



AGENDA OF THE COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN COMMITTEE

**TUESDAY, JULY 31, 2018, 7:30 AM
CITY HALL, ROOM 207**

A. Roll Call.

- I. Mike Borlee, Jim Blumreich, Ald. Brian Johnson, Matt Schuller, Chad Van Handel

B. Approval of the Agenda.

- I. Approval of the agenda for the 7/31/18 meeting

C. Approval of Minutes.

- I. Approval of the minutes from the 1/23/18 meeting

D. Regular Business.

- I. Review the loan application for Historic West, LLC.

E. Informational.

- I. Revolving Loan Status Report

F. Adjournment.

- 1) THIS MEETING IS RECORDED: THE VIDEO OF THIS MEETING AND MINUTES ARE AVAILABLE ONLINE AT www.greenbaywi.gov
- 2) ACCESSIBILITY: Any person wishing to attend who requires special accommodation because of a disability, should contact the City Safety Manager at 920-448-3125 at least 48 hours before the scheduled meeting time so that arrangements can be made.
- 3) QUORUM: Please take notice that a majority or quorum of the Community Development Block Grant Revolving Loan Committee will attend this meeting and will constitute a meeting of the Community Development Block Grant Revolving Loan Committee for purposes of discussion and information gathering relative to this agenda.

- 4) REPRESENTATION: The party requesting the communication, or their representative, should be present at this meeting.



Report to the
Community Development Block Grant Revolving Loan Committee
of the City of Green Bay

MEETING DATE

July 31, 2018

PREPARED BY

Wendy Townsend, Economic
Coordinator

AGENDA ITEM # C.I.

Approval of the minutes from the 1/23/18 meeting

BACKGROUND

See attached minutes for approval.

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

I. CDRLF_MINUTES_012318

**MINUTES
COMMUNITY DEVELOPMENT REVOLVING LOAN FUND
LOAN COMMITTEE**

**Tuesday, January 23, 2018
Room 207, City Hall, 4:00 p.m.**

ROLL CALL:

Gary Delveaux	x	Ald. Tom De Wane	x
Matt Schueller	x	Mike Borlee	x
Chad Van Handel	x		

Others Present: Wendy Townsend, Economic Development; Celestine Jeffreys, Mayor's Office; Scott Koffarnus, Cineviz; Bob Stahl, ZoZo Kitchen

The meeting was called to order by G. Delveaux at 4:00 p.m. All members were present as indicated above.

1. Review the status of outstanding loans.

A motion was made to receive and place the report on file made by Ald. De Wane, seconded by M. Schueller. Motion carried.

2. Approval of minutes from September 11, 2017 meeting.

A Motion to approve the minutes of the September 11, 2017 meeting of the Revolving Loan Fund Committee made by M. Borlee, seconded by Ald. De Wane. Motion carried.

3. Review the loan application for InCompetition Sports.

A motion was made to receive and place the loan application on file due to InCompetition Sports withdrawing their loan application at this time made by Ald. De Wane, seconded by M. Schueller. Motion carried.

4. Review the request by Cinevitz to restructure their loan.

W. Townsend stated that Cinevitz LLC is requesting a restructure of their 7 year (84 month) loan which originated on 2/1/13 for the amount of \$115,000. Their remaining balance is \$36,198.58.

S. Koffarnus of Cinevitz, LLC has had some unforeseen expenses and has requested that we restructure the remaining balance of \$36,198.58 of his CD-RLF to include the first 6 months interest only with a 5 year (60 months) loan term. Mr. Koffarnus is up to date with his payments.

The staff recommends granting this request for restructuring the remaining \$36,198.58 for 5 years (60 months) with the first 6 months interest only and the remaining balance paid equally over the remaining 54 months.

A motion was made to suspend the rules made by G. Delveaux, seconded by Ald. De Wane. Motion carried.

