



## City of Northfield Revolving Loan Funds

**Type of Loan:**  City-wide revolving loan fund  
 Downtown revolving loan fund

**Project Title:** Reunion Restaurant

### Applicant Information:

Applicant's Name: Joshua B. Drivdahl Title: Project Manager Date: 12/10/2018

Name of Business: 5th & Division Street Partners LLC dba Reunion

Ownership:  Proprietorship  Partnership  Corporation  Non Profit:

Business Address: 501 Division Street S, Northfield MN 55057

Email: [joshua@freetimerestaurants.com](mailto:joshua@freetimerestaurants.com)

Phone: 612.741.3085 Website:

Co-Applicant: Brett D. Reese Phone: 507-646-4028

Address: 527 Professional Drive Suite 100, Northfield MN 55057

Business new to Northfield  Existing Northfield Business – Date Est. \_\_\_\_\_

Business License # \_\_\_\_\_ Federal Tax ID#: 82-3752753

Landlord (if applicable): Division Street Partners Phone: 507-646-4028

Landlord Address: 527 Professional Drive Suite 100, Northfield MN 55057

Terms of Lease: Dec 2018 - March 2019 at \$3,000 per month. April 2019 - March 2023 at \$7,050 per month, with annual 2% increases. 2 additional 3-Year extension periods.

### Project Financing:

Name and Address of Bank:

Premier Bank MN  
112 East Fifth St  
Northfield MN 55057

Contact: Carie Faust  
Phone: (507) 645-4418  
Email: [cfaust@premierbanks.com](mailto:cfaust@premierbanks.com)

Legal Structure of Business: LLC

(Sole Proprietorship, Partnership, S-Corp, C-Corp, LLC)

### Project Summary:

Requested Loan Amount: \$ 100,000.00

Type of Project:  Construction  Expansion of Existing  Start-Up  
(check one)

Project Start Date: April 2018 Expected Completion Date March 2019

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**Briefly Describe Project:**

Renovation of former J. Grundy's Rueb 'N' Stein at 501 - 505 Division Street S.

Enhanced space will feature multiple dining and live entertainment spaces, both indoor and outdoor. Designs have been approved by Northfield Heritage Preservation Commission and MN State Historic Preservation Office.

**Project Details:**

	Applicant \$\$	Private \$\$	Revolving Loan Fund	Total Cost
<b>Land &amp; Site Improvements</b> (Please attach detailed cost breakdown)	(see attached Sources & Uses)			
<b>Buildings</b> (Attach plan & cost estimates, if applicable)				
<b>Machinery &amp; Equipment</b> (Attach detailed description)				
<b>Working Capital</b> (Attach detailed description)				
<b>Other Project Costs</b> (Attach detailed description)				
<b>Total Project Costs and EDA Funds</b>				

**Project Financing Detail**

	Applicant Contribution	Bank Loan	EDA Loan	Other	Other
<b>Amount</b>	\$ (see attached)	\$	\$	\$	\$
<b>% of Total</b>	%	%	%	%	%
<b>Term of Loan</b>	Yrs	Yrs	Yrs	Yrs	Yrs
<b>Interest Rate</b>	%	%	%	%	%
<b>Monthly Payment</b>	\$	\$	\$	\$	\$
<b>Lien Position (1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>)</b>					
<b>Has this funding been approved?</b>					

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**Collateral Detail**

Describe Collateral Provided	Position of EDA (1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> )	Estimated Dollar Value (Please attach current appraisals, etc.)
309 Division Street S, Northfield MN 55057	2nd	\$ 310,100
411 Division Street S, Northfield MN 55057	2nd	\$ 264,200
413 Division Street S, Northfield MN 55057	2nd	\$ 273,300
	Total	\$ 847,600
		\$

**Existing Financial Obligations**

Creditor Name	Original Amount	Current Balance	Monthly Payment	Maturity Date
Bridgewater Bank	\$ 495,000 (April 2013)	\$ 405,500	\$ 3,357.68	April 2023
(one mortgage for all 3 properties listed above)	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	

**Job Creating Detail**

Position Name	Total Jobs	Annual Hours/Job	Salary/Wage Rate
General Manager	1	2,080	\$ 70,000
Assistant/Shift Manager/Event Coordinator	5-7	2,080	\$ 40,000-\$50,000
Hourly Kitchen Staff	10-15	1,500	\$ 12-15/hr
Hourly Wait Staff	20-25	1,500	\$ 9.65/hr
			\$

Total Number of Full-time and equivalent (2,080 hours/year) positions: 23-37

Will this project retain jobs?

