

City of Peoria
ECONOMIC DEVELOPMENT DEPARTMENT
MEMO

DATE: June 29, 2020

TO: Patrick Urich, City Manager

FROM: Cesar J. Suarez, Senior Development Specialist

SUBJECT: Loan Review Panel Recommendation – Foldan Ventures, Pop-A-Shot, Stucker

Foldan Ventures LLC (Building Owner), Pop-A-Shot LLC (Business), and Anthony Stucker (as additional Guarantor) have submitted a loan application requesting \$100,000 in gap financing from the City's RLF Program. A total investment of \$650,000 is planned, but the City will only finance one-third of the buildout of \$300,000 for Prairie Engineering's leasehold improvements. Prairie Engineering is relocating to the second floor of 926 SW Washington (see attachment) and will be expanding from 750 sf to 2,950 sf and from 5 to 10 jobs. They are pledging at least four jobs in order for Foldan to be eligible for a \$100,000 loan with the City.

Upon review of the loan application, the existing loans, and supporting documentation, the Loan Review Panel recommends the loan be approved based on the following:

The loan meets the following Revolving Loan Fund Guidelines:

1. The business will provide 10% equity or more, (5% or more if MBE)
2. The revolving loan does not exceed 33% of the project cost (50% if MBE).
3. There amount of loan is within \$25,000 per job retained/created (\$30,000 if MBE).
4. There is sufficient cash flow to cover all required payments
5. The loan is sufficiently collateralized.

The following terms of the loan are recommended:

1. A loan amount of \$100,000 at an interest rate of 4% for a term of 10 years, amortized over 20 years. The loan would be fully disbursed at closing, with principal and interest payments loan starting at the beginning on the first month.
2. Signatories on loan will be Anthony Stucker as an individual and for both LLCs.
3. Loan to be secured with a: a) 3rd mortgage on 912-926 SW Adams, b) 2nd position on 933 SW Washington, c) 3rd position of personal home, and 4) personal guarantee of Anthony Stucker.
4. City to be named additional insured in business insurance policy.

The following conditions are recommended:

1. Receipt of final execution of Lease Agreement.
2. Receipt and validation of the required equity in cash and marketable securities.
3. Receipt and validation of the required debt in the form of promissory note form bank.

It is noted the City approved a loan of \$250,000 in June 2018 for an investment of \$1.5 million in building improvements for 918 SW Washington to relocate the headquarters of Pop-A-Shot. The loan \$100,000 is for the relocation of Prairie Engineering and a separate project. Foldan is current on the City's whose balance is \$247,260 as of June 1, 2020. The additional \$100,000 would be added debt, however there is added collateral such that the City's Overall Loan to Value Ratio remains relatively the same.

918-926 SW Adams Street & 933 SW Washington



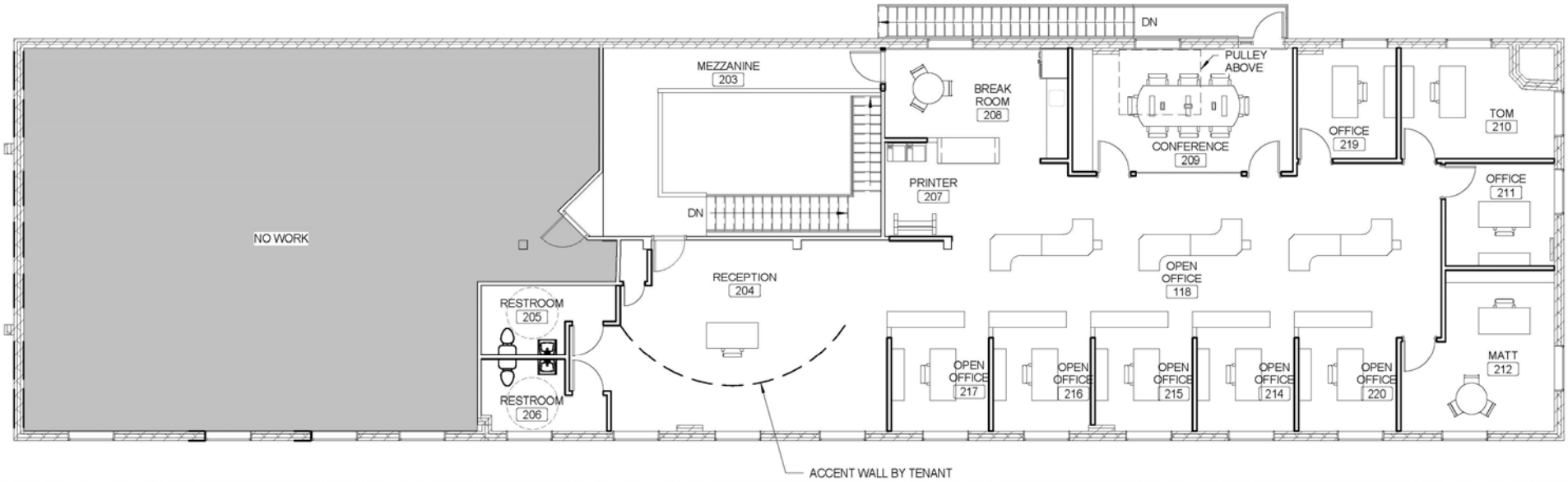
BUILDING	ADDRESS
1	926 SW Adams
2	918 SW Adams
3	933 SW Washington

926—SW Adams Street



926 SW Adams—Unit 220

Prairie Engineering Office - Buildout Floor Plan



926 SW Adams—Unit 220

“As Is”