S. Koffarnus stated he is making the request to restructure their loan due to unexpected expenses that came up. To date Cineviz has not missed a payment since the date of the loan but needs some flexibility to continue to move forward. They lost a major customer at the end of 2016 and personal issues which has taken him away from concentrating on Cineviz in 2017. Scott has a couple of projects to get started and is hoping that in six months things will turn around for their business. They are working with less staff which is less expense.

A motion to return to regular order was made by M. Borlee, seconded by Ald. De Wane. Motion carried.

Motion made by M. Borlee, seconded by Ald. De Wane to convene in closed session. Motion carried. G. Delveaux read the closed session notice and roll call was taken with all members present.

Motion made by Ald. De Wane, seconded by M. Borlee to reconvene in open session. Motion carried.

M. Schueller stated that S. Koffarnus has other business with the City of Green Bay on a cooperative advertising agreement at the KI Center. There is money currently owed to the City of Green Bay for advertising revenue sharing from 2016 and 2017 for an approximate total of \$12,000. The RLF Committee would like from S. Koffarnus a schedule of payment when the City will get paid from that advertising revenue sharing opportunity for 2016 and 2017 along with the 2017 reporting due. When the City receives that schedule and reporting, the RLF Committee will agree to restructure the loan for 5 years (60 months) at four percent interest with the first 6 months interest only, and spread the remaining balance over the remaining 54 months of that loan. The first six monthly payments would be \$149.35. The remaining 54 months would be \$908.02. The Committee is also requesting a copy of his business 2017 preliminary profit and loss statement.

A motion was made by M. Schueller, seconded by M. Borlee and unanimously carried to restructure the loan to Cineviz, LLC under the following terms and conditions as stated above.

5. Review of the request by ZoZo Kitchen, LLC to restructure their loan.

W. Townsend stated ZoZo World LLC dba ZoZoKitchen, LLC is requesting a restructure of their 2 loans \$17,200 and \$35,000 to include a 12 month interest only period in order to help with cost over-runs associated with their start-up costs.

The Stahl's had some additional expenses associated with start-up and has requested that we restructure their CD-RLF to include a 12 month interest only period with the remaining balance paid over the remaining term.

The Bank of Luxemburg has restructured their loan to have interest only for the first six months to get ZoZo started as well.

The ED staff recommends granting this request for restructuring the 2 loans to assist Bob and Kathy with the start-up costs to get their business open and operational. Their soft opening was Saturday, January 20.

A motion was made to suspend the rules made by M. Borlee, seconded by Ald. De Wane. Motion carried.

Bob Stahl stated he had additional expenses associated with start-up and it has been a "heck" of a project. Drains in the kitchen had to be corrected, they had to fix the water line coming into the kitchen with 400 feet of copper pipe, the boiler froze during the cold weather and he had to replace \$4,000 worth of pipes. Things happen and he is struggling, but this is the American dream.

ZoZo had a successful soft opening serving 125 people in 4 hours and a lot of great comments. The product developed for ZoZo is really good for the Green Bay area.

A motion to return to regular order was made by M. Borlee, seconded by Ald. De Wane. Motion carried.

A motion was made by Ald. De Wane, seconded by M. Schueller and unanimously carried to restructure the two loans to include a 12 month interest only period with the remaining balance paid over the remaining term.

6. Update on the 929 Cedar Loan Project.

W. Townsend gave an update on the project and stated that 929 Cedar LLC invested a lot of infrastructure in the buildings that were not anticipated in the original quote. The unanticipated cost overruns totaled \$92,000 which consisted of floor and electrical issues. 929 Cedar LLC asked the City to subrogate to the primary lender. Bank First National is the primary lender and wanted the RLF Committee to be comfortable with having the additional expenses added to the project. W. Townsend stated she wanted

everyone to be on the same page with the loan changes and clarified that the City's loan is not going to be changing at all other than the City's subrogation for \$92,000.

7. Adjourn

There being no further business, a motion to adjourn was made by Ald. De Wane, seconded by M. Schueller. Motion carried.



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PREPARED BY

Wendy Townsend, Economic
Coordinator

AGENDA ITEM # D.I.

Review the loan application for Historic West, LLC.