Yes

No

If yes, how many? \_\_\_\_\_

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**Public Benefit:**

As a result of the loan, will your business:

• Expand a manufacturing enterprise?	Yes	No
• Have a positive environmental impact?	Yes	No
• Strengthen a key commercial corridor or reuse a long vacant property?	Yes	No
• Provide goods/services presently not available?	Yes	No
• Substantially increase tax revenues?	Yes	No

Please describe the public benefits and quantify where possible.

*Bring energy + foot traffic to vital gateway corner of downtown Northfield at 5th + Division St. Complement reinvestment on this stretch of Division and help all businesses nearby to see more success.*

**Certification**

Have any of the business owners ever gone through bankruptcy? Yes  No

If yes, when? \_\_\_\_\_

Are all current and previous taxes due paid in full for the business, property and business owners?

Yes      No

If no, please identify business/property for which there is delinquent taxes, and the circumstances surrounding the delinquency.

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**Attachments:**

A complete application should include the following attachments:

Business Plan and projected financials for 5 years

Business financial statements for the past two years

Resumes and personal financial statements of all business owners

Commitment letters from all lenders stating the terms and conditions of their participation

An independent appraisal for any real estate offered as collateral; copies of leases, purchase options or agreements, or other financial agreements.

Descriptions of any affiliates or subsidiaries of the business or principles.

Articles of Incorporation and By Laws; Partnership Certificate.

Verification showing none of the following conditions against the business or principles: outstanding judgments, state or federal tax lien, past due real estate taxes, past due property assessments.

Completed Appraised Value \$2,110,000 – Real Estate only

Current Value "as is" - \$600,000

### Real Estate Loan - SBA 504 Loan – Division Street Partners, LLC

<u>SOURCES</u>	<u>USES</u>	
Premier Bank Minnesota Loan	Payoff Community Resource Bank	\$313,500
SBA 504 - 2nd REM	Payoff Castle Rock Bank	\$256,500
Cash Equity	Remainder Building Purchase Price	\$30,000
Carry Forward Equity by Brett Reese	Northfield Construction Company Building Remodel	\$1,707,287
Gap Loans - unsecured after closing	Demo Work	\$39,600
Brett Reese additional Cash	Bar Remodel - Kitchen & Bar equipment	\$271,097
<b>TOTAL:</b>	Architect Fee	\$59,388
	Kitchen Equip. - furniture, sound system, signage	\$171,985
	Grill	\$29,000
	Professional Fees	\$46,474
	Contingencies	\$25,000
	Renovations by owner- painting, cleaning etc	\$174,500
	<b>TOTAL:</b>	<b>\$3,124,331</b>

### Business Loan – SBA Express – 5<sup>th</sup> & Division Restaurant Partners, LLC

<u>SOURCES</u>	<u>USES</u>	
Owner Equity	Design Consultants	\$21,000
SBA Express Line of Credit	Brand Consulting	\$15,000
	Castle Rock Note	\$50,000
	Development Fee	\$81,000
	Liquor License & Permits	\$3,800
<b>TOTAL:</b>	Rent	\$39,000
	Utilities	\$14,300
	Tenant Relocation	\$11,190
	Environmental Assurance	\$10,400
	Chef Rafel Consulting	\$12,000
	Staff Training & Soft Open Events	\$15,000
	Storage & Staging Lease	\$2,340
	Software	\$5,000
	Working Line of Capital	\$0
	<b>TOTAL:</b>	<b>\$280,030</b>

## Project Financing Detail

Reunion

501 - 505 Division Street S, Northfield MN 55057

	Applicant Contribution	Bank Loan #1	Bank Loan #2 (SBA backed)	EDA Loan	Line of Credit	Brett D. Reese Note	Seller-Financed Building Purchase
<b>Amount</b>	<b>\$825,000</b>	<b>\$1,302,000</b>	<b>\$618,000</b>	<b>\$100,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$332,572</b>
% of Total	22%	35%	17%	3%	7%	7%	9%
Term of Loan	none	20-Year	20-Year	20-Year	3-Year	20-Year	20-Year
Interest Rate	none	6.125%	6.125%	5.250%	7.500%	6.000%	5.000%
Monthly Payment	none	(\$9,374.22)	(\$4,449.51)	(\$684.75)	(\$1,562.50)	(\$1,782.17)	(\$2,185.72)
Lien Position (1st, 2nd, 3rd)	none	1st	2nd	2nd (on alternative properties)	none	none	3rd
Has this funding been approved?	Yes	Yes	Yes	No	Yes	Yes	Yes

