



Albion Economic Development Corporation
EDC/TIFA/BRA
REVOLVING LOAN FUND MEETING

Monday, December 4, 2023, 1:00 pm
Albion Economic Development Corporation
115 N. Superior St. Albion, MI 49224

Mission Statement: Retain, expand, and recruit business and industry to the greater Albion area and strengthen and revitalize the local economy.

AGENDA

- 1) Call To Order / Roll Call (1 min)
- 2) Approve Agenda (1 min)

Presentations

- 3) Revolving Loan Fund Committee Members (2 min)
- 4) Current RLF Loan Fund Status (5 min)
- 5) RLF Guidelines (3 min)

Action Items

- 6) Approval of Minutes from December 13, 2022 RLF Meeting (2 min)
- 7) Discuss and Approve Albion IS..ILC Dale Carnegie Training Phase 1 (3 Min)
- 8) Discuss and Approve Albion IS..ILC Dale Carnegie Training Phase 2 (3 min)
- 9) Discuss and Approve Inside Out Default Loan Extension (5min)
- 10) Discuss and Approve Galazio of Albion Match on Main RLF Application (5 min)
- 11) Discuss and Approve Galazio of Albion RLF Operating Loan Application (5 min)
- 12) Motion to Excuse Absent Members (3 min)
- 13) Public Comment (TBD)
(Persons addressing the Board shall limit their comments to no more than 3 minutes)
- 14) Adjournment (1 Min)

Memo

To: Albion EDC Board

From: Virgie Ammerman, President/CEO

Date: September 18, 2023

RE: Revolving Loan Committee

These are the recommended Revolving Loan Fund Committee Members as of September 18, 2023:

Jerome Harvey

Scott Cubberly

Ben Wallace

Huntington Representative - TBD

Deacon Bogan

Joyce Spicer – representing Albion Township

Dick Porter – representing Sheridan Township

Fund 296 REVOLVING LOAN FUND

GL Number	Description	PERIOD ENDED 10/31/2022	PERIOD ENDED 10/31/2023
*** Assets ***			
296-000-001.00	CASH	(733.72)	0.00
296-000-001.03	CASH - FLAGSTAR BANK	0.00	(22,765.08)
296-000-017.00	INVESTMENTS	325,161.70	344,433.40
296-000-040.00	ACCOUNTS RECEIVABLE	0.00	24,500.00
296-000-061.00	LOANS RECEIVABLE	84,024.28	78,222.24
Total Assets		408,452.26	424,390.56
*** Liabilities ***			
Total Liabilities		0.00	0.00
*** Fund Balance ***			
296-000-390.00	FUND BALANCE	404,207.67	410,812.26
Total Fund Balance		404,207.67	410,812.26
Beginning Fund Balance		404,207.67	410,812.26
Net of Revenues VS Expenditures		4,244.59	13,578.30
Ending Fund Balance		408,452.26	424,390.56
Total Liabilities And Fund Balance		408,452.26	424,390.56

REVENUE AND EXPENDITURE REPORT FOR CITY OF ALBION
 PERIOD ENDING 10/31/2023
 % Fiscal Year Completed: 83.29

GL NUMBER	DESCRIPTION	2022		2023		2023		AVAILABLE	
		AMENDED BUDGET	END BALANCE 12/31/2022 NORM (ABNORM)	YTD BALANCE 10/31/2023 NORM (ABNORM)	AMENDED BUDGET	2023 AMENDED BUDGET	NORM (ABNORM)	BALANCE NORM (ABNORM)	% BDT USED
Fund 296 - REVOLVING LOAN FUND									
000 - GENERAL									
		6,000.00	6,639.59	13,578.30	10,500.00	(3,078.30)	129.32		
TOTAL REVENUES		6,000.00	6,639.59	13,578.30	10,500.00	(3,078.30)	129.32		
740 - REVOLVING LOAN		35.00	35.00	0.00	35.00	35.00	0.00		
TOTAL EXPENDITURES		35.00	35.00	0.00	35.00	35.00	0.00		
Fund 296 - REVOLVING LOAN FUND:									
TOTAL REVENUES		6,000.00	6,639.59	13,578.30	10,500.00	(3,078.30)	129.32		
TOTAL EXPENDITURES		35.00	35.00	0.00	35.00	35.00	0.00		
NET OF REVENUES & EXPENDITURES		5,965.00	6,604.59	13,578.30	10,465.00	(3,113.30)	129.75		
TOTAL REVENUES - ALL FUNDS									
TOTAL EXPENDITURES - ALL FUNDS		702,341.00	707,834.17	726,795.51	1,098,480.00	371,684.49	66.16		
NET OF REVENUES & EXPENDITURES		574,117.00	577,990.44	416,571.00	652,239.00	235,668.00	63.87		
		128,224.00	129,843.73	310,224.51	446,241.00	136,016.49	69.52		



