

# BOARD OF ALDERMEN

ITEM NO. E(2)

## AGENDA ITEM ABSTRACT

MEETING DATE: January 13, 2004

**TITLE: Science Learning Resources Revolving Loan Application**

<b>DEPARTMENT: Community and Economic Development</b>	<b>PUBLIC HEARING: YES or <u>NO</u></b>
<b>ATTACHMENTS:</b> <b>A. Resolution</b> <b>B. Recommendation Loan Packager</b> <b>C. Recommendation from DDC</b> <b>D. Revolving Loan Fund Balance Report</b>	<b>FOR INFORMATION CONTACT: James R Harris , Director of Community and Econ Development 918-7319</b>

### PURPOSE:

The purpose of this item is to present to the Board of Aldermen the recommendation from the Downtown Development Commission for approval of a loan from the Town of Carrboro Revolving Loan Fund to Science Learning Resources in the amount of \$75,000 for ten years and a rate of 2%.

### INFORMATION:

The owner, Gary Duncan, PHD has documented that there is a need for more effective science education resources for children in grades K-12. It is his intent to develop novel educational strategies and materials to address large markets in public schools, private schools and home schooling associations. His first product will be a virtual microscope program and extensive libraries of digital microscope images to support regional and national science standards. The multimedia software will be to enhance and extend hands-on activities that students do in their classrooms.

As a part of his elementary school science education research at UNC Chapel Hill, Dr Duncan has developed a virtual microscope program that partially simulates the experience of using a microscope and viewing microscopic images. Negotiations are in process for Service Learning Resources (SLR) to license the software from UNC. The applicant will pay UNC a 5 % royalty on the sales of the products from this venture. The software is designed to give students the opportunity to see microscopic details of plant and animal tissues normally not accessible in classroom settings.

SLR plans to purchase state of the art microscopes and digital camera systems to create high quality and engaging images of a wide variety of plant and animal tissues to help teach children about the wonders of life. The funds requested from the loan fund will purchase the microscopes and camera systems and to furnish the laboratory. The business has negotiated a lease for space in the Arts Center.

Carolina Biological, a science education company, has contracted to market and sell the products developed by this business to elementary, middle school and high school science departments. The concept of providing \$30,000 microscope quality images to science students for the cost of a \$100 software, and the ways in which this material can be used to develop new and expanded science curricula via site licenses is intriguing.

The applicant, Gary Duncan, has been employed at UNC-CH for 21 years as a research scientist in the Department of Psychiatry where he developed the proprietary “virtual microscope software”. The applicant will secure the loan with a second mortgage on his home at 401 Lorraine Street in Carrboro. The residence is currently valued at \$187,000 and has a first mortgage of \$69,959. The equity is more than sufficient to secure the loan of \$75,000 from the Town of Carrboro. Equifax provided the credit report for Gary Duncan. He has a credit score of 802, which is excellent.

The applicant is requesting a loan in the amount of \$75,000 for ten (10) years at an interest rate of 2%. The applicant plans to use the loan proceeds as shown on Attachment A.

**FISCAL IMPACT:**

The current Revolving loan fund cash balance is \$412,806, which is sufficient to cover the loan if approved by the Board.

**RECOMMENDATION:**

The administration recommends adoption of the resolution approving this request.