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## MEMORANDUM


**To:** Kara Schuster, G2G, LLC  
**From:** Amy Peterson, Planning & Economic Development Administrator  
**Date:** August 7, 2014  
**Re:** EDC Recommendation on Funding Request \*Revised\*

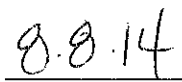
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August 6th the EDC made the recommendation to fund your application request with the following terms:

- Provide a Federal CDBG Small Business Development Loan in the amount of \$200,000 for land and equipment for 10 years at 2%. Collateral for loan will be a 3<sup>rd</sup> on the building, land and equipment, with the potential for a 2<sup>nd</sup> mortgage on the owners home as well as personal vehicle(s). Loan is subject to an approved Environmental Review Record (ERR) prior to closing. Loan funds will be provided in the following format: \$125,000 at closing for property acquisition and \$75,000 later in the project for equipment purchase.
- Provide \$150,000 as a TIF loan. Terms: 0% interest and payback to begin in 2016 on a 10 year term. This loan will be secured by the project increment generation; there will be no mortgage for this loan.
- Developer will commit to \$3.1M final value as of January 1, 2016.
- Developer will commit to creating six new class III (minimum \$12.61/hour wage) jobs by January 1, 2016.
- Developer will provide a personal guarantee.
- Developer will agree to other standard City Developer Agreement terms and conditions.

If this recommendation meets your approval, please sign below and return this offer to me by Friday August 8, 10AM. Staff will then begin processing the SBDL loan. The TIF loan will need to be approved by the City Council, so it will be introduced this month for action next month (September 11). The Developers Agreement will be drafted during this time.

  
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Owner signature of acceptance

  
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Date