

A RESOLUTION APPROVING A LOAN FROM THE  
CARRBORO REVOLVING LOAN FUND FOR  
ART IN A PICKLE DBA NEAL'S DELI  
Resolution No. 58/2007-08

WHEREAS, the Town of Carrboro established a revolving loan fund in 1986 to provide incentives for individuals to start new businesses in the Town of Carrboro, to create at least one job per \$10,000 borrowed from the fund and provide an incentive for people to do business in the Town of Carrboro ; and

WHEREAS, the fund now has \$484,610 available to be loaned to applicants with viable projects; and

WHEREAS, the applicant has completed the loan application and that loan application has been reviewed by the loan packager reviewer (SBTDC) and found this project to be a new business; and

WHEREAS, the Economic Sustainability Commission (ESC) and the SBTDC found the project to eligible for the fund which will create at least 10.5 jobs over a six-year period; and

WHEREAS, the applicant has requested a loan in the amount of \$105,000 and provided collateral in restaurant fixtures, second position lien on their personal residence and personal signatures; and

WHEREAS, the applicant has saved \$50,000 of their personal funds to put toward this venture.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO:

Section 1. Based upon the review of the application by the SBTDC (Loan Packager) and the recommendation of the ESC, the loan is approved in the amount of \$105,000 for six years at an interest rate of 2% contingent upon the applicant receiving all necessary licenses to operate the business in the Town of Carrboro and a signed lease.

Section 2. This resolution shall become effective upon adoption.

UNC – SBTDC LOAN PREPARATION PKG.# \_\_\_\_\_

CLIENT NAME: Mathew NealBUSINESS NAME: Art in a PickleCOUNSELOR: Ron Flinatch**CASE SUMMARY**

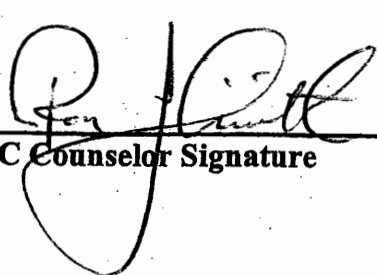
Art in Pickle (DBA Neal's Deli) is an Italian delicatessen with a focus on made-to-order sandwiches. The company will be owned by Mathew and Sheila Neal. The Neal's have not yet secured a location for the business and are waiting for loan approval prior to signing a lease. The business will be located in downtown Carrboro.

Matt and Sheila are both highly experienced in the food service and catering industries. Both are currently employed in this sector and wish to bring their 35 years of work experience into their own restaurant. This work experience includes all aspects of running a restaurant.

At this time, the Neal's are seeking a loan of \$~~175,000~~<sup>125,000 JRM</sup>. Most of this amount will be used for leasehold improvements and capital purchases. The capital purchases will outfit the kitchen, prep, and seating areas. The leasehold improvements have been estimated for the several potential locations currently available downtown.

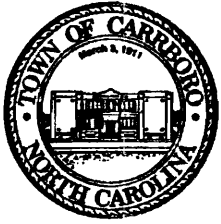
When considering this loan application, the lack of full collateral should also be considered. Most of the loan amount (\$60,000) will be used for leasehold improvements to the building and can not be used as collateral. The equipment (\$36,000) and personal residence will not be enough to fully collateralize the loan. The Neal's will be investing \$50,000 of personal capital into the business.

The Neal's have shown due diligence in planning for the opening of the business and completion of the loan application. They have been able to provide all needed documents and have submitted a complete application for consideration. At this time, the proposed business appears to meet all criteria (with the exception of the location and lease) for consideration and the cash flow should allow for prompt and complete repayment of any loan.


  
SBTDC Counselor Signature

3-15-07  
Date





# TOWN OF CARRBORO

NORTH CAROLINA

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ATTACHMENT D

# Memo

**To:** Mayor and Board of Aldermen  
**From:** Peter Lee, Chair, ESC *PL*  
**Date:** 11/14/2007  
**Re:** Recommendation for *Art in a Pickle* Revolving Loan Fund Application

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The ESC received a loan application from Matthew and Sheila Neal. The purpose of the loan is to open a deli in the old *Open Eye Coffee Shop* on South Greensboro Street. The funds will be used to make lease hold improvements and to purchase restaurant equipment for the business.

The ESC reviewed the loan application and found that the project met the criteria established for acquiring a RFL from the Town of Carrboro. The business proposal for *Art in a Pickle* met all criteria, and should contribute to the vitality of the downtown as well as create 11 new jobs.