



# **AGENDA OF THE COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN COMMITTEE**

**FRIDAY, APRIL 8, 2022, 7:30 AM  
CITY HALL, ROOM 604**

## **A. Zoom Meeting Instructions.**

1. This item contains Zoom information, instructions, and a link to the Virtual Comment Form.

## **B. Roll Call.**

1. Members: Matt Schueller - Chair, Vice Chair Ace Champion, Ald. Brian Johnson, Kathy Hinkfuss

## **C. Approval of the Agenda.**

1. Approval of the Agenda for the April 8, 2022, meeting of the Community Development Block Grant Revolving Loan Committee.

## **D. Approval of Minutes.**

1. Approval of the minutes from the March 16, 2022, meeting of the Community Development Block Grant Revolving Loan Committee.

## **E. Regular Business.**

1. Election of Officers - Chair and Vice Chair
2. Consideration with possible action on request by 30KFT, LLC, dba Gentle Vet Animal Hospital, S.C., for a loan in the amount of \$150,000 from the Community Development - Revolving Loan Fund (CD-RLF) program.

*The Committee may convene in closed session pursuant to Sections 19.85(1)(e), Wis. Stats., for purposes of deliberating or negotiating the sale of public properties, investing of public funds or conducting other specified public business as necessary for competitive or bargaining reasons. The Committee will thereafter reconvene in open session pursuant to Section 19.85(2), Wis. Stats., to take action on items discussed in closed session, if appropriate, and to consider the remainder of the agenda.*

3. Consideration with possible action on request from The Legacy Green Bay, LLC, for a loan in the amount of \$150,000 from the Community Development - Revolving Loan Fund (CD-

RLF) and a second loan in the amount of \$100,000 from the Economic Development - Revolving Loan Fund (ED-RLF).

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4. Consideration with possible action to review and update the 2015 CD-RLF Policies, Procedures, and Guidelines.

## **F. Informational.**

1. RLF Loan Status Report.

## **G. Adjournment.**

- 1) THIS MEETING IS RECORDED: THE VIDEO OF THIS MEETING AND MINUTES ARE AVAILABLE ONLINE AT [www.greenbaywi.gov](http://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 Common Council will attend this Community Development Block Grant Revolving Loan Committee meeting and will constitute a meeting of the Common Council 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.

# Virtual Meeting Instructions



## Community Development Block Grant Revolving Loan Committee

### Zoom Meeting Information

#### Join Zoom Meeting

<https://us02web.zoom.us/j/83384235814?pwd=VEpseVpDRFQ2WUx4WDBSZkF2YWdjdz09>

**Meeting ID: 833 8423 5814**

**Passcode: 341275**

#### One tap mobile

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#### Dial by your location

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## Public Comments

If you wish to speak at this public meeting or leave a comment, please fill out the online [Comment Form](#) prior to the meeting.

