

**A RESOLUTION APPROVING A LOAN FROM THE CARRBORO REVOLVING
LOAN FUND FOR CARRBORO RAW
Resolution No. 149/2008-09**

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 \$60,000 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 business expansion project; and

WHEREAS, the Economic Sustainability Commission (ESC) and the SBTDC found the project to be eligible for the fund and will create at least five (4) jobs over a four year period; and

WHEREAS, the applicant has requested a loan in the amount of \$40,000 and provided collateral in equipment and a truck to be purchased with the loan proceeds, second position lien on a personal residence located at 1017 Starfield Circle, Hillsborough, North Carolina and her personal signature; and

WHEREAS, the unexpended reserve expenditure budget is reduced by \$40,000 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 recommendation of the ESC, the loan is approved in the amount of \$40,000 for four (4) years at an interest rate of 2%, contingent upon the applicant receiving all necessary licenses and permits to operate the business in the Town of Carrboro.

Memo

To: Mayor and Board of Aldermen
From: Peter Lee, Chair ESC
CC: James Harris, Director, Economic and Community Development
Date: 6/11/2009
Re: ESC Recommendations for Loan Request from the RLF

On June 10th, 2009 the ESC reviewed a Revolving Loan Fund application. The action taken on the loan requests is as follows:

1. Carrboro Raw, - Motion to recommend approval of the loan to the Board of Aldermen for Carrboro Raw in the amount of \$40,000 for a term of four (4) years at 2% to purchase equipment and to up-fit a concession truck was made by Ellie Kinnaird and seconded by Alena Callimanis: Peter Lee, Alena Callimanis, Chris DeFilippo, Gary Kramling, Terri Turner, Ellie Kinnaird and Chris DeFilippo voted yes to approve.

APPLICATION FOR CARRBORO REVOLVING LOAN FUND (CRLF)



Town of Carrboro
Post Office Box 829
301 W. Main Street
Carrboro, North Carolina 27510
919-942-8541

INSTRUCTIONS: Please read the Revolving Loan Description and Criteria before completing this application. It is important that you fill out all sections of this application completely. Questions regarding this application or the application process should be directed to the Town's Community and Economic Development Officer.

NAME OF APPLICANT: CARRBORO RAW DATE: 5-12-09
(Legal name of firm)

NUMBER OF YEARS IN OPERATION: 0 CORPORATION PARTNERSHIP SOLE PROPRIETORSHIP

EMPLOYER ID #: [REDACTED] PRIVILEGE LICENSE #: _____

ADDRESS OF APPLICANT: 111 A MULBERRY STREET - CARRBORO - NC - 27510

LOCATION OF PROJECT (IF DIFFERENT FROM ABOVE): _____

PHONE NUMBER: 919-2596754 CONTACT PERSON: EUNICE POLIDO - OWNER
Name and Position

AMOUNT OF LOAN REQUEST: 40,000.00 TERM REQUESTED: 5 YEAR 5/370

BRIEFLY DESCRIBE THE FOLLOWING ASPECTS OF YOUR BUSINESS. (You may attach separate sheets or provide a written history and description of your business if you wish.)

WHAT TYPE OF BUSINESS DO YOU OWN OR ARE YOU PROPOSING? HEALTHY JUICE BAR

WHAT ARE YOUR MARKETS? CARRBORO RESIDENTS, VISITORS AND UNC STUDENTS, LATIN COMMUNITY AND ANY OTHER HEALTH CONSCIOUS PUBLIC.