City of Albion Revolving Loan Fund Guidelines

PURPOSE:

The mission of the Albion RLF is to revitalize the local economy and to retain, expand and recruit businesses and industry to the area. Albion strives for a sustainable community and improved quality of life for all residents. The purpose of the revolving loan fund is to promote job creation in the greater Albion area by making loans to new and expanding enterprises that are unable to obtain the full financing from private and traditional sources.

Funding can be used for working capital, fixed-asset financing, inventory, renovation of commercial and industrial developments, real estate improvements and access to start-up and construction financing.

ORGANIZATION—FUNDING

The RLF is administered by the Albion Economic Development Corporation (AEDC). The Revolving Loan Fund Committee (RLF), including AEDC, Sheridan and Albion Township representatives, reviews all loan applications and approves loans up to \$50,000. For loans over \$50,000, the RLF Committee makes a recommendation to the AEDC Board of Directors, which has approval authority.

REQUIREMENTS:

- Business must be in the City of Albion, Sheridan Township or Albion Township.
- Minimum loan size is \$25,000. Private sector leverage is \$2 in private financing for every \$1 in RLF financing.
- Loan is limited to the portion which cannot be obtained from local banks.
- Another loan, preferably from a bank, is required and RLF will take second position to bank.
- Job creation or retention proportional to the amount of the loan.
 - \$10,000-\$25,000 for each new Full Time Job
 - \$5000 - \$10,000 for each retained Full Time Job
- Requires a minimum of 10% equity investment into the project by the owners/applicant.
- Collateral is required.
- Preference given to manufacturing, wholesale, and industrial services. Retail, Commercial and Service sectors may still apply.

TYPICAL TERMS:

- Interest rate: 66% of the current money center prime interest rate (per WSJ)
- Repayment: 2-3 years for working capital, 3-7 years for equipment and other fixed assets, 10 years max depending on business case.
- Fees: Borrower will be required to pay all costs of the transaction, including but not limited to the RLF's legal fees, recording and filing fees, and title insurance.
- Application Fee: \$200 non-refundable application fee due upon submittal of application to AEDC for review.
- Flexible Terms:
 - If projected cash flow indicates the need, payment of principal may be waived for up to one year.
 - Balloon or accelerated payments may be invoked after five years.
 - Other flexible options dependent upon the business case and financials.

TYPICAL CONDITIONS:

- Insurance coverage: fire, liability and key man.
- An effort to follow the business plan in the loan application, as shown by periodic financial reviews.
- Personal guarantees may be required.
- Compliance with all applicable local, state and federal civil rights, barrier free, environmental and historical preservation laws and regulations, including Davis-Bacon when applicable.

APPLICATION PROCEDURE:

Application and instruction forms are available through the Albion Economic Development Corporation. Typical lead time for loans is about four weeks after complete application and application fee is paid. See the application for requirements to be considered a complete application package.

FOR DETAILS & ASSISTANCE CONTACT (517) 629-3926

- v. Obtain Inside Out Owners signatures on the repayment plan.
- vi. Re-institute regular meetings with SBDC.
- c. Motion was made by Wallace, supported by Evans, for these recommendations. Passed by 100% Roll Call vote.
- 1. Ammerman presented a potential additional funding mechanism for RLF funds from USDA. It was decided this could be reviewed by this committee and would ultimately need to go to the AEDC Board. <https://www.rd.usda.gov/programs-services/business-programs/intermediary-relending-program> Intermediary Lending Program
- 7. At 10:15, motion to adjourn by Wallace, seconded by Spicer. P/U

Next Meeting will be Tuesday, March 14th 9-9:30, Marshall Opportunity High School Library.