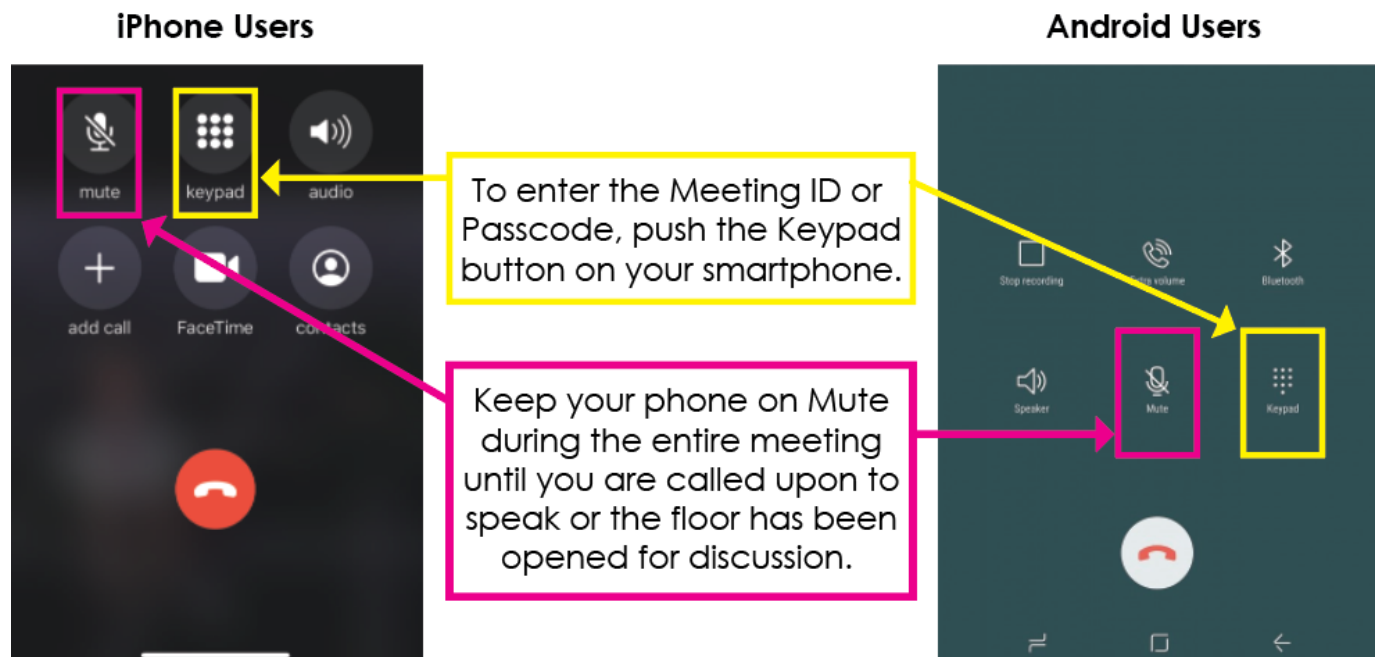
## Additional Information

1. Wisconsin Open Meetings Law still applies
  - a. Persons interested in speaking to an item must state their name and address for the minutes.
  - b. Committee/Commission/Board members will still follow *Roberts Rules of Order Newly Revised 12<sup>th</sup> edition*.
2. Please log into the Zoom meeting at least 10 minutes before the meeting begins to ensure a proper connection and that your technology is working.
  - a. If you are a Board Member, please log into [CivicClerk](#) with a computer, laptop, or tablet device.
3. Once you are in the meeting please mute yourself.
  - a. You may unmute yourself when you are called upon to speak.
4. Waiting room
  - a. When you call in or connect via web or Zoom app, you will be placed in a “waiting room.”
  - b. The meeting host will then admit you to the meeting, and mute you upon entrance (you will still be able to hear and or otherwise observe the meeting).
5. Registering
  - a. The host may ask you to register for the meeting. A registration link will be sent to you along with the invite. You'll receive another email confirming that you're registered for the meeting.
  - b. If you're using a phone, your registration will be tied to an email.
6. Raising your hand
  - a. Committee/Commission/Board members—you can either use CivicClerk and request to speak or you can also utilize the “raise your hand” tool in the Zoom platform (you'd need to use a computer or tablet) to let the host know you would like to speak. You can also un-mute yourself and start speaking.
  - b. Persons with items on the agenda or other interested parties —you can also utilize the “raise your hand” tool on the Zoom platform via computer or mobile device. You will be allowed to speak once the committee, commission, or board has moved to “open the floor for interested parties to speak.” Once discussion on your agenda item has concluded, the host will mute you, unless the committee opens the floor again.
7. What devices should I use?
  - a. Smart phone (please see more detailed instructions on page 3)
  - b. Land line
  - c. Tablet—in advance of the meeting, please download the Zoom Meeting app by using either the Apple Store or the Play Store. You will be asked to input your name, to identify you for the meeting.
  - d. Computer—you can access the meeting through a web browser by clicking on the meeting link, or through the Zoom Meeting app. If using the app, please download it in advance of the meeting. You will be asked to input your name, to identify yourself for the meeting.
  - e. For tablet and computer users--if you download the app you may be asked to verify your email.

8. Zoom etiquette
  - a. Muting yourself when you're not speaking will prevent your background noise from interfering with others' ability to listen to and participate in the meeting.
  - b. If you're using a telephone, please identify yourself with your phone number and state your name and address before you speak. Zoom meeting hosts can see only your telephone number and will ask you to identify yourself.
9. Closed session
  - a. Persons in the Zoom meeting will be put into a waiting room while the committee/commission/board meets in Closed Session. Participants will be admitted back into the Zoom meeting once the committee reconvenes in Open Session.
  - b. Persons watching a Common Council meeting live on YouTube will see a gray screen with the City logo during closed session.
10. Persons interested in attending anonymously or listening to the meeting may call in by dialing \*67 followed by the phone number in the Zoom Meeting Information box.

### Calling into the Zoom meeting using a smartphone

1. Dial the phone number listed at the beginning of this document.
2. When prompted, enter the Meeting ID number followed by #
3. Once you are in the meeting, notify the meeting host that you are in and state your name.
4. If you do not wish to speak, please make sure your phone is on **Mute**
  - a. If you're using a smartphone, look at your screen and click the Mute button





# **MINUTES OF THE COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN COMMITTEE**

**WEDNESDAY, MARCH 16, 2022, 7:30 AM**  
**Virtual Meeting. Public may join via Zoom.**

## **A. ZOOM MEETING INFORMATION.**

I. This item contains Zoom information, instructions, and a link to the Virtual Comment Form.

## **B. ROLL CALL.**

I. Members: Matt Schueller - Chair, Vice Chair Ace Champion, Ald. Brian Johnson, Kathy Hinkfuss  
Present: Brian Johnson, Ace Champion, Kathy Hinkfuss, Excused: Matt Schueller

## **C. APPROVAL OF THE AGENDA.**

I. Approval of the Agenda for the March 16, 2022, meeting of the Community Development Block Grant Revolving Loan Committee.

Moved by Ald. Brian Johnson, seconded by Kathy Hinkfuss to approve the agenda. Motion Passed.  
Yes- Brian Johnson, Ace Champion, Kathy Hinkfuss, No- None, Abstain- None.

