

**ATTACHMENT A**

**A RESOLUTION APPROVING A LOAN FROM THE CARRBORO REVOLVING  
LOAN FUND FOR THE KIND COFFEE, LLC  
Resolution No. 117/2008-09**

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, 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 \$167,112.78 available to be loaned to applicants with viable projects; and

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

WHEREAS, the Economic Sustainability Commission (ESC) and the SBTDC found the project to be eligible for the fund and will create and or retain at least nine (13) full-time and part-time jobs combined; and

WHEREAS, the applicants will provide \$57,000 in equity from their own resources for the project; and

WHEREAS, the applicant have been recommended by the ESC to receive a loan in the amount of \$57,000 and provided collateral in the form of equipment and security in a home owned by David Jessee valued at \$169,000 located at 429 Northside Drive in Chapel Hill, NC. and

WHEREAS, the unexpended reserve expenditure budget is reduced by \$57,000 to consummate the loan.

**NOW THEREFORE, THE CARRBORO MAYOR AND BOARD OF ALDERMEN  
RESOLVES THAT:**

Based upon the review of the application by the SBTDC (Loan Packager) and the review and recommendation of the ESC the loan is approved in the amount of \$57,000 for seven years at an interest rate of 3%.

# Memo

**To:** Mayor and Board of Aldermen  
**From:** Peter Lee, Chair ESC  
**CC:** James Harris, Director, Economic and Community Development  
**Date:** 5/14/2009  
**Re:** ESC Recommendations for Loan Request from the RLF

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On May 13, 2009 the ESC reviewed two Revolving Loan Fund applications. The action taken on the loan requests was as follows:

1. The Kind Coffee, LLC - Motion to recommend approval of the loan to the Board of Aldermen for the Kind Coffee, LLC in the amount of \$57,000 for a term of seven (7) years at 3% to purchase equipment and to up-fit the building was made Jefferson Parker and seconded by Alena Callimanis. Peter Lee, Jefferson Parker, Alena Callimanis, Chris DeFilippo, and Gary Kramling voted yes. David Jessee recused himself as he was a part of the business and was excused from the discussion by the committee. Bill Soeters, Ellie Kinnaird, and Terrie Turner were absent.
2. The Carrboro Citizen, LLC - Motion to recommend approval of the loan to the Board of Aldermen was made by Alena Callimanis, and seconded by Jefferson Parker for a loan in the amount of \$50,000 for a term of seven (7) years at an interest rate of 2% to expand the current business. Ayes, Alena Callimanis, Peter Lee, Jefferson Parker, Gary Kramling, David Jessee and Chris DeFilippo voted yes. Nays 0, Absent Ellie Kinnaird, Bill Soeters, and Terrie Turner.

UNC-SBDC LOAN PREPARATION - PKGS Q1-09

CLIENT: Jim Jones

COUNSELOR: Sto # Rockefeller

DATE SUBMITTED: 3/17/09

UNC - SBDC LOAN PREPARATION  
DARRBORO REVOLVING LOAN FUND (CRLF)  
APPLICATION

  
LOAN APPLICANT SIGNATURE

3/19/09  
DATE COMPLETED

UNC-SBTDC LOAN PREPARATION PKG.# 01-09

CLIENT NAME: Jon Jessee

BUSINESS NAME: The Kind Coffee, LLC

COUNSELOR: Scott Rockefeller

**CASE SUMMARY**

The Kind Coffee, LLC (DBA Jessee's) is a new coffee shop located at 401 E. Main Street. It is located in the old Padgett Station location. The business is owned and operated by Jon and David Jessee. Jon Jessee currently operates The Kind Coffee as a wholesale coffee roasting business. The wholesale business will continue and be operated out of the new retail location.

The Jessee's are still in the start-up phase of the retail business. The new location will allow for a retail presence to support the wholesale business. In addition to coffee (wholesale roasting and retail sales), Jessee's will also serve breakfast and other light fare.