**ALBION
ECONOMIC
DEVELOPMENT**

Memo

To: Albion EDC Board

From: Virgie Ammerman, President/CEO

Date: September 18, 2023

RE: Revolving Loan Fund Request

There is a request for funding from the Revolving Loan Fund for \$29,750 made payable to Dale Carnegie on behalf of the following companies for their participants. These amounts will be refunded to the Revolving Loan Fund upon graduation of the participants and each company's receipt of their grant from LEO at the State of Michigan. We anticipate this refund back to the Revolving Loan Fund by the end of October 2023.

\$15,750 9 attendees @ \$1,750 each – Albion College

\$ 3,500 2 attendees @ \$1,750 each – Team One Plastics

\$ 3,500 2 attendees @ \$1,750 each – St. Paul Lutheran Church

\$ 1,750 1 attendee @ \$1,750 each – 4T Global Enterprises

\$ 3,500 2 attendees @ \$1,750 each – Superior Strength Conditioning

\$ 1,750 1 attendee @ \$1,750 each – Tracy K. Tolbert Photography

\$29,750

Thank you for your consideration.

**ALBION
ECONOMIC
DEVELOPMENT**

Memo

To: Albion EDC Board
From: Virgie Ammerman, President/CEO
Date: September 18, 2023
RE: Revolving Loan Fund Request

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- \$15,750 9 attendees @ \$1,750 each – Albion College
- \$ 3,500 2 attendees @ \$1,750 each – Team One Plastics
- ~~\$ 3,500~~ 2 attendees @ \$1,750 each – St. Paul Lutheran Church
- ~~\$ 1,750~~ 1 attendee @ \$1,750 each – 4T Global Enterprises
- \$ 3,500 2 attendees @ \$1,750 each – Superior Strength Conditioning
- \$ 1,750 1 attendee @ \$1,750 each – Tracy K. Tolbert Photography

*Updated
12/4/23
[Signature]*

~~\$29,750~~ \$ 24,500

Thank you for your consideration.

EDC/TIFA/BRA SPECIAL BOARD OF DIRECTORS MEETING MINUTES

Held at Council Chambers 112 W. Cass Street, Albion MI 49224
September 18, 2023

EDC Board Meeting called to order by Jerome Harvey at 7:30 am.

Board Members Present: Jerome Harvey; Vicky Clark; Scott Cubberly

Counsel: Nelson Karre

Board Absent: Wallace Snyder White

Ex Officio Non-Voting: None

Community: +/- 15 Members

Staff:

Lacking Quorum, no decisions can be made at this meeting.

**Board Chair recognized a moment of silence.
Board Chair requested the Pledge of Allegiance.**

Public Comment

Negotiations continue with Virgie Ammerman for the President/CEO role.

Counselor Karre reported email from Ammerman regarding request for separation pay. No further action needs to be had to afford Ammerman the payment as required in her employment agreement of August 30 2022.

Discussion regarding time it takes to gain access to an EDC Board position. Cubberly and Clark both reiterated their experiences. Recommendation made for a guide for who should serve on the EDC Board be published by City Council.

Discussion regarding Lease Termination Agreement re 1002 North Eaton Street.

Discussion regarding CEO Evaluation Proposal from Rose Street Advisors.

Discussion regarding Revolving Loan Fund Membership and needed action.

**Agreed to meet as an Executive Board on September 28th and the Regular Board on October 5th.
(Subsequent discussion created a Special Board Meeting and an Executive Board Meeting on September 28th.)**

Discussion regarding contracts to be reviewed.

Commitment made by Board Chair to circulate meeting agendas one week prior to meetings.

Public Comment – Tracy Tolbert spoke on behalf of a Special Meeting to vote on the contract for the EDC CEO and pay bills. Ronnie Sims requested board members to hold each other accountable to attend. Takala Williams spoke to remind everyone that the President of the EDC is not in place and she is finding it difficult to maintain forward progress at the EDC. The Community is looking for leadership and outcomes from the EDC. No businesses can sustain without leadership for months on end.

10:30 am Meeting Adjourned

Memo

To: Albion EDC RLF Committee Board

From: Virgie Ammerman, President/CEO

Date: December 4, 2023

RE: Revolving Loan Fund Request

There is a request for funding from the Revolving Loan Fund for \$29,750 made payable to Dale Carnegie on behalf of the following company for their participants. These amounts will be refunded to the Revolving Loan Fund upon graduation of the participants and each company's receipt of their grant from LEO at the State of Michigan.