## **D. APPROVAL OF MINUTES.**

I. Approval of the minutes from the December 20, 2021, meeting of the Community Development Block Grant Revolving Loan Committee.

Moved by Kathy Hinkfuss, seconded by Ald. Brian Johnson to approve the minutes. Motion Passed.  
Yes- Brian Johnson, Ace Champion, Kathy Hinkfuss, No- None, Abstain- None.

## **E. REGULAR BUSINESS.**

I. Consideration with possible action on the request for \$250,000 in Community Development Block Grant Revolving Loan Funds by PSR Real Estate Holdings, Inc.

The Committee may convene in closed session pursuant to Sections 19.85(1)(e), Wis. Stats., for purposes of deliberating or negotiating the sale of public properties, investing of public funds or conducting other specified public business as necessary for competitive or bargaining reasons, and Section 19.85(1) (g), Wis. Stats., for the purpose of conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Authority will thereafter reconvene in open session pursuant to Section 19.85(2), Wis. Stats., to take action on items discussed in closed session, if appropriate, and to consider the remainder of the agenda.

Moved by Ald. Brian Johnson, seconded by Kathy Hinkfuss to open the floor. No vote; however, no objections.

Moved by Ald. Brian Johnson, seconded by Kathy Hinkfuss to close the floor and return to regular business. Motion Passed.

Yes- Brian Johnson, Ace Champion, Kathy Hinkfuss, No- None, Abstain- None.

Moved by Ald. Brian Johnson, seconded by Kathy Hinkfuss to approve the Revolving Loan Fund request by PSR Real Estate Holdings, Inc. for \$250,000 that will be used toward the property acquisition of 1614 Shawano Ave. The City agreed to be in a subordinate position behind Covantage Credit Union with the requirement that the business generate a minimum of seven (7) Full-Time-Equivalent positions over the next 18 months and contingent on the previous two loans for Motel 6 being repaid prior to the new funds being issued. Motion Passed.

Yes- Brian Johnson, Ace Champion, Kathy Hinkfuss, No- None, Abstain- None.

## **F. INFORMATIONAL.**

### **I. RLF Loan Status Report.**

Wendy Townsend presented the RLF Loan Status Report.

## **G. ADJOURNMENT.**

Moved by Ald. Brian Johnson, seconded by Kathy Hinkfuss to adjourn. Motion Passed.

Yes- Brian Johnson, Ace Champion, Kathy Hinkfuss, No- None, Abstain- None.



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

### MEETING DATE

April 8, 2022

### PREPARED BY

Wendy Townsend, Economic Coordinator

### AGENDA ITEM # E.2

Consideration with possible action on request by 30KFT, LLC, dba Gentle Vet Animal Hospital, S.C., for a loan in the amount of \$150,000 from the Community Development - Revolving Loan Fund (CD-RLF) program.

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### BACKGROUND

Originally started in the 1970's, Gentle Vet Animal Hospital (GVAH) began as a Brown County Veterinary Hospital. In July of 2019, Dan and Martha Gray took over GVAH as the third owners in the history of the organization. GVAH currently employs 20 people and also proudly serves the Bay Beach Wildlife Sanctuary and the NEW Zoo.

Since 2019, GVAH has seen significant growth. As a result of the growth, they need to add staff and space to keep up with demand. Because of lack of staffing and space for them, they are turning away a minimum of 10 clients per day. The new facility will create 5-6 more jobs and double their current square footage.

The Community Development Revolving Loan Funds (CD-RLF) will specifically be used to fund the acquisition of the land at 2580 University Ave. The funds are needed because the requirements for the down payment to secure the construction and land acquisition loan exceed their cash reserves by \$150,000.

The remainder of the project is being funded through two sources. GVAH has cash in hand and has already spent \$210,000 of the \$360,000 down payment. The remainder of the \$3.24 million will be funded by Johnson Bank and the SBA 504 loan program. The total project cost is estimated at \$3.6 million.

### RECOMMENDATION

Staff is recommending approval of the loan request by 30KFT, LLC, dba Gentle Vet Animal Hospital, for a CD-RLF loan in the amount of \$150,000 to be used toward the land acquisition at 2560 University Avenue for their new animal hospital. The interest rate will be at 4 percent amortized over 25 years. The first twelve (12) months will be interest-only payments during the construction period. GVAH will need to create a minimum of five (5) full-time positions with 51 percent of the positions created to be filled by individuals of low-to-moderate income per (HUD) Housing and Urban Development guidelines. The City of Green Bay is willing to be in a subordinate loan position behind Johnson Bank and the SBA.

### FISCAL IMPACT

## ATTACHMENTS

1. Gentle Vet application
2. GVAH Johnson Bank Presentation
3. Gentle Vet 2nd Estimate Narrative - 02-08-22 (2)
4. Land contract 2560-2566 University Ave



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

### MEETING DATE

April 8, 2022

### PREPARED BY

Wendy Townsend, Economic Coordinator

### AGENDA ITEM # E.3

Consideration with possible action on request from The Legacy Green Bay, LLC, for a loan in the amount of \$150,000 from the Community Development - Revolving Loan Fund (CD-RLF) and a second loan in the amount of \$100,000 from the Economic Development - Revolving Loan Fund (ED-RLF).