DESCRIBE SOME OF THE TRENDS AND THE DEVELOPMENT OF YOUR BUSINESS: _____

*** PLEASE READ NEXT PAGE →**

WHAT EFFECT WILL THE PROPOSED PROJECT HAVE ON THE COMPANY: START UP

WHAT SIZE FACILITY ARE YOU IN? WHERE IS IT LOCATED? DO YOU PLAN TO MOVE AS PART OF THE PROPOSED PROJECT? 20'x7' MOBILE CONCESSION LOCATED ON A VACANT LOT ON MAIN STREET, CARRBORO (FORMER CHRISTMAS TREE LOT)

* THE TREND OF HEALTHY FUNCTIONAL FOODS HAVE BEEN WORKING THEIR WAY INTO THE MARKET PLACE FOR THE PAST SEVERAL YEARS, STILL NOT CAPPED AND IS EXPECTED TO RISE

THE ^{new} USDA HEALTH PYRAMID AND THE GROWING NUMBER OF HEALTH ISSUES IN THE POPULATION IS CHANGING THE WAY AMERICANS LOOK AT THE IMPORTANCE OF INCREASING THE CONSUMPTION OF FRUITS AND VEGETABLES ON A DAILY BASIS.

WHILE THERE IS INDIRECT COMPETITION, CARBORO RAW WILL BE ABLE TO DIFFERENTIATE ITSELF BY ITS UNIQUE IMAGE AS WELL AS PROVIDING A PRODUCT WHICH IS NOT CURRENTLY AVAILABLE IN THE NEIGHBORHOOD:

BEVERAGES MADE ON DEMAND WITH HIGH QUALITY INGREDIENTS AND EQUIPMENT, USING MOSTLY FRESH, ORGANIC, LOCAL PRODUCE.

THE BUSINESS COMES AT A TIME WHEN FOODS WHICH ARE EASY TO CONSUME, HEALTHY, NUTRITIOUS, ENVIRONMENTALLY FRIENDLY ARE VERY FASHIONABLE.

IF YOU ARE LEASING, OR PLAN TO LEASE, DESCRIBE THE TERMS OF YOUR LEASE (RENT AND LENGTH OF LEASE):
1 YEAR LEASE WITH OPTION TO RENEW UP TO
ANOTHER 3 MORE YEARS

THE PROPOSED PROJECT

BRIEFLY DESCRIBE THE SCOPE OF THE PROPOSED PROJECT: TO BUILD A FOOD CONCESSION ON A TRUCK
TO OPERATE A JUICE/SMOOTHIE/GREEN DRINKS BAR, USING MOST OF PRODUCE SUPPLIED
BY LOCAL FARMERS. TO IMPROVE THE ONLY VACANT LOT IN DOWNTOWN CARROLL,
PRESENTLY NOT BEING USED, BY CLEANING IT UP, BEAUTIFYING THE LANDSCAPE
AND PROVIDING A COMFORTABLE AREA WITH SEATS AND TABLES FOR
LOUNGING.

PROJECTS INVOLVING REAL ESTATE OWNED OR TO BE OWNED BY THE APPLICANT:

DOES THE PROJECT INVOLVE THE PURCHASE OF LAND AND/OR BUILDING? YES NO
PURCHASE PRICE: _____

DOES THE PROJECT INVOLVE THE CONSTRUCTION OF A NEW BUILDING? YES NO
CONSTRUCTION COST ESTIMATE: _____

DOES THE PROJECT INVOLVE THE EXPANSION, RENOVATION OF, OR ADDITION TO AN EXISTING BUILDING?: YES NO
CONSTRUCTION COST ESTIMATE: _____

PROJECTS INVOLVING LEASEHOLD IMPROVEMENTS:

COST ESTIMATES FOR LEASEHOLD IMPROVEMENTS: 4,250.⁰⁰

PROJECTS INVOLVING PURCHASE OF FURNITURE, FIXTURES AND EQUIPMENT:

ESTIMATED TOTAL COST OF PURCHASES: 26,500.⁰⁰

IMPACT AND CRLF OBJECTIVES:

HOW MANY PERMANENT JOBS WILL BE CREATED BY THIS PROJECT: 4
FULL TIME: 2 PART-TIME: 2
PROJECTED NUMBER OF THESE POSITIONS TO BE FILLED BY MINORITIES: 4
PROJECTED NUMBER OF THESE POSITIONS TO BE FILLED BY FEMALES: 4