 **Beacon™** Rice County, MN
**Summary**

Parcel ID	22.31.3.50.075
Property Address	309 DIVISION ST S (Primary Address) 309 DIVISION ST S NORTHFIELD, MN 55057
Sec/Twp/Rng	Lot 4 Block 23 of NORTHFIELD ORIG TOWN
Brief	ORIG TOWN N22FT S44FT L6 & N22FT S44FT W40FT L4 B23 & PART N22FT S44FT W40FT L4 B23 ORIG TOWN NFLD LG NLY S LIN 1/3 W40FT L4 B23 & PART L6 B23 COMG SW COR L6 TH N23D07'02"E 47.54FT TO SW COR N88FT L6 TH CONTG N23D07'02"E 19.59FT TH N89D50'37"E 47.06FT TH N22FT S44FT L6 & N23D07'02"E 47.54FT TO SW COR N88FT L6 TH CONTG N23D07'02"E 19.59FT TH N89D50'37"E 47.06FT TH S00D09'23"E 18FT TO S LIN 88FT L6 & POB TH N89D50'37"E 7.21FT TO E LIN L6 TH N00D03'39"W .33FT TO N LIN S44FT L6 TH S89D50'37"W 7.21FT TH S00D09'23"E .33FT TO POB S00D09'23"E 18FT TO S LIN 88FT L6 & POB TH N89D50'37"E 7.21FT TO E LIN L6 TH N00D03'39"W .33FT TO N LIN S44FT L6 TH S89D50'37"W 7.21FT TH S00D09'23"E .33FT TO POB
	(Note: Not to be used on legal documents)
Area Group	N/A
Use Code	3A-Commercial/Industrial/Public Utility
Tax Authority Group	NFLD CITY-SD659-HRA-EDA

**Owners**

Primary Owner  
**Reo Properties LLC**  
205 Water St S #10  
Northfield MN 55057

## Alternate Taxpayer

## Fee Owner

**Land**

Lot Area 0.06 Acres; 2,464 SF

**Commercial Buildings**

Type	Base Area	Year Built
Store - Retail Small/Office Uppers	2139	1910

**Sales**

Date	Seller	Buyer	Recording	eCRV	Sale Condition - NUTC	Type	Multi Parcel	Amount
12/27/2017	JB ENTERPRISES OF NORTHFIELD	REO PROPERTIES LLC	704016	NONE	SALE UNDER 1,000 MINIMUM FOR PROP TYPES 21-28, 5,000 MINIMUM FOR ALL OTHER TYPES	Deed	Y	\$0.00

**Permits**

Permit #	Date	Description	Amount
13.0139	03/21/2013	Int-Remodel	65,000
09.0197	03/30/2009	Roof	26,230

**Valuation**

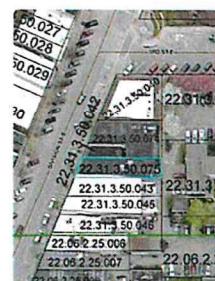
EMV Improvement	Payable 2019 Values	Payable 2018 Values	Payable 2017 Values
EMV Land	\$286,700	\$285,000	\$201,500
EMV Machine	\$23,400	\$23,400	\$23,500
EMV (Estimated Market Value) Total	\$0	\$0	\$0
Green Acres Value	\$310,100	\$308,400	\$225,000
Homestead Exclusion	\$0	\$0	\$0
	\$0	\$0	\$0

**Taxation**

	Estimated Market Value	2018 Payable	2017 Payable
	Taxable Market Value	\$308,400	\$225,000
+	Net Tax Amount	\$10,334.00	\$7,358.00
+	Special Assessments	\$240.00	\$240.00
=	Total Taxes Due	\$10,574.00	\$7,598.00
+	Penalty	\$0.00	\$0.00
+	Interest	\$0.00	\$0.00
+	Fees	\$0.00	\$0.00
-	Amount Paid	\$10,574.00	\$7,598.00
-	Outstanding Balance	\$0.00	\$0.00