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### BACKGROUND

The Legacy will be a boutique all-suites luxury hotel, located one block from Lambeau Field in the Legends District. This distinctive luxury property features 78 Studio Suites, 19 Classic Suites and three (3) Grand Suites, a retail shop, a fitness studio, two (2) restaurants, two (2) bars and 3,500 sq. ft. of function space. The funds will be utilized to cover furniture and fixtures expenses for the new hotel.

Legendary Hospitality is the developer, specializing in distinctive boutique properties that embody a unique sense of style reflective of their destinations while sharing a signature sense of understated luxury, timeless sophistication, and warm, gracious service. The company's niche is 'accessible luxury', for travelers seeking an optimal price/quality balance when selecting accommodations, be it business or pleasure. Legendary envisions hotels as a 21st-century tradition: comfortable, luxurious, yet affordable places that business and leisure travelers return to year after year.

The ownership group consists of Vicki Fabry, majority owner and President-CEO of Saranac Glove Company, a division of Fabry Glove and Mitten. Saranac Glove is renowned as a leader and innovator and has earned a stellar reputation in the glove industry. Saranac is a family-owned business, with over a century's worth of experience designing, developing, and manufacturing gloves.

Rich Otradovec, minority owner, is President of RODAC, a construction company. His 20+ years of experience in the construction industry and the diversity of his charitable and personal contacts give him a unique perspective on how to bring organizations and people together to create mutually beneficial partnerships.

Dennis Doucette, minority owner, is Principal-Director of Legendary Hospitality, established in 2013, specializing in boutique and upscale hotels. Over the past three decades, he has opened six (6) full-service hotels, to include urban, resort, independent and franchise brands.

The funds are needed for completion of the project, estimated to be by June, 2023. The other funding sources include owner equity, totaling \$6.14 million dollars; TIF financing from the City of Green Bay, which is uncapped and nets the project \$2.59 million dollars after financing; PACE funding totaling \$4.7 million dollars; and construction mortgage loan of \$24.12 million dollars.

## RECOMMENDATION

City staff is recommending approval of the request by The Legacy Green Bay, LLC for the request for a loan in the amount of \$150,000 from the CD-RLF program and the request for a loan in the amount of \$100,000 from the ED-RLF program. Both loans will be at 4 percent interest for amortized over 10 years with a minimum of five (5) full-time positions created with at least 51 percent of the created positions offered to individuals of low-to-moderate income as defined by Housing and Urban Development (HUD) guidelines.

## FISCAL IMPACT

## ATTACHMENTS

1. RLF Application 9 -2018
2. Legacy Hotel Lending Proposal 2022.03.21
3. GB Legacy Hotel Business Plan 03-06-22
4. Dennis Doucette PFS 02-15-22
5. RO PFS 09.13.2021
6. VF PFS 10-25-21



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

**MEETING DATE**

April 8, 2022

**PREPARED BY**

**AGENDA ITEM # E.4**

Consideration with possible action to review and update the 2015 CD-RLF Policies, Procedures, and Guidelines.

**BACKGROUND**

**RECOMMENDATION**

**FISCAL IMPACT**

**ATTACHMENTS**

- I. 2022 CDRLF Policies, Procedures & Guidelines

**CITY OF GREEN BAY  
COMMUNITY DEVELOPMENT REVOLVING LOAN PROGRAM  
POLICIES AND PROCEDURES MANUAL**



**Approved February 13, 1990**

**Revised July 9, 1991  
Revised February 11, 1992  
Revised November 10, 1992  
Revised July 11, 2000  
Revised December 11, 2007  
Revised September 13, 2011  
Revised March 13, 2012  
Revised July 8, 2015  
Revised April 8, 2022**

**City of Green Bay Redevelopment Authority  
100 North Jefferson Street  
Green Bay, WI 54301**

## **SECTION 1: GENERAL PROVISIONS**

### **1.1 Introduction**

In 1989, the City of Green Bay approved the allocation of \$200,000 of the city's 1990 Community Development Block Grant (CDBG) Funds for the purpose of establishing an economic development revolving loan fund (RLF) program. The RLF Program, administered by the City's Redevelopment Authority, is subject to related Department of Housing and Urban Development regulations as described in 24 CFR Part 570. All elements of this manual apply to the initial capitalization of \$200,000, as well as to subsequent capitalizations and to any and all repayments and proceeds resulting from the fund.

### **1.2 Title**

The RLF Program is hereinafter referred to as the Community Development Revolving Loan Fund Program (CD-RLF).

### **1.3 Purpose**

The purpose of the CD-RLF is to create and retain employment opportunities in the City of Green Bay, with major emphasis on employment for persons from low-to moderate-income households.

### **1.4 Administrator**

To achieve this purpose, the City of Green Bay Redevelopment Authority (RDA), which is the administrator of the city's CDBG Funds, shall administer the Revolving Loan Fund Program set forth in this manual.