\$29,750 - 17 attendees @ \$1,750 each – Albion College

Total Amount:

\$29,750

Thank you for your consideration.

Dale Carnegie Training offered by Ralph
 Nichols Group, Inc.
 900 Elmwood Road
 Lansing, MI 48917-2070
 (517) 244-0687



INVOICE

BILL TO

Nancy Chapman
 Albion College
 611 E. Porter St.
 Albion, MI 49224

INVOICE # 23-2996

DATE 10/02/2023

DUE DATE 10/17/2023

TERMS Net 15

DATE	ACTIVITY	QTY	RATE	AMOUNT
	Dale:12-Week:In-House DC12ALBI23-031 9/19/23 - 12/5/23 12 Week Dale Carnegie Course Davis, Angie Isaacs, Nathan Onai, Kalli Sullivan, Jennifer Wylie, Laura	5	1,750.00	8,750.00
	Dale:12-Week:In-House DC12ALBI23-032 12 Week Dale Carnegie Course 9/19/23 - 12/5/23 DeCola, Jake Hibbs, John Knowlden, Lindsey McCavit, Karla Nash, Mary Whitman, Nicholas	6	1,750.00	10,500.00
	Dale:8-Week:In-House 8 Week Dale Carnegie Course 9/27/23 - 11/15/23 LaFontaine, Sandra Molenaar, Wytse Reuben, Dena Simpson, Kaisha	4	1,750.00	7,000.00
	Dale:12-Week:Public 12 Week Dale Carnegie Course DC12GRRP23-015 9/20/23 - 12/13/23 Yawson, Jennifer	1	1,750.00	1,750.00

DATE	ACTIVITY	QTY	RATE	AMOUNT
	Dale:12-Week:Public	1	1,750.00	1,750.00
	12 Week Dale Carnegie Course			
	9/21/23 - 12/14/23			
	DC12LANS23-014			
	Shannon Sharese Mathis			

Checks made payable to Ralph Nichols Group, Inc.

BALANCE DUE

\$29,750.00

Memo

To: Albion EDC RLF Committee Board

From: Virgie Ammerman, President/CEO

Date: December 4, 2023

RE: Revolving Loan Fund Request

A funding request has been submitted to the Revolving Loan Fund seeking \$37,849.83 for the Inside Out Default Loan Extension. The proposed loan features an annual interest rate of 5.61% and is slated to commence on January 1, 2024. The repayment plan spans a period of 10 years, with monthly installments set at \$353.77.

Thank you for your consideration.

Virgie Ammerman

From: O'Neal Warnsley <owarnsley23@yahoo.com>
Sent: Wednesday, July 19, 2023 11:06 AM
To: Virgie Ammerman
Subject: Re: Loan Update

For us to be comfortable with all of our other financial obligations we'd propose \$350 monthly payments.

P. O'Neal Warnsley JR.
Cell: [\(517\) 936-8833](tel:5179368833)
Email: owarnsley23@yahoo.com
Media: [Facebook](#) | [Linkedin](#)

On Jul 19, 2023, at 11:03 AM, O'Neal Warnsley <owarnsley23@yahoo.com> wrote:

We don't have the financial ability to make that larger of a monthly payment unfortunately. However we do want to begin paying something monthly.

P. O'Neal Warnsley JR.
Cell: [\(517\) 936-8833](tel:5179368833)
Email: owarnsley23@yahoo.com
Media: [Facebook](#) | [Linkedin](#)

On Jul 14, 2023, at 8:13 PM, Virgie Ammerman <VAmmerman@albionedc.org> wrote:

Can you make \$650 per month payments beginning August 1? You'll need to make those payments monthly all year long. You would keep up the \$650/month payments until you are back on track, then reduce to \$500/month.

Will this work?

Thanks.

Virgie Ammerman, MBA, CPA
President & CEO

<image001.jpg>

Albion Economic Development Corporation
115 N. Superior Street
PO Box 725
Albion, MI 49224
269.598.7765 (c)

517.629.3926 (o)
vammerman@albionedc.org

Schedule a Meeting with Me: <https://calendly.com/vammerman>
Conference Call Number: 605.472.5150; Access Code 2567897

From: O Neal Warnsley <owarnsley23@yahoo.com>
Sent: Friday, July 14, 2023 1:29 PM
To: Virgie Ammerman <VAmmerman@albionedc.org>
Subject: Re: Loan Update

Good Afternoon,

Attached in this email is the business plan for Inside Out Automotive Detailing Service.