**Taxes Paid**

Tax Year	Receipt	Payment Date	Tax Amount	Special Assessment	Penalty	Interest	Fees	Total Payment
2018	U18.19139	10/15/2018	(\$5,167.00)	(\$120.00)	\$0.00	\$0.00	\$0.00	(\$5,287.00)
2018	U18.11121	5/15/2018	(\$5,167.00)	(\$120.00)	\$0.00	\$0.00	\$0.00	(\$5,287.00)
2017	U17.19256	10/16/2017	(\$3,679.00)	(\$120.00)	\$0.00	\$0.00	\$0.00	(\$3,799.00)
2017	U17.10098	5/15/2017	(\$3,679.00)	(\$120.00)	\$0.00	\$0.00	\$0.00	(\$3,799.00)

**Photos****Sketches**

 **Beacon™** Rice County, MN
**Summary**

Parcel ID 22.06.225.035  
 Property Address 411 DIVISION ST S  
 NORTHFIELD, MN 55057  
 Sec/Twp/Rng  
 Brief Tax Description Lot 7 Block 33 of NORTHFIELD ORIG TOWN  
 ORIG TOWN 51/3 L7 B33  
 (Note: Not to be used on legal documents)  
 Area N/A  
 Use Code 4B1-Residential Non-Homestead 3 Units or less; 3A-Commercial/Industrial/Public Utility  
 Tax Authority Group NFLD CITY-SD659-HRA-EDA

**Owners**

Primary Owner  
 REO Properties LLC  
 205 Water St S # 10  
 Northfield MN 55057

**Alternate Taxpayer****Fee Owner****Land**

Lot Area 0.08 Acres; 3,630 SF

**Commercial Buildings**

Type	Base Area	Year Built
Store - Retail Small	1782	1886
Store - Retail Small	660	1886
Store - Retail Small	488	1886

**Sales**

Date	Seller	Buyer	Recording	eCRV	Sale Condition - NUTC	Type	Multi Parcel	Amount
12/27/2017	JB ENTERPRISES OF NORTHFIELD	REO PROPERTIES LLC	704016	NONE	SALE UNDER 1,000 MINIMUM FOR PROP TYPES 21-28, 5,000 MINIMUM FOR ALL OTHER TYPES	Deed	Y	\$0.00

**Permits**

Permit #	Date	Description	Amount
09.0196	03/30/2009	Roof	\$3,700

**Valuation**

	Payable 2019 Values	Payable 2018 Values	Payable 2017 Values	Payable 2016 Values	Payable 2015 Values
EMV Improvement	\$229,700	\$228,300	\$152,000	\$154,100	\$154,100
EMV Land	\$34,500	\$34,500	\$34,500	\$34,500	\$34,500
EMV Machine	\$0	\$0	\$0	\$0	\$0
EMV (Estimated Market Value) Total	\$264,200	\$262,800	\$186,500	\$188,600	\$188,600
Green Acres Value	\$0	\$0	\$0	\$0	\$0
Homestead Exclusion	\$0	\$0	\$0	\$0	\$0

**Taxation**

	2018 Payable	2017 Payable	2016 Payable	2015 Payable
Estimated Market Value	\$262,800	\$186,500	\$188,600	\$188,600
Taxable Market Value	\$262,800	\$186,500	\$188,600	\$188,600
+ Net Tax Amount	\$6,256.00	\$5,176.00	\$5,472.00	\$5,486.00
+ Special Assessments	\$200.00	\$200.00	\$200.00	\$200.00
= Total Taxes Due	\$6,456.00	\$5,376.00	\$5,672.00	\$5,686.00
+ Penalty	\$0.00	\$0.00	\$226.88	\$0.00
+ Interest	\$0.00	\$0.00	\$0.00	\$0.00
+ Fees	\$0.00	\$0.00	\$0.00	\$0.00
- Amount Paid	\$6,456.00	\$5,376.00	\$5,698.88	\$5,686.00
= Outstanding Balance	\$0.00	\$0.00	\$0.00	\$0.00

**Taxes Paid**

Tax Year	Receipt	Payment Date	Tax Amount	Special Assessment	Penalty	Interest	Fees	Total Payment
2018	U18.19