



Firststar Fiber Corporation

Having successfully laid the groundwork for a plan to bring a fully integrated paper tissue and toweling mill to the upper Midwest, this fast-growing recycler used its real estate to quickly raise capital and keep its business on a roll.

The Challenge

After Firststar Fiber, one of Omaha's top 10 fastest-growing companies, had accomplished the first two phases of its business plan — establishing a single-line scrap paper recovery operation and enhancing its tissue converting operation — it wanted to monetize its industrial real estate assets to provide capital to help fuel the company's growth.

Our Approach

First Industrial's team, engaged by a private equity merchant banking firm, designed a sale leaseback ideally suited to the middle-market company's capital needs: acquiring Firststar's 355,964 sf. manufacturing, warehouse and corporate headquarters facility and leasing it back to the company.

More than meeting the company's desire for speed and certainty of closing, the highly structured transaction reduced capital gains tax and gave Firststar maximum use of the sale proceeds for eliminating debt, expanding existing converting lines and adding new recycling equipment to accommodate a newly won 10-year contract with the City of Omaha.

The Outcome

At a critical time in the company's growth, Firststar converted its real estate assets into capital that could be used to improve profitability and increase the company's ROA and ROE — positioning it to become the first and only fully integrated 100% recycled tissue and toweling company in North America.

Development
Acquisition
Multi-Market
→ **Sale Leaseback**



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