At this time, the Jessee's are seeking a loan in the amount of \$80,000. The loan will be utilized to purchase equipment and construction and leasehold improvements. They have provided estimates and invoices to support all of the equipment purchases. Some of the equipment has already been purchased on credit cards and loan funds will be used to payoff personal credit cards. This business will fill an empty space on one of the most prominent corners at the entrance to downtown Carrboro.

The Loan Committee should look carefully at several items in the loan package. Firstly, the applicants have significant net worth and equity in their real estate to collateralize the loan. Additional collateral is available through the new equipment. Secondly, the business seems to fit the type of business Carrboro is seeking to fill an empty location.

The committee should also consider the fact that the David and Karen Jessee have significant net worth. Funding may be able to be located outside of the Carrboro program. However, Jon's net worth and credit scores are not good and could prohibit the 50/50 ownership from obtaining traditional funding. Also, coffee businesses have failed twice in this location.

They have worked closely with the SBTDC for the past several weeks and have been willing to listen to advice and make changes in their business to allow for success.

  
\_\_\_\_\_  
SBTDC Counselor Signature

3/25/09  
\_\_\_\_\_  
Date

### SIGNATURE PAGE


#### Town of Carrboro Revolving Loan Fund SBTDC Loan Package Assistance

My signature on this page acknowledges that I, Jan Jesser, have requested assistance from the UNC Small Business and Technology Development Center (SBTDC) Central Carolina Regional Office to help prepare my loan package for the Town of Carrboro Revolving Loan Fund program.


I further substantiate that, to the best of my ability, I have provided accurate information as requested by the SBTDC counselor/Town of Carrboro.

I understand that the SBTDC makes no claims as to the completeness and accuracy of the information I have provided, that the SBTDC is not in a position to approve/disapprove of this loan, but is serving in the role of information broker. I am aware that the SBTDC will be compensated by the Town of Carrboro for helping to develop the underwriting criteria and to assemble my loan package, as required by this fund.

Lastly, there has been no representation by the Town of Carrboro or the SBTDC that completion of this package will result in loan approval and I understand that the final decision on this loan will be made by the Carrboro Board of Aldermen.

 3/19/09  
Applicant Signature Date

The Kind Coffee LHC DBA Jessor's  
Business Name/Address Contact Information  
401 E Main St Carrboro NC 27510

 3/12/09  
SBTDC Counselor Date

3 Copies Distributed: Client Client File Loan Pkg.

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UNC - SBIDC LOAN PREPARATION - PKG # 01-09

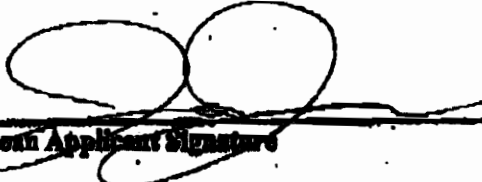
CLIENT: Jim Jones

COUNSELOR: Scott Beckwith

DATE SUBMITTED: 2/12/09

**UNC - SBIDC LOAN PREPARATION  
CARRBORO REVOLVING LOAN FUND**

**ALL DOCUMENTS AND/OR STATEMENTS  
AS REQUIRED FOR APPLICATION TO THE TOWN OF CARRBORO  
REVOLVING LOAN FUND  
ARE HEREBY ATTACHED**

  
Loan Applicant Signature

3/17/09  
Date

**CRLF- Attachment V of V**

# CARRBORO REVOLVING LOAN FUND

## UNC-SBTDC APPLICATION PACKAGE

CLIENT NAME: Jon Jessee

BUSINESS NAME: The Kind Coffee, LLC

ADDRESS/CONTACT: 401 E. Main Street

UNC-SBTDC LOAN PKG.# 0109 SBTDC COUNSELOR: Scott Rockefeller

### ITEMS INCLUDED:

- APPLICATION
- CASE SUMMARY (Attachment I)
- SIGNATURE PAGE (Attachment II)
- SUMMARY OF CLIENT ELIGIBILITY CRITERIA (Attachment III)
- COMPLETED CHECK LIST (Attachment IV)
- DOCUMENTATION AND/OR STATEMENTS (Attachment V)

