



## PLANNING AND DEVELOPMENT

400 LA CROSSE STREET | LA CROSSE, WI 54601 | P: (608) 789-7512 | F: (608) 789-7318



December 17, 2020

### Memo

To: Economic Development Commission

From: Planning and Development Staff

RE: That Foreign Place Loan Repayment Plan Modification Request #20-1766

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**Background:** On November 3, 2017, That Foreign Place, LLC entered into a Loan and Special Economic Development Agreement with the City of La Crosse for their business expansion and relocation to 107 3<sup>rd</sup> St S from 123 4<sup>th</sup> St S. Community Development Block Grant (CDBG) Funds in the amount of \$40,000 were loaned through the Small Business Development Loan program. The funds were used to expand retail space for That Foreign Place as well as the opening of Christos Taverna. The retail portion has since been renamed Eudora and they also opened another restaurant named Soula's Cucina at 412 Main St.

The original terms of the loan were 3% simple interest, amortized over 15 years. The current principal balance is \$35,253.29 with a scheduled maturity date of June 01, 2033. Total principal paid to date: \$4,746.71. At this time 3 months of payments are past due, bringing the current balance due of \$871.65. (Regular monthly payment = \$276.71, late fees = \$41.52)

Due to the COVID-19 pandemic, Mayor Kabat announced a pause in all City loan payments starting April 1, 2020. At the July 21st EDC meeting, it was determined that the pause would end September 30, 2020, with regular payments resuming October 2021. The EDC also welcomed proposed loan payment modifications to be presented at the September monthly meeting.

On November 23<sup>rd</sup>, staff received a written request from Robbi Wolff and Greg Salairas stating that they are unable to make their regularly scheduled payments. Due to capacity limits, reduced hours of business, and drastic decline of customers they cite that income is merely a third of what it was before the pandemic. They stated that they could start paying \$100 monthly. They are hopeful that business levels will rise closer to what they were before the pandemic by midyear 2021.

Measures that they have taken to try to improve resiliency and restore consumer confidence for safety are: reduced hours at Christos, limited seating and spacing, sanitizer tables for customers, and reduced staff levels. They also mentioned that they applied for a grant through Couleecap.

ANDREA TRANE, INTERIM DIRECTOR OF PLANNING, DEVELOPMENT & ASSESSMENT  
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KEVIN CLEMENTS, HOUSING SPECIALIST  
KEVIN CONROY, HOUSING REHABILITATION SPECIALIST

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**Staff Recommendation:** Staff recommends that the loan be brought current and that the client commits to working with WWBIC for business support before loan adjustments be considered. Our files have documented history of poor communication in efforts of obtaining jobs creation compliance as well as collection of timely payments. The City issued generous terms on the original loan, in support of the business where traditional financing could not be secured.