The estimated total annually payments is the amount you requested we provide you when we spoke on the phone last week, is this correct?

Regards,
O'Neal

P. O'Neal Warnsley JR.
Cell: (517) 936-8833
Email: owarnsley23@yahoo.com
Media: [Facebook](#) | [Linkedin](#)

On Jul 11, 2023, at 6:41 AM, Virgie Ammerman
<VAmmerman@albionedc.org> wrote:

Good morning,

Please forward to me your updated business plan and an estimate of the total annually payments you can make toward your debt before Friday.

Thank you.

Virgie

Virgie Ammerman, MBA, CPA
President & CEO

<image001.jpg>

Albion Economic Development Corporation
115 N. Superior Street
PO Box 725
Albion, MI 49224
269.598.7765 (c)
517.629.3926 (o)
vammerman@albionedc.org

Schedule a Meeting with Me: <https://calendly.com/vammerman>
Conference Call Number: 605.472.5150; Access Code 2567897

<Business Plan.docx>

<INSIDE OUT AUTO DETAILING - LOAN AG (2021 - 07 - 30) Closing packet 08042021
EXECUTED.pdf>

Memo

To: Albion EDC RLF Committee Board

From: Virgie Ammerman, President/CEO

Date: December 4, 2023

RE: Revolving Loan Fund Request

A request for funding has been formally submitted to the Revolving Loan Fund for the Galazio of Albion Match on Main project, seeking a total of \$25,000. The projected expenses for the project include the removal of existing stairs and the installation of a 12-ft x 108 ft deck, main stairs, and ADA switchback ramp with a platform, estimated at \$20,800.00. Additionally, funds are allocated for the purchase of a SONOS outdoor audio system (\$1578.00), Wayfair solar-powered deck light fixtures (\$1087.78), Walmart patio furniture to accommodate patrons (\$3793.00), and miscellaneous items (\$519.00). The overall budget amounts to \$27,777.78, with the requested amount from the Revolving Loan Fund set at \$25,000.

Thank you for your consideration.

Memo

To: Albion EDC RLF Committee Board

From: Virgie Ammerman, President/CEO

Date: December 4, 2023

RE: Revolving Loan Fund Request

An official request for financial assistance has been meticulously prepared and submitted to the Revolving Loan Fund on behalf of the Galazio of Albion. This request pertains to an Operating Loan Application, the primary objective being the acquisition of a substantial sum amounting to \$50,000. The envisaged commencement date for the loan is slated for January 1, 2024.

In accordance with the proposed terms, the loan would be subject to an annual interest rate of 5.61%. Furthermore, the anticipated loan tenure spans a duration of 10 years, reflecting a reasonable and calculated timeframe for repayment. The comprehensive submission underscores the strategic and prudent planning undertaken by the Galazio of Albion to secure the necessary financial support for its operational needs.

This funding endeavor is poised to contribute significantly to the sustained growth and stability of the Galazio of Albion, enabling it to meet operational demands, execute strategic initiatives, and maintain financial resilience over the specified period. The adherence to a meticulous timeline and a judiciously determined interest rate reflects the organization's commitment to fiscal responsibility and the establishment of a sustainable financial trajectory.

Thank you for your consideration.

Revolving Loan Fund Loan & Project Application

Application Date: July 1 2023

Applicant Name: Sean Michael Hare

Street Address: 110 W Erie Street

City, State, Zip: Albion MI 49224

Phone: 517-343-2060

Cell: 240-434-1819

Business/Project Name: Galazio Restaurant/ SHARE LLC

Address if different from above: 301 N Clinton Street Albion MI 49224

Agenda Items

9 & 10

\$25,000

Maddox Mai

\$ 50,000

5.61%

*Opulent
Loan*

Applicants should complete the items checked as they apply to the business and/or project. Responses should be labeled with the relevant section number and attached.

 Section 1.0 BUSINESS/DEVELOPMENT PLAN

 1.1 The Business

Describe the business. The data should state what the business is, its status (i.e., takeover), the form it is going to take (if corporation, give state of incorporation and date) and why you think it will be successful.