WILL AT LEAST 51% OF THESE JOBS BE PROVIDED TO LOW AND MODERATE INCOME PERSONS? YES NO

HOW MANY PERMANENT JOBS WILL BE SAVED BY THIS PROJECT: FULL TIME: _____ PART-TIME: _____
NUMBER OF THESE POSITIONS FILLED BY MINORITIES: _____
NUMBER OF THESE POSITIONS FILLED BY FEMALES: _____

ARE AT LEAST 51% OF THESE JOBS PROVIDED TO LOW AND MODERATE INCOME PERSONS? YES NO

LOW AND MODERATE INCOME IS DEFINED AS GROSS INCOME FOR FAMILY NOT EXCEEDING 80% OF THE MEDIAN FOR THE RESPECTIVE FAMILY SIZE FOR THE RALEIGH-DURHAM MSA AS ESTABLISHED FROM TIME TO TIME BY HUD. PLEASE CONSULT THE TOWN TO OBTAIN THESE THRESHOLDS. HAVE YOU REVIEW THIS INFORMATION? YES NO

DO YOU AGREE TO COMPLY WITH TITLE I REQUIREMENTS (ENVIRONMENTAL AND DAVIS-BACON ACT) AND ALL CIVIL RIGHTS REQUIREMENTS? YES NO

EXPLAIN WHY YOU ARE SEEKING THESE FUNDS FROM CARRBORO AND WHY THEY ARE NOT AVAILABLE THROUGH OTHER SOURCES; EXPLAIN WHY THE PROJECT WOULD NOT BE POSSIBLE WITHOUT CRLF PARTICIPATION:

I HAVE ALREADY STARTED INVESTING IN THIS PROJECT USING MY OWN FUNDS AND EXPECTIN
TO SELL MY REAL STATE PROPERTY TO CONCLUDE IT. UNCERTAIN OF WHEN THAT WILL HAPPEN, DUE TO
CURRENT ECONOMIC SITUATION, ANXIOUS TO START OPERATING, UNABLE TO OBTAIN A LOAN FROM
HGR SOURCES BECAUSE OF LACK OF AVAILABILITY OF AN AFFORDABLE AND CONGRUENT OPT

IS THE PROJECT WITHIN THE CITY LIMITS? YES NO

IS THE PROJECT WITHIN THE DOWNTOWN BUSINESS DISTRICT? YES NO

HOW IS THE SITE ZONED? MAP REFERENCE 7.93.B5 - CLASSIFICATION # 8.700

LOAN TERMS AND CONDITIONS

LIST OTHER SOURCES OF FINANCING TO BE INVOLVED, AND AMOUNT TO BE PROVIDED (INCLUDE EQUITY CONTRIBUTIONS FROM THE APPLICANT'S RESOURCES):

1) MY OWN FUNDS — \$ 13,000.00

2) _____

3) _____

DESCRIBE YOUR NEEDED TERMS OF THE REVOLVING LOAN FUND LOAN: 5 YEARS

DO YOU UNDERSTAND THAT THE CRLF LOAN WILL BE SECURED BY A NOTE AND DEED OF TRUST ON REAL ESTATE AND SECURITY AGREEMENT ON EQUIPMENT, AND THAT PERSONAL GUARANTEES WILL BE REQUIRED? YES NO

HAVE THE APPLICANT FIRM OR ANY OWNER OF MORE THAN 20% OF THE COMPANY, OR ANY GUARANTOR EVER BEEN ADJUDGED BANKRUPT, FILED FOR BANKRUPTCY, PROTECTION FROM CREDITORS, OR RE-ORGANIZED UNDER THE BANKRUPTCY LAWS? YES NO

AS OWNER (TITLE) OF CARRBORO RAW

I CERTIFY THAT THE INFORMATION PROVIDED IN THIS APPLICATION AND IN DOCUMENTS AND EXHIBITS PROVIDED IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE. I FURTHER COMMIT TO THE FOLLOWING ACTIONS, AS DESCRIBED MORE FULLY IN THE PROJECT APPLICATION:

A) UNDERTAKE AND CARRY OUT THE PROJECT AS DESCRIBED IN THE PROJECT APPLICATION, AND DOCUMENTS AND EXHIBITS PROVIDED,

B) CREATED A MINIMUM OF 4 JOBS WITH 4 FOR LOW AND MODERATE INCOME PERSONS AND OBTAIN THE LEVEL OF JOBS INDICATED ABOVE BY: 2011

C) RETAIN A MINIMUM OF _____ JOBS WITH _____ FOR LOW AND MODERATE INCOME PERSONS,

- D) SUBMIT QUARTERLY EMPLOYMENT REPORTS TO THE TOWN SHOWING THE NUMBER OF JOBS CREATED OR RETAINED WHICH WOULD OTHERWISE HAVE BEEN LOST, AT LEAST 51% OF WHICH ARE LOW TO MODERATE INCOME POSITIONS,
- E) PROVIDE THE TOWN WITH NECESSARY INFORMATION FOR COMPLETING REQUIRED REPORTS,
- F) MAKE ALL RELEVANT RECORDS AVAILABLE TO THE TOWN AND STATE UPON REQUEST,
- G) BEGIN PROJECT ACTIVITIES ONLY FOLLOWING EXECUTION OF A LEGALLY BIDDING COMMITMENT BETWEEN THE TOWN AND THE APPLICANT AND THE RELEASE OF OTHER CONDITIONS, IF ANY, PLACED ON THE LOAN BY THE TOWN OF CARRBORO,
- H) COMPLETE PROJECT ACTIVITIES BY NO LATER THAN OCTOBER 1 2009,
- I) SECURE AND OBTAIN ADDITIONAL LOAN FUNDS IN THE AMOUNT OF \$ AS DESCRIBED IN THIS APPLICATION, AND
- J) PROVIDE \$ 13,000.00 IN EQUITY FROM THE APPLICANT'S OWN RESOURCES FOR THE PROJECT AND COVER ANY COST OVERRUNS IN THE PROJECT FROM APPLICANTS OWN RESOURCES.

MY FIRM IS COMMITTED TO UNDERTAKE THIS PROJECT, AND BUT FOR THE PROVISION OF THE CDBG ASSISTANT, THIS PROJECT WILL NOT BE UNDERTAKEN:


PARTNERSHIP AND SOLE PROPRIETORSHIPS

SIGNED: _____
 TITLE: _____
 DATE: _____

CORPORATIONS

CARRBORO RAW LLC
Name
 BY: EUNICE POLIDO
President
 ATTEST: _____
Secretary
 (SEAL)
 DATE: _____

BELOW, PLEASE LIST ALL OF THE FOLLOWING: ANY OWNER OF 20% OR MORE OF A CORPORATION AND ALL OFFICERS OF THE CORPORATION; ALL PARTNERS; THE SOLE PROPRIETOR.

<u>EUNICE POLIDO</u>	<u>- OWNER -</u>		<u>100</u>
Print Name & Title		Signature	% owned
Print Name & Title		Signature	% owned
Print Name & Title		Signature	% owned
Print Name & Title		Signature	% owned
Print Name & Title		Signature	% owned
Print Name & Title		Signature	% owned

CARRBORO REVOLVING LOAN FUND

UNC-SBTDC APPLICATION PACKAGE

CLIENT NAME: Eunice Polido

BUSINESS NAME: Carrboro Raw

ADDRESS/CONTACT: 111 A Mulberry Street Carrboro, NC 27510

UNC-SBTDC LOAN PKG.# 0509 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: _____

Package Submitted: _____

Date Accepted: _____

Client Contacted: _____

Invoice Enclosed: _____

Rejected: _____

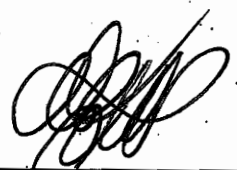
UNC-SBTDC LOAN PREPARATION - PKG.# 05-09

