business was successfully established Joel decided to keep the name. Joel was able to invest and grow the business and acquire the Amsterdam location in 2012, formally known as Pakenas Cleaners. Joel successfully completed the original loan obligation within the last four years and has grown annual sales from \$100,000 to \$130,000 in the Amsterdam location.

NPC cleans clothing garments, draperies and other fabric items using dry cleaning and wet cleaning state of the art environmentally safe machines, solvents and techniques.

The retail space in Amsterdam serves as a drop off and pick up location where garments are transferred to the processing plant for servicing and then returned to the Amsterdam location. Two cargo vans, with NPC logo signage, are used for this drop off and for delivery services.

*** Information provided by applicant

Description of the Project

The project consists of the purchasing of 27 Division St, Amsterdam, NY to expand the Amsterdam retail space and to better provide a more aesthetically attractive and easier access location for walk in and drive in traffic. In addition to

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the retail space, this new facility will allow for a Laundromat service. Currently there is no Laundromat within five miles of the proposed location. With the increase in retail and laundry service they expect to increase staff and annual sales.

Job Creation

The Amsterdam facility currently employs 6FTE's, 4 Full time and 2 part time. An additional 4 FTE's will be created: 2 Service persons in the 1st year and 2 service persons in the 2nd year. All positions created will be made available to low to moderate-income persons. It was agreed that new job listings would be posted through the FMS Workforce Solutions Center.

Financial Information/Credit Rating Information

A review of Emilie and Joel's personal financial report indicated a net worth of approximately \$212,300.00. Cash on hand = \$34,500, Retirement = \$110,000, Home Residence = \$75,000 and cash surrender life insurance of \$20,000. Liabilities total \$28,700. School tax bill of \$700 and Mortgage on residential property of \$28,000. Tax returns indicate taxable wages of \$74,557 & \$86,043 respectively. In addition \$20,000+ is received annually from a pension. An Equifax credit report was obtained and revealed credit scores of 511 & 537, respectively.

There were liabilities listed on the credit report that were not equivalent or listed on the personal financial statement. Emilie's report indicated an outstanding judgment with Fulton County for medical expenses, Department of Education loan 150 days past due, Department of Education loan \$14,496 was past due but now current, Department of Education loan \$4,215 current and a BOA Credit Card, current balance of \$412.

Joel's report indicated 2 collection items, NYC Mutual \$85, Central Credit, medical, \$795. Four (4) Department of Education loans totaling; \$31,125, \$24,706, \$21,861, \$21,016 all 180 days past due. Also listed were two (2) credit cards CBNA balance of \$63 and First Choice Financial balance of \$120.00.

After speaking with Joel it was determined that he is not a principle and did not want his name as a personal guarantor. Emilie is 100% owner on the business.

The student loans are for his children that were reported under the parents name in error and are in the process of being corrected. He indicated that the student loans on his account are for his oldest daughter and the loans on Emilie's report are for the middle daughter. He would be taking care of those promptly. We spoke of the collections on both accounts and he indicated that all have been taken care of and that he would be disputing with the responsible party to be updated on the report. The credit cards are all in good standing and are paid for each month. They were inadvertently left off of the personal financial statement because there is no balance.

The company prepared Performa's for 2016 and 2017 excluding funding from MCBDC. Sales are projected to increase approx. \$35,000 or 10% with a net increase of 3-4%. These projections are based on the 2 facilities combined. Net income on Tax returns for 2014 & 2015 respectively were \$ 140,067 and \$163,395 before taxes and insurances. A slight growth in the company's net income is expected due to the Laundromat.

Conclusion

The dry cleaning and laundry service is an asset to our community and the surrounding areas. Collateral position is strong and business is growing.



Tomorrow's Future Today



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June 08, 2017

**Joel Bien-Aime
115 Marrket Street
Johnstown, New York `12095**

**Re: 27 Division Street
Amsterdam, New York 12095**

Property Sale

Mr. Bien-Aime:

On June 07, 2017, our board had a meeting regarding your offer to purchase rather than the Lease Purchase Option regarding 27 Division Street, Amsterdam, New York 12010.

For the consideration of the deposit of the original Lease Purchase Option and your offer to purchase without us holding paper we agree to the following.

Total purchase price, one hundred and twenty five thousand dollars (\$125,000.00) including any liabilities that you may incur before the closing of the said sale.

Evan Rose C.O.