-Galazio Restaurant is the premiere destination to give the authentic food, drinks and dining atmosphere to its customers. To better accomplish these goals we wish to expand our overall seating and dining capacity by adding an outside seating area and make improvements to the exterior aesthetics of our building. This outside seating area would add an additional option for customers to enjoy the splendor of Albion and help us provide the town with an outdoor venue that is welcoming to all members of the family, including a pet friendly section for the dog lovers walking the local trails.

 1.1A For a new business, the description should include any unique characteristics of the business, data on trade suppliers and trade credit, and if the business will be doing

contract work, include as supporting documents copies of contracts of letters of intent.

 1.1B For a takeover, the description should include a history of the business, the reason for its sale, how the purchase price was arrived at, the firm's trend in sales, the condition of the fixed assets, the value of all assets and a list of the company's liabilities.

 1.1C For an expansion, provide a history of the business, the reasons for expanding and any deals entered into with trade suppliers or customers that relate to the expansion. Include supporting documents.

1.2 The Market

Describe the market you will be servicing, its size, your percentage, how you will attract your market, your growth potential and your method of pricing (that provides for a fair profit yet is competitive). Also, state whether you will offer credit and how you will be able to write off bad debts.

Galazio of Albion will be targeting residents of Calhoun and Jackson Counties and tourists who are active restaurant seekers. There will be a special focus on appealing to those seeking something unique and different from the local faire.. Galazio will also be targeting faculty and students from Albion College, as well as the after-church / Sunday brunch crowd.

The estimated number of potential diners is 1000 per week. This number does not reflect any potential carry out or delivery services which will be integrated into the business model as the restaurant gains a strong community foothold. Galazio's menu offers choices for those looking for a comfortable meal in the snow and a healthy snack out in the sun.

Adult residents of Calhoun and Jackson Counties between the ages of 25 - 60, as well as the growing number of tourists and others who are active restaurant seekers. The estimated number of potential clients within the Company's geographic scope is 150,000. (Source: United States Census Bureau Quick Facts for Calhoun and Jackson Counties estimates from July 2019). Individuals spend an average of \$2,400.00 annually in Michigan restaurants. (Source: Business Insider Aug 2019 based on data from the U.S. Bureau of Economic Analysis.)

Galazio provides a large amount of advertising through social media including Facebook, Instagram, and Tik-Tok. By utilizing various platforms we ensure that customers of all ages are exposed to our products as different platforms are used by people of varying ages. We also use local media sources to connect with our community members such as ads in the local theater, magazines and good old posters on telephone poles.

1.3 Competition

Describe your nearest competitors, how you will compete with them, how their operations are similar or dissimilar to yours and what their strengths and weaknesses are.

The Company analyzed its competitors' pricing in two phases. Phase One consisted of comparing item pricing between six Michigan restaurants with "identical" menu offerings. Phase Two consisted of comparing the average costs for appetizers, soups, salads and main entree menu pricing between the three restaurants considered to be the Company's main local competitors. Menu pricing for the original Galazio in La Plata, MD was included in both Phase One and Phase Two comparison analysis. Details results for Phase One and Phase Two follow.

Phase One- The six restaurants included in Phase One were: Athena 's Diner in Lansing, Mediterano in Ann Arbor, The Greek in Detroit, KouZina Greek Street Food in Kalamazoo, DiNico 's Parlor in Kalamazoo, and Galazio in La Plata, MD Pricing for 14 items proposed for the Company's menu were compared. The

average cost for each individual item was calculated and suggests a potential target price for the Company's menu.

Phase Two- There are currently three dining options which will be Galazio's primary competition in Eastern Calhoun County. These include the Malleable Microbrewery in Albion, Schuller's in Marshall, and Grand River Brewery in Marshall. The average cost for a 3-course meal (appetizer, salad, main entree) at each establishment was calculated and compared as well. Similar menu pricing data for the original Galazio in La Plata, MD was included, but not incorporated into the average menu pricing data. Finally, using the average item cost data calculated in Phase 1, a target average costs for appetizer, salad and main entree was calculated for the Company's menu. These target costs were included in Phase Two comparisons.

Local area providers for needed foodstuffs are being surveyed for quality, reliability and costs. Projected costs for overhead, labor and marketing will be calculated. The combined data will be used to determine projected costs of production for each menu item. The restaurant industry standard markup for a menu price is about three times its wholesale procurement cost that means about a 300 % average markup on each item to cover all costs of restaurant operations, including procurement, preparation, overhead, facility lease, taxes, fees, marketing and labor.

