

**A RESOLUTION APPROVING A LOAN FROM THE
CARRBORO REVOLVING LOAN FUND FOR THE CARRBORO CITIZEN, LLC
Resolution No. 116/2008-09**

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 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 retain at least nine (9) jobs; and

WHEREAS, the applicants will provide \$240,000 in equity from their own resources for the project to secure this loan; and

WHEREAS, the applicant has been recommended by the ESC for approval of a loan in the amount of \$50,000 and has provided collateral in the form of real estate located at 605 West Main Street Carrboro.

WHEREAS, the unexpended reserve budget is reduced by \$50,000 to consummate the loan.

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

Section 1. 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 \$50,000 for seven years at an interest rate of 2%.

Section 2. This resolution shall become effective upon adoption.

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

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 -SBTDC LOAN PREPARATION - PKG.# 04-09

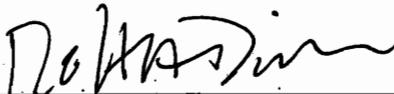
CLIENT: Dickson

COUNSELOR: Dlinitch

DATE SUBMITTED: 4/29/09

**UNC - SBTDC 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

4/20/09

Date

UNC-SBTDC LOAN PREPARATION PKG.#04-09

CLIENT NAME: Dickson

BUSINESS NAME: Carrboro Citizen

COUNSELOR: Ron I. Little

CASE SUMMARY

The Carrboro Citizen, LLC is an existing weekly newspaper serving Carrboro, Chapel Hill, and the surrounding areas. They currently publish 6,000 copies and it is distributed in 160 locations. The business is owned by Robert and Victoria Dickson. The Dickson's are experienced newspaper people and have chosen Carrboro as their latest venture.

The Dickson's are in the growth phase of the business. The newspaper began operation in March, 2007 and they are attempting to increase circulation up to 10,000 per week.

At this time, the Dickson's are seeking a loan in the amount of \$100,000 for expansion. The loan will be utilized to purchase additional copies of the newspaper (inventory) and distribution racks and boxes. They have provided estimates to support the equipment purchases and additional inventory needs. This business will continue to operate out of a leased space in 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. No equipment will be needed to collateralize the loan. Secondly, the business seems to be a perfect compliment to the Town of Carrboro and will provide a tool for many local businesses to utilize to promote local businesses and the Downtown area.

The committee should also consider the fact that the Robert and Victoria Dickson have significant net worth. Funding may be able to be located outside of the Carrboro program. Also, much of the request will be utilized for inventory. In this case, inventory is paper and printing costs. The paper is not profitable at this time and there is no guarantee that they can become profitable.

They have worked closely with the SBTDC for the past several weeks and have been willing to listen to advice and have provided all requested documents and information needed for a complete application



SBTDC Counselor Signature

4/28/09

Date

SIGNATURE PAGE

Town of Carrboro Revolving Loan Fund
SBTDC Loan Package Assistance

My signature on this page acknowledges that I, Robert Dickson, 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.

 4/20/09
Applicant Signature Date

Carrboro Citizen
Business Name/Address Contact Information
309 Weaver St. Suite 300 Carrboro NC 27510

 4/20/09
SBTDC Counselor Date

3 Copies Distributed: Client Client File Loan Pkg.

UNC-SBTDC LOAN PREPARATION-PKG. # 04-09

CLIENT: Dickson

COUNSELOR: Thirick

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		✓ # inventory / printing costs		
7. Title I Compliance				
8. % Private Investment		✓ x will need to document all funds to date have been from owner		
9. Jobs Creation/ Income Criteria		✓		
10. Documentation Private Funds Committed		*		
11. Financial History/ Projections		✓		
12. Downtown Project/ Impact		✓		
13. Financial Needs Criteria			✓ High Networth	
14. Loan Extension/ 1 st Year Use		✓		
15. Loan Pool Funds Available				
16. Single Loan Only		✓		

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UNC-SBTDC LOAN PREPARATION-PKG.# 04-09
COUNSELOR: Elinide L
DATE SUBMITTED: 4/29/06

CLIENT: D. chson
LOAN AMT. REQUEST \$ 100,000
TERMS: 7 years / 270

UNC-SBTDC LOAN PREPARTION
CARRBORO REVOLVING LOAN FUND AGREEMENT CHECK LIST*

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

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

✓ _____

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

✓ _____

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

✓ _____ month to month

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

✓ _____

[Handwritten Signature]

4/20/09

Loan Applicant Signature

Date

[Handwritten Signature]

4/29/09

SBTDC Business Counselor Signature

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