Referral Letter Received: \_\_\_\_\_

Client Contacted: \_\_\_\_\_

Package Submitted: \_\_\_\_\_

Invoice Enclosed: \_\_\_\_\_

Date Accepted: \_\_\_\_\_

Rejected: \_\_\_\_\_

UNC-SBTDC LOAN PREPARATION-PKG. # 01-09

CLIENT: Jon Jesse

COUNSELOR: Scott Rockefeller

### CARRBORO REVOLVING LOAN PROGRAM

#### \*SUMMARY OF CLIENT ELIGIBILITY CRITERIA

<u>ITEM</u>	<u>NOT APPL.</u>	<u>MEETS CRITERIA</u>	<u>DOES NOT MEET CRITERIA</u>	<u>EXCEEDS CRITERIA</u>
1. Project Location		✓		
2. Project Description		✓		
3. Project Need		✓		
4. Employment-Timeline/Compliance		✓		
5. Line Item Budget		✓		
6. CDBG Activity/ Proper Use of Funds		✓		
7. Title I Compliance				
8. % Private Investment		✓		
9. Jobs Creation/ Income Criteria		✓		
10. Documentation Private Funds Committed		✓		
11. Financial History/ Projections		✓		
12. Downtown Project/ Impact		✓		
13. Financial Needs Criteria		✓		
14. Loan Extension/ 1 <sup>st</sup> Year Use		✓		
15. Loan Pool Funds Available				
16. Single Loan Only		✓		



UNC-SBTDC LOAN PREPARATION-PKG.# 01-09  
 COUNSELOR: Scott Rockefeller  
 DATE SUBMITTED: 3/17/09

CLIENT: Jon Tresser  
 LOAN AMT.REQUEST \$ 80,000  
 TERMS: 2 years/370

**UNC-SBTDC LOAN PREPARATION  
 CARRBORO REVOLVING LOAN FUND AGREEMENT CHECK LIST\***

<u>ITEM</u>	<u>NOT APPLICABLE</u>	<u>DOES NOT MEET ALL CRITERIA</u>	<u>MEETS ALL CRITERIA</u>	<u>EXCEEDS CRITERIA</u>	<u>COMMENTS</u>
1. Up-to-Date <sup>1A, 1B</sup> Credit Report			✓		
2. Personal Financial Statement of all Who Own 20% or More of <sup>2A, 2B</sup> Bus./Guarantors, if Required			✓		
3. Business Financial Statements Including <input checked="" type="checkbox"/> 3 yr. Forward Projections (New Business) <input checked="" type="checkbox"/> 2 yr. History/1 yr. Forward Projection (Existing Business) <input checked="" type="checkbox"/> Intended Use of Funds <sup>3A-3W</sup> <input checked="" type="checkbox"/> Cash Flow <sup>3B, 3C, 3D</sup> <input type="checkbox"/> Balance sheet <input type="checkbox"/> Income Statement			✓		
4. Copy of Recorded Deed for Real Property Used As Collateral <sup>4A</sup>			✓		

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5. Copy of Recorded Deed of Trust or Lien Encumbering Any Real Property Proposed For Use as Collateral.

5A

✓

6. Statement of Balance Due on Mortgage/Deed Of Trust to be Held by TOWN

6A

✓

7. Description of Fixtures, Equipment, Personal Property Used as Collateral; Statement of Others Holding Interests in Same.

✓

8. Copy of Lease Where Business Will Be Conducted

8A

✓

9. Copy of Terms of Any Other Financing BORROWER Will Use To Help Finance Costs Of Project In Question

✓

Loan Applicant Signature

3/13/09  
Date

SBTDC Business Counselor Signature

3/13/09  
Date

FOR INTERNAL USSE ONLY:

Approved \_\_\_\_\_ Date \_\_\_\_\_

Not Approved \_\_\_\_\_ Date \_\_\_\_\_

\*DOCUMENTS/STATEMENTS ATTACHED IN ITEM#4 Board Signature: \_\_\_\_\_

CRLF-Attachment IV of V, Page 2 of 2

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