### **1.5 Amendments**

The RDA may amend the CD-RLF Policies and Procedures Manual within Department of Housing and Urban Development regulations as necessary.

## **SECTION 2: ADMINISTRATION**

### **2.1 Program Roles and Responsibilities**

- 1) The RDA shall establish and approve overall policies and procedures for implementing the CD-RLF Program, and appoint the members of the CD-RLF Loan Committee, which shall be comprised of five members, with three of the members from the Economic Development Authority (EDA) and two from the Redevelopment Authority (RDA). In the event no member of the EDA or RDA is a commercial lender, an at-large member may be appointed. The CD-RLF Loan Committee will hold their election of officers at the first meeting of each year.

- 2) The staff of the EDA shall perform the general day-to-day administrative functions related to implementation of the CD-RLF, including: providing information to interested businesses; conducting preliminary meetings; reviewing applications for completeness and conformance to guidelines and regulations; analyzing applications; making recommendations to the CD-RLF Loan Committee; negotiating terms and conditions as well as loan terms and conditions; and calling meetings of the Loan Committee. The staff of the RDA shall perform monitoring approved projects for compliance with all federal and local requirements; completing related recordkeeping; receiving loan payments; and providing quarterly portfolio reports to the RDA and EDA.
- 3) The City Attorney shall prepare all loan agreements, review all promissory notes, mortgage and/or lien instruments, and advise the RDA on default matters.
- 4) The CD-RLF Loan Committee shall review all complete loan applications and approve or disapprove loans. They will also have authority to grant loan forgiveness in the event of a defaulted loan.
- 5) The Community Development Specialist shall review all source documentation supporting program delivery expenditures before payment will be disbursed from the Economic Development Revolving Loan fund.
- 6) The Community Development Specialist shall report all economic development activities and program income information into IDIS monthly.
- 7) The Senior Accountant shall be responsible for reporting economic development activities and program income information to HUD on a quarterly basis. The Senior Accountant shall also remit payment of all interest earned on the Community Development Revolving Loan Fund to the US Treasury on an annual basis.

## **2.2 Records**

Written records of all program activities including loan applications and related documents, minutes of CD-RLF Loan Committee Meetings, and compliance monitoring records shall be maintained in the RDA/EDA Offices at City Hall.

## **SECTION 3: GENERAL CRITERIA**

### **3.1 Standard**

- (1) The minimum CD-RLF loan shall be \$10,000 city-wide. The maximum loan amount is \$250,000.
- (2) A minimum of 10 % of the total project cost shall be provided in the form of equity.
- (3) At least \$1.00 of other funds shall leverage each \$1.00 from the CD-RLF

- (4) There shall be a maximum of \$35,000 of CD-RLF dollars loaned for each permanent FTE (40 hours per week) job created or retained.
- (5) The applicant must demonstrate that the proposed project is viable and that the business will have the capacity to repay the loan
- (6) The project and the related job creation and/or retention must take place within the corporate limits of the City of Green Bay.
- (7) Project elements occurring prior to CD-RLF funding approval are not eligible for CD-RLF funding or for leveraging consideration

### **3.3 Federal Requirements**

- (1) The use of the CD-RLF must be determined to be “necessary and appropriate” as defined by HUD guidelines (Attachment A).
- (2) Federal Equal Opportunity Requirements apply to all CD-RLF funded projects (Attachment B).
- (3) Federal Fair Labor Standards Requirements apply to construction and rehabilitation if CD-RLF dollars are used to fund all or part of the construction or rehabilitation elements of the project (Attachment C).
- (4) The project is subject to environmental review clearance, including review of impacts on historic properties (Attachment D).
- (5) The project must meet federal underwriting guidelines
  - a. All projects costs must be reasonable
  - b. All sources of financing are committed
  - c. The RLF loan is not substituted for other financing (must be gap financing)
  - d. The project is financially feasible
  - e. The return on investment is reasonable
- (6) The project is subject to any other applicable state and federal regulations.

## **SECTION 4: ELIGIBILITY CONSIDERATIONS**

### **4.1 Eligible Area**

The area served by the RLF program shall generally be within the corporate limits of the City of Green Bay.

#### **4.2 Eligible Applicants**

- (1) Applications may be submitted by the sole proprietor or Chief Executive Officer of any business wishing to establish a new operation or expand an existing operation in the Community.
- (2) No member of the governing body, loan review board, or any other official, employee, or agent of the Community who exercises decision-making functions or responsibilities in connection with the implementation of this program is eligible for financial assistance under this program.
- (3) No program loans will be made which are in conflict with Section 946.13 of the Wisconsin Statutes (Private Interest in Public Contract Prohibited).
- (4) Applicants shall not be disqualified based on age, race, religion, color, handicap, sex, physical condition, development disability as defined in Section 51.01(5), sexual orientation or national origin.
- (5) All projects and applicants for eligibility purposes must be compliance with all community adopted plans.

