

BOARD OF ALDERMEN

ITEM NO. C(15)

AGENDA ITEM ABSTRACT

MEETING DATE: June 16, 2009

TITLE: Revolving Loan Request from the Carrboro Raw, LLC

DEPARTMENT: Economic and Community Development	PUBLIC HEARING: YES ___ NO <u>x</u>
ATTACHMENTS: A. Resolution B. ESC Recommendation C. Application D. Budget Amendment	FOR INFORMATION CONTACT: James Harris, 918-7319

PURPOSE

The purpose of this item is to present to the Board of Aldermen a loan request from Eunice Polido, owner operator, of Carrboro Raw, LLC to be located at 107 East Main Street, Carrboro North Carolina. The town staff recommends that the Board accept the recommendation from the Economic Sustainability Commission, that the loan be approved for \$40,000.00 for a term of four years at 2%. The town staff also recommends that the Board approve the attached budget amendment appropriating funds for this loan.

INFORMATION

Carrboro Raw, LLC is a new juice business to be located at 107 East Main Street. This is the site of the Williams Christmas tree lot between Jade Palace and the Spotted Dog Restaurant. It will be operated out of a concession vehicle permanently located on the lot at this address. This business is owned and operated by Eunice Polido. Improvements to the lot will allow the business to be located on what is now an empty lot between Main and Weaver Streets. Ms Polido has secured an agreement with a local business to provide water and cleaning of equipment per Orange County Health Department regulations.

Mrs. Polido is seeking a loan in the amount of \$40,000.00. The loan will purchase equipment, up fit the concession truck, provide for the construction and leasehold improvements and other startup costs. The applicants have submitted estimates for the work to be done and the equipment to be purchased with loan proceeds.

The applicant is offering as collateral, real-estate located at 1017 Starfield Circle, Hillsborough, North Carolina, and the assets purchased with the loan proceeds. The equity in the property and the equipment purchased with the loan proceeds is more than enough to secure this loan. The applicant, based on the loan criteria, will create four (4) full time or full-time equivalent positions in the business.

FISCAL IMPACT

The fund currently has \$60,000.00 available for loans. If this loan is approved in its entirety \$20,000.00 will be available for future loans plus any repayment to the fund in principal and interest from existing loans.

RECOMMENDATION

The town staff recommends that the Board accept the recommendation from the Economic Sustainability Commission, that the loan be approved for \$40,000.00 for a term of four years at 2%. In addition, the applicant will repay the loan in full if the real property offered as collateral is sold. The town staff also recommends that the Board approve the attached budget amendment appropriating funds for this loan.