1.4 Location of the Business

State the business address, describe the neighborhood, the businesses in the area, the physical features of your building, state whether it is leased or owned, if renovations are needed, what they will cost, and why this is the right place for your business. Supply rental agreements or quotes as supporting documents.

The business is located at 301 N. Clinton Street Albion Michigan 49224. The location is the old shipping depot that was once in connection with the railroad station directly across the tracks from where the building stands. The building does have a large amount of historical significance given that it was built over 100 years ago and still contains working materials from that era such as its weight scale and chain mechanisms for the pull doors of the warehouse. SHARE LLC/ Galazio currently leases this location from ACE Investments with the first option to purchase the location should it ever come available for purchase. The front patio area of the building was not original to the location and has since fallen into disrepair. Many boards are beginning to warp and fray apart making access to the building by those in wheelchairs rather difficult. As stated above, our hopes are to renovate this feature and build it out to include outside dining and easier access to our front door.

1.5 Management

1.5A Personal History of the Principals.

Provide the names, addresses, age, health, education, training, special abilities, prison records, if any, and personal financial statements.

Sean Michael Hare, 110 W. Erie Street, Albion MI 49224, 37, Bachelor's Degree from University of Maryland College Park. No criminal background. Perfect physical health.

____ 1.5B Related Work Experience.

Describe the work experience and business background of the principals. Include the operational and managerial experience in this type of business.

Sean Hare has 15 years experience in all aspects of the restaurant industry. Specifically, he is experienced in hiring and supervising staff; purchasing and inventory control of food, beer, wine and spirits; kitchen management; payroll; and community marketing. He excelled in managing the original Galazio restaurant, two different pizzeria's and Lucianna's Steakhouse, (a Brazilian churrascaria); all located in the southern Maryland - Baltimore-Washington DC metro area.

____ 1.5C Duties, Responsibilities and Salaries. Describe the organizational structure, how decisions will be made, how time will be allocated for planning and operating duties.

Also, provide the salaries of the management personnel.

____ 1.5D Resources Engaged by the Business. List and describe the resources available to the business, such as lawyers, accountants, consultants, government agencies, banks, the Board of Directors, Chamber of Commerce, business, trade and civic associations.

Mack Accounting, PNC Bank, Homestead Savings, EDC, Albion Chamber of Commerce, Marshall Chamber of Commerce, Galazio Restaurant of La Plata Maryland, Ace Investments, Foundry Bakery, Mercantile General Store, Albion Restaurant Group

____ 1.6 Employment

Describe the project's present and future personnel requirements, how employees will be selected, the skills they require, the salaries you will pay (also, overtime and fringe benefits) and any training you will provide. Also, state the percentage of minority employees to be hired, the percentage of low and moderate income employees, the percentage of these that will come from within the community, the wage scale and average wage for these employees.

More often patios are mostly utilized during the summer season, but we hope to change that. If we can acquire the tools needed to expand that outside seating we can ensure customers will want to dine outside even on some of the colder days of winter. This will ensure that servers will always be needed for patio service year round. Outside dining would be reserved for larger parties so two full time servers would need to be on staff year round to give quality experience to our diners.

____ 1.7 Application and Expected Effects of Loan

Describe how the loan is going to be spent. If inventory is to be purchased, provide a list of the items, the suppliers and all costs associated with the purchase. Also, state how the loan will make the business more profitable.

Funding is sought to activate twelve hundred and ninety-six square-feet of permanent outdoor space, as well as, accelerate renovating one-hundred square-feet of underutilized interior space which will significantly increase efficiency of restaurant operations and expand the restaurant's menu.

The exterior project work for which MoM reimbursement is sought to activate permanent outdoor space includes:

- a. Removal of the narrow, worn-out main entrance stairs which currently run parallel to the building for approximately twelve feet from East to West.
- b. Install re-designed main entrance stairs which are perpendicular to the main entrance.
- c. Removal of the shabby, ADA entrance ramp which runs from the western end of the building, eastward for approximately sixty-five feet.
- d. Install a re-designed, two section "switchback" ADA ramp with midway platform, at the west end of the building, adjacent to dedicated ADA parking spaces.
- e. Incorporate a new 12-ft wide by 108-ft long deck running parallel along the front of the building.