#### **4.3 Eligible Activities**

Program loans shall be available to eligible applicants for the following activities:

- (1) The acquisition of land, buildings and fixed equipment.
- (2) Site preparation and the construction or reconstruction of buildings or the installation of fixed equipment.
- (3) Clearance, demolition, or the removal of structures or the rehabilitation of buildings and other such improvements.
- (4) The payment of assessments for sewer, water, street, and other public utilities if the provision of the facilities will directly create or retain jobs.
- (5) Working capital - inventory and direct labor costs only Refer to Section 6 for guidelines specific to Working Capital loans.

#### **4.4 Ineligible Activities**

Program loans shall not be available for the following activities:

- (1) Refinancing or consolidating of existing debt.
- (2) Reimbursement for expenditures prior to loan approval.
- (3) Specialized equipment that is not essential to the business operation.

- (4) Residential building construction or reconstruction (unless such reconstruction is intended to convert the building to a business or industrial operation).
- (5) Routine maintenance.
- (6) Professional services such as feasibility and marketing studies, accounting, management services, and other similar services. Legal services incurred in the closing of a RLF loan are eligible.
- (7) Other activities that the Loan Review Committee may identify during the administration of the program.

#### **4.5 Ineligible Businesses**

Program loans shall not be available for the following businesses:

- (1) Speculative investment companies.
- (2) Real estate investment companies.
- (3) Lending institutions.
- (4) Gambling operations.
- (5) Non-public recreation facilities.
- (6) Or businesses not serving the interests of the Community.

#### **4.6 Priorities**

Priority will be given to projects which include one or more of the following and not necessary in this order:

- (1) A beneficial impact on the Broadway Redevelopment Area, Central Business District, I-43 Business Center, and/or Packerland, Tower East or Nicolet Industrial Parks, Olde Main St., Bay Port Industrial Park.
- (2) The relocation of business or industry from inappropriate areas to areas of appropriate land use.
- (3) Existing business and industry.

## **SECTION 5: TERMS AND CONDITIONS**

### **5.1 Financing Methods**

- (1) Direct, companion loans with the CD-RLF dollars will not to exceed 50 percent of the project's total cost.

### **5.2 Terms**

- (1) The interest rate is a fixed rate of 4%.
- (2) Deferral of principal and/or interest payments shall be allowed based only on special circumstances.
- (3) The maximum loan term on real estate shall be 15 years, on machinery and equipment 10 years,

### **5.3 Collateral**

- (1) The City of Green Bay shall have a first position lien on real property and/or machinery and equipment financed by the CD-RLF unless the need to subordinate to another lender is demonstrated.
- (2) If need is shown for the city to take a subordinated position on assets that it is financing with the CD-RLF, the City of Green Bay shall have a first position lien on other assets of the business.
- (3) Personal and/or corporate guarantees shall be required on most cases. Loans will also be secured by a General Business Security Agreement.
- (4) Other conditions or performance standards or penalties may be required depending on the circumstances of the proposed project.

### **5.4 Job Creation**

- (1) A minimum of 51 percent of the full-time equivalent (FTE) jobs created and/or retained must be made available to persons from low-to moderate-income households as defined by HUD guidelines. The current applicable income guidelines will be attached to the CD-RLF application and shall become a part of the city's contract with successful applicants.
  - a. Low-Moderate income households based on family, not individuals
  - b. Not construction/spin-off/indirect jobs
  - c. Seasonal jobs can be counted IF the job is the person's principal source of yearly income.

- d. Potential applicants will need to list how the jobs will be made available on their applications, i.e. posting at the local job center board, notice in an applicable newsletter, or other job board that serves LMI persons.
- (2) Retained jobs must be documented by showing that the jobs would actually be lost or eliminated without the assistance, and that one or both of the following applies to at least 51% of the jobs:
- a. The job is held by an LMI person
  - b. If the position is vacated, steps will be taken to ensure that the job will be filled by, or made available, an LMI person.
- (3) Created or retained jobs are only considered available to or held by LMI persons when:
- a. Special skills that can only be acquired with substantial training or work experience or education beyond high school are *not* a prerequisite to fill such jobs or the business agrees to hire unqualified persons and provide training; and
  - b. Business must take actions to ensure that LMI persons receive first consideration for filling such jobs. This can be accomplished by comparing the candidate's address to a census tract that meets LMI criteria.
- (4) The Loan Recipient would have 18 months from the time the Loan Agreement is signed to create the agreed upon number of jobs. For every job less than stated number of positions that were to be made available to LMI individuals committed to by the Borrower, the interest rate for funds loaned pursuant to the Loan Agreement will increase by .25 percent, retro-active to the date of initial loan closing.

## **SECTION 6: WORKING CAPITAL LOANS**

### **6.1 General**

1. Loans for working capital are allowed as direct outlays.
2. Maximum loan amount is \$35,000
3. Working capital loans may not be rolled into other loans for equipment, construction or building acquisition.

### **6.2 Eligible and Ineligible uses**

1. Loans may be used for direct labor costs or inventory only.
2. Working capital loans may not be used as a line of credit, a loan guarantee, or to refinance outstanding debt.

### **6.3 Terms**

1. The interest rate shall be no more than 1% higher than the rate for equipment, construction or building acquisition loans.

