



30 May 2017

MEMORANDUM FOR: THE CITY OF LA CROSSE

FROM: LA CROSSE WELLNESS CENTER

SUBJECT: Adjusted payment on current Small Business Development Loan.

The reason for this memorandum is to request an adjustment to our SBDL loan, associated with the G2G, LLC. Due to several unforeseen circumstances the original calculated projections have been delayed. We would like to request a reduction of the payments for the next 18 months and spread out the difference owed over the following years left in the ten-year term.

My current monthly payment to the City of La Crosse is \$1,250.00 for a Tax Incremental Financing Loan and \$1,829.23 for the SBDL for a total monthly payment of \$3,079.23. I would like to decrease my monthly payment by 50% to \$1,539.62 by continuing the monthly TIF payment as scheduled and reducing the SBDL payment to \$289.62 for 18 months.

With the committee's approval of reducing our monthly SBDL loan, our march towards our original projections would be enhanced as well as some financial relief to allow for us to combat the following setbacks:

- Our largest tenant recanting 3 months prior to opening, resulting in \$8,000/month rental income lost.
- Due to tenant recanting, we have accrued roughly \$170,000 of additional buildout costs to break up that space to get another tenant. April 10, 2017 was the first rental check we received for the new space.
- \$96,000 increase in expenses due to soil issues and wetland issues.
- Increase in material expenses by over \$33,000 to enhance the appearance of the back of the Wellness Center due to the "potential" road that is going in north of the building.
- Approximately \$16,500 charge from Xcel Energy to bring electrical down to the building site for the La Crosse Wellness Center since it had not been developed yet.
- \$35,000 additional expense for sprinkler head systems mandated by 2016 State laws that had to be added to entire building project.

I am able to provide any needed verification of the above listed information if needed. I apologize for not being able to attend the meeting to answer questions in person due to a long-planned family obligation. Your consideration in this matter is greatly appreciated.

KARA L. SCHUSTER

OWNER, LA CROSSE WELLNESS CENTER