Addition cosmetic items to be purchased:

- (1) Purchase solar powered, deck light fixtures
- (2) Purchase patio furniture to accommodate customers
- (3) Purchase exterior audio system

+ \$ 1,087.78

-Project estimate: Removal of existing stairs; and installation of 12-ft X 108-ft deck, main stairs and ADA switchback ramp with platform \$20,800.00 \$1,578.00 Purchase SONOS outdoor audio system \$ 519.00 Purchase Wayfair solar powered, deck light fixtures \$3,793.00 Purchase Walmart patio furniture to accommodate patrons. Total estimated scope of funds for this project are ~~26,172.00~~ 27,777.78

___ **Section 2.0 DEVELOPMENT RELATED DATA**

25,000 Request

- ___ 2.1 A map showing the project site including access to and from site and surrounding area. ___
- ___ 2.2 A full set of architectural drawings (if available).
- ___ 2.3 A detailed history of the firm's record in the development business.
- ___ 2.4 A data sheet on the areas to be constructed including gross square footage, number and types of rooms and their square footage.
- ___ 2.5 A detailed dry cost breakdown. Include land cost, permanent loan fee, construction loan fee, architectural fee, engineering fee, mortgage tax, lease brokerage, office overhead, accounting, insurance, legal, appraisal, etc.
- ___ 2.6 A detailed field cost breakdown. Include demolition, excavation and foundation, electrical plumbing, HVAC, materials, etc.
- ___ 2.7 A revised "Cost Breakdown" form.
- ___ 2.8 A list of prospective tenants and rents to be charged. Include copies of leases or letters of intent. ___

Section 3.0 PROJECT FINANCIAL DATA

___ 3.1 A description of the nature and extent of the financial participation by private entities in the project. Include letters of intent.

___ 3.2 Letters from banks refusing to participate or stating conditions under which they will participate.

___ 3.3 A list of the company's presently outstanding loans, stating the creditors, principal amount outstanding, the rate of interest and the payment schedule on each loan for the next three (3) years.

Currently Galazio has an outstanding loan with Ace Investments in the amount of 50,624.34

___ 3.4 A description of the extent of equity interest in this project by minorities. ___ 3.5 A description of any collateral being offered.

NTE
\$54,000

___ 3.6 A capital equipment list. Include equipment used to manufacture products, provide services, sell, store or deliver merchandise. Give the cost or list price (lower one) for each of the items.

___ 3.7 A description of the circumstances that make this project require public funds.

___ 3.8 A pro forma income statement showing revenues, expenses and return on equity, with and without public assistance, and at various intervals in the future.

___ 3.9 Balance Sheets

Historical: From _____ To _____ From _____ To _____

Pro Forma: From _____ To _____ From Su To attached

___ 3.10 Income Statements

Historical: From _____ To _____ From _____ To _____

Pro Forma: From _____ To _____ From _____ To _____

___ 3.11 Cash Flow Statements

Pro Forma: From _____ To _____ From _____ To _____

___ 3.12 Funds Statements

Pro Forma: From _____ To _____ From _____ To _____

___ 3.13 Breakeven Analysis

Provide a sales objective in dollars and units of production at which the business will be breaking even. Include a description of how objectives will be achieved and how projected profits will be attained.

____ **Section 4.0 MISCELLANEOUS PROJECT DATA**

____ 4.1 A list of all participants/actors in the project (including sponsors, developers, investors, community organizations, professionals, etc., plus names, addresses, telephone numbers and the current status of affiliation.

____ 4.2 A detailed list of actions necessary to implement the project including legal actions, contractual agreements, zoning, condemnation, title search, etc. Give the estimated start and completion data of each and describe possible problems or issues.

____ 4.3 Letters of Community Support (i.e., Community Board, Chamber of Commerce, community Development Corporation).

____ 4.4 A list of shareholders with more than five (5%) per cent of company shares.

____ 4.5 A list of subsidiaries or affiliates of the company, indicating the amount of ownership.

____ 4.6 A list of projected starting and completion dates for the major sections of the project.

____ 4.7 Pictures of the exterior and interior of existing structures or pictures of land to be used in the project.

____ 4.8 Bank references from institutions the applicant has dealt with.

____ 4.9 Personal references.

____ 4.10 A description of any changes that were made in the project that require data to be changed in the "Pre-Application Form."

____ 4.11 A description of all outstanding legal actions the business or participants are involved in. ____

____ 4.12 Environmental and historical preservation considerations pursuant to Section 4.5c, page 33.