2. Maximum loan amortization is 3 years
3. All job creation policies from Section 5.4 apply to working capital loans.

#### **6.4 Collateral**

Working capital loans will be secured by a General Business Security Agreement and a Personal Guarantee of primary owner.

#### **6.5. Miscellaneous**

Working capital loans shall not consist of more than 25% of the total loan portfolio. Additionally, no more than 20% of available funds may be awarded for working capital loans.

### **SECTION 7: APPLICATION PROCEDURES**

#### **7.1 Preliminary Meeting**

Prior to submission of an application, the potential applicant shall meet with the EDA staff to discuss the proposed project and program requirements.

#### **7.2 Applicant Format**

Applicants shall submit a loan application package consisting of the following information:

- (1) A completed CD-RLF Application Form, as provided by EDA staff at the preliminary meeting.
- (2) A business plan completed within one year of application, which includes the minimum requirements outlined in the application.
- (3) Documentation and/or statement of the need for CD-RLF involvement in the project.
- (4) Documentation of commitments of other lender(s) and/or source and commitment of leveraged funds.
- (5) Financial information as outlined in the application.

#### **7.3 Application Submittal**

The completed application and all required attachments shall be submitted to the EDA staff, Green Bay City Hall, 100 North Jefferson Street, Room 200, Green Bay, Wisconsin, 54301.

Acceptance of applications shall be subject to the availability of CD-RLF dollars.

## **SECTION 8: REVIEW PROCESS**

### **8.1 Preliminary Staff Review**

The EDA staff shall review the application for completeness and verify that the proposed project meets the standards and eligibility requirements set forth in this manual. If the application is incomplete, the EDA staff will contact the applicant and list the deficiencies. The review process will not continue until the application passes preliminary review. The preliminary review will include consideration of the CDBG underwriting guidelines. EDA staff will analyze the complete application and prepare a recommendation for the Loan Committee.

### **8.2 Project Selection and Underwriting Guidelines**

Staff review will consist of the following activities:

- (1) Review application for use of loan funding and cost estimates information. Documents may include item descriptions, price quotes, construction estimates, etc.
- (2) Review Business Plan for completeness, and to assess project feasibility.
- (3) Staff reviews that the intended use of funds is a reasonable request in that it will help the company grow by adding new product lines, obtaining additional space and/or bringing in additional business that will ultimately create jobs that can be offered to LMI individuals.
- (4) Review project description for statement of why gap financing needed. Acceptable information includes number of banks approached and turned down participating in project; number of offers of financing that would not cover the amount needed for the project, etc. Documentation should also show what actions were taken to secure other federal financing programs first (i.e. Small Business Administration loans, loan guarantees, etc.).
- (5) Review commitment letters from all outside financial backers assuring participation in the project.
- (6) Compare "Sources of Funding" table with project description for 10% equity, minimum 1:1 financing of RLF funds, and identification of all other project financial commitments.
- (7) Staff reviews three years past balance sheets and profit and loss statements, auditor notes, one and 5 year projected pro-formas to determine if company is able to sustain the financial liability.
- (8) Staff obtains credit reports on the company and main principals to determine credit worthiness.
- (9) Staff negotiates with applicant for reasonable collateral. Personal and/or other business assets may be considered.

- (10) Staff reviews the project (to the extent practicable) to determine whether the return on the owner's equity investment will not be unreasonably high.
- (11) Determines (to the extent practicable) whether loan funds will be disbursed on a pro-rata basis with other financial commitments to the project.

### **8.3 Formal Review**

The Loan Committee shall meet to formally review the application, review the underwriting procedures, receive the EDA staff recommendation, and approve the application contingent upon successful negotiation of the specific terms or deny funding.

### **8.4 Negotiation of Terms**

Upon approval of the application, the EDA staff shall meet with the applicant to negotiate and arrive at a consensus on the terms including, for example, the loan amount, interest rate, term of loan, collateral and repayment schedule.

### **8.5 Notice of Award / Denial of Application**

If the application is approved and negotiation of terms is successful, the applicant will be sent a notice of award letter. If the application is not approved, the applicant will be sent a letter of denial stating the reason for denial.

## **SECTION 9: DISTRIBUTION OF FUNDS TO APPROVED APPLICANTS**

### **9.1 Environmental Clearance**

The proposed project must receive official environmental clearance from the city prior to the applicant expending or committing to the expenditure of any of the CD-RLF funds.

### **9.2 Loan Documents**

Prior to the city's distribution of CD-RLF funds, all appropriate documents such as a loan agreement, promissory note, repayment schedule, security instruments, and any others deemed appropriate (i.e. personal guarantee) shall be prepared and executed

### **9.3 Evidence of Expenditures**

The business must provide the EDA staff documentation related to CD-RLF fund expenditures prior to release of CD-RLF funds. Such documentation shall be for expenditures outlined in the application and the loan agreement, and shall include invoices, receipts, final bills of sale or canceled checks as determined appropriate by the EDA staff.