BACKGROUND

Request: Historic West, LLC is requesting a loan in the amount of \$87,000 for the property acquisition of 405 W. Walnut Street, Green Bay, WI 54303.

Background: Historic West, L.L.C. plans to purchase an historic Green Bay, WI theatre and restaurant, renamed “The Tarlton Theatre & Restaurant”, with The Tarlton Theatre, L.L.C. leasing. The facility is located at the corner of Walnut and Broadway, amid the Historic Broadway District. The Tarlton Theatre & Restaurant will be restored as an arts centre with fine dining, and Historic West, L.L.C. will apply for registry of the building as an historical Art Deco/Art Moderne structure. The Tarlton Theatre & Restaurant will present wholesome, live art and music acts, such as touring bands and comics, and motion picture showings with family-friendly prices at the quaint, central theatre. The restaurant will serve a menu of Modern American items and will also be available to rent by businesses for company and group parties.

RECOMMENDATION

The staff recommends granting this request for \$87,000 in CD- RLF funds for the purchase of the Historic West Theater property at 405 W. Walnut .

FISCAL IMPACT

ATTACHMENTS

1. RLF Application West Theater
2. Completed Business Plan low res
3. 2017 Mariucci M Form 1040 Individual Tax Return_Records
4. 2016 Mariucci M Form 1040 Individual Tax Return_Records
5. 2015 Mariucci M Form 1040 Individual Tax Return_Records
6. BOL loan approval letter
7. Financial Statement
8. HistoricWestOperating
9. Personal Financial Statement



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PREPARED BY

Wendy Townsend, Economic
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AGENDA ITEM # E.1.

Revolving Loan Status Report

BACKGROUND

See attached report for approval.

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

- I. CDRLF Status 72718

CD-RLF Loan Status for Open Accounts
7/27/2018

		Contract Date	Loan Amount	Principal Balance	Payment Amount	Last Payment	Notes
1	Northcoast Productions	05/05/09	\$76,672	\$7,622.62	\$776.27	Jul-18	Current
2	Hagemeister Park	11/16/11	\$170,000	\$11,502.95	\$2,323.70	Jul-18	Current
3	Cineviz, LLC	01/02/13	\$115,000	\$33,291.25	\$1,571.91	Mar-18	In Default
4	GNC Development, LLC	04/03/13	\$75,000	\$0.00	\$1,381.24	Apr-18	Paid off
5	Monkey Tailz	07/08/14	\$69,000	\$34,874.00	\$1,027.65	Jul-18	Current
6	Initiative One	02/24/15	\$105,000	\$74,542.47	\$1,063.07	Jul-18	Current
7	Reynolds Packaging	04/28/15	\$105,000	\$91,027.90	\$303.43	Jun-18	Current - Interest Only
8	Puro Clean	03/31/16	\$125,000	\$110,674.39	\$924.61	Jul-18	Current
9	Roots on 9th	05/02/16	\$70,000	\$56,592.59	\$708.72	Jul-18	Current
10	Gather on Broadway- eq	06/15/16	\$117,000	\$105,631.76	\$352.11	Jul-18	Current - Interest Only
11	Gather on Broadway- bld	08/18/16	\$132,000	\$125,443.99	\$418.15	Jul-18	Current - Interest Only
12	U&I Movers Express, LLC	12/21/16	\$147,200	\$136,122.69	\$1,088.82	Jul-18	Current
13	Credit Management Control, Inc	12/29/16	\$81,500	\$75,366.77	\$602.85	Jun-18	Current
14	ZoZo Kitchen - Bld	08/31/17	\$17,200	\$16,845.51	\$127.23	Jul-18	Current - Interest Only
15	ZoZo Kitchen - WC	10/10/17	\$35,000	\$32,279.25	\$1,048.98	Jul-18	Current - Interest Only
16	929 Cedar, LLC	09/15/17	\$250,000	\$240,734.16	\$1,849.22	Jul-18	Current

\$1,690,572.38 \$1,152,552.30 \$15,567.96

AVAILABLE FUNDS :

\$323,598.18

7/27/2018