CLIENT: Palido

COUNSELOR: Scott Rockafellow

DATE SUBMITTED: 5/12/09

**UNC - SBTDC LOAN PREPARATION
CARRBORO REVOLVING LOAN FUND (CRLF)
APPLICATION**



5/11/09

LOAN APPLICANT SIGNATURE

DATE COMPLETED

UNC-SBTDC LOAN PREPARATION PKG.# 05-08

CLIENT NAME: Polido

BUSINESS NAME: Carrboro Raw

COUNSELOR: Rockafellow

CASE SUMMARY

Carrboro Raw, LLC is a new juice business located at 107 E. Main Street. It will be operated out of a truck permanently located on the lot at this address. The business is owned and operated by Eunice Polido. Improvements to the lot (mostly electrical) will allow the business to be located on this mostly empty lot. Ms. Polido has secured an agreement with a local business to provide water and cleaning of equipment (per health regulations).

At this time, Ms. Polido is seeking a loan in the amount of \$40,000. The loan will be utilized to purchase equipment (\$7,000), upfit the truck (\$12,070), construction and leasehold improvements (\$4,250) and other start-up costs. She has provided estimates and invoices to support all of the equipment purchases and improvements. Some of the equipment has already been purchased on credit cards and loan funds will be used to payoff personal credit cards (\$7,000). This business will fill an empty lot on one of the most prominent available locations in downtown Carrboro.

The Loan Committee should look carefully at several items in the loan package. Firstly, Ms. Polido has not started the business and will have learning curves as she begins operations. She also has very little personal income, but does have expenses paid by her ex-husband. She should be able to start the business without pulling Owner's Draws from the business's cash flow.

The committee should also consider the fact that the Ms. Polido is using her home as collateral for the loan. None of the equipment or the truck will have to be utilized for collateral. However, the home is currently in possession of Ms. Polido's ex-husband and is currently up for sale. The divorce agreement (attached in the loan package) grants Ms. Polido half of all proceeds from the sale of the house. If the house is sold, she would repay Carrboro from the proceeds.

She has worked closely with the SBTDC for the past several months and attended and successfully completed the 6 week NxLevel Business Planning course. She has also been willing to listen to advice and make changes in their business to allow for success.



SBTDC Counselor Signature

5/12/08

Date

SIGNATURE PAGE

Town of Carrboro Revolving Loan Fund SBTDC Loan Package Assistance

My signature on this page acknowledges that I, EUNICE POLYO, 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.



5-11-09

Applicant Signature

Date

CARRBORO RAW

Business Name/Address Contact Information

111A Mulberry Street, Carrboro



5/12/09

SBTDC Counselor

Date

3 Copies Distributed: ___ Client ___ Client File ___ Loan Pkg.

ATTACHMENT D

AN ORDINANCE AMENDING FY'2008-09 BUDGET ORDINANCE

WHEREAS, the Town Board of the Town of Carrboro on June 3, 2008 adopted the annual budget for the fiscal year beginning July 1, 2008 and ending June 30, 2009 and

WHEREAS, it is appropriate to amend the expense accounts in the funds listed to provide for increased expenses for the reasons stated.

NOW, THEREFORE, BE IT ORDAINED, that in accordance with authority contained in G.S. 159-15, the following expense and revenue accounts are amended as shown and that the total amount for the funds are herewith appropriated for the purposes shown:

FUND	ACCOUNT TITLE	INCREASE (DECREASE)	AMOUNT	FROM	TO
Revolving Loan Fund					
	Unexpended Reserves	DECREASE	\$40,000	\$69,216	\$29,216
	Carrboro Raw, LLC Loan	INCREASE	\$40,000	\$0	\$40,000

REASON: Amend Revolving Loan Fund to reflect appropriation of new loan (Carrboro Raw, LLC).