## **SECTION 10: PERFORMANCE MONITORING**

### **10.1 Leverage Commitments**

The EDA staff shall monitor the expenditure and use of funds committed for leveraging. Documentation required from the business shall include invoices, receipts, final bills of sale or canceled checks as determined appropriate by the EDA staff.

### **10.2 Job Creation/Retention**

The EDA staff shall monitor the job creation and/or retention of the business utilizing the payroll records of the business. The business shall be required to provide the EDA staff with all documentation, payroll records and contact with employees necessary to document performance of job creation and/or retention, as well as documentation specific to persons from low-to moderate-income households.

### **10.3 Late Payments**

Any payment more than 30 days past due will be considered late. The loan recipient will be contacted by EDA staff requesting the account is brought current. After 60 days, EDA staff will send a letter requesting full remittance of late payments.

### **10.4 Default**

Failure by the business to make any payment of principal or interest within 90 days after the payment is due and payable shall be considered a default. In the event of a default, all sums due and owing to the city shall, at the city's option, become immediately due and payable. To exercise this option, the City Attorney shall prepare a written notice to the company. The notice shall specify the following:

- (1) The default.
- (2) The action required to cure the default.
- (3) The date, not less than 60 days from the date of the notice, by which the default must be cured to avoid foreclosure or other collective action.

In the event loan collection cannot be made the Revolving Loan Fund Committee will have the authority to grant loan forgiveness with discretion to send forgiveness to the Redevelopment Authority if need be.

## **SECTION 11: REUSE OF FUNDS**

### **11.1 Continuation of Program**

Repaid funds shall be deposited into a revolving loan account and used in a manner consistent with the then existing CD-RLF Program Policies and Procedures Manual. A separate accounting record shall be kept so that a clear, auditable account can be maintained to show how funds have been used.

## **11.2 Discontinuation of Program**

Should the CD-RLF Program be discontinued, all funds in the CD-RLF account, all funds repaid from the loan made through the CD-RLF Program and any other program income shall be returned to the City of Green Bay Redevelopment Authority for uses permitted for the City's Community Development Block Grants.

**CD-RLF Loan Status for Open Accounts**  
**CD-RLF Loan Status for Open Accounts**

4/4/2022

		Contract Date	Loan Amount	Principal Balance	Payment Amount	Last Payment	Notes
1	Initiative One	02/24/15	\$105,000	\$36,947.42	\$1,063.07	Mar-22	Current
2	Puro Clean	03/31/16	\$125,000	\$84,386.86	\$924.61	Mar-22	Current
3	Gather on Broadway- eq	06/15/16	\$117,000	\$73,542.87	\$1,465.69	Mar-22	Current
4	U&I Movers Express, LLC	12/21/16	\$147,200	\$106,079.92	\$1,088.82	Mar-22	Current
5	Credit Management Control, Inc	12/29/16	\$81,500	\$59,542.90	\$602.85	Apr-22	Current
6	929 Cedar, LLC	09/15/17	\$250,000	\$194,827.29	\$1,849.22	Mar-22	Current
7	Mason Realty LLC	10/02/18	\$250,000	\$179,414.68	\$2,531.13	Apr-22	Current
8	Historic West Theater, LLC	10/11/18	\$87,000	\$81,539.66	\$1,100.00	Mar-22	Current
9	Badger Brewing - eq	11/27/18	\$140,000	\$130,635.43	\$877.62	Mar-22	Current
10	Badger Brewing - const.	11/27/18	\$110,000	\$70,268.40	\$2,533.70	Mar-22	Delinquent
11	Motel 6 (DS2)	01/08/19	\$40,000	\$0.00	\$0.00	Mar-22	Paid off
12	Chef Champion	01/31/20	\$35,000	\$33,150.10	\$116.67	Mar-22	Current
13	White Dog	06/04/20	\$30,000	\$23,959.78	\$303.75	Mar-22	Current
14	American Tent LLC - EQUIP	06/15/21	\$215,000	\$203,181.90	\$2,176.78	Mar-22	Current
15	American Tent LLC -WC	06/16/21	\$35,000	\$33,076.12	\$354.36	Mar-22	Current
16	Motel 6 (PSR)	03/16/22	\$250,000	\$250,000.00	\$1,849.22	N/A	Current

**\$2,017,700.00    \$1,560,553.33    \$18,837.49**

4/4/2022	Program Income	269,282.21
	HUD held funds	0.00
		<u>\$ 269,282.21</u>

**ED-RLF Loan Status for Open Accounts**  
4/4/2022

		<b>Contract Date</b>	<b>Loan Amount</b>	<b>Principal Balance</b>	<b>Payment Amount</b>	<b>Last Payment</b>	<b>Notes</b>
1	<b>Tasty Treats</b>	10/31/18	\$140,000	\$118,616.63	\$1,061.67	Mar-22	Current
2	<b>Motel 6</b>	11/07/18	\$60,000	\$0.00	\$0.00	N/A	Paid off
3	<b>Chef Champion</b>	01/31/20	\$12,000	\$11,268.06	\$74.58	Mar-22	Current

\$212,000.00    \$129,884.69    \$1,136.25

<b>AVAILABLE FUNDS :</b>	<b>\$95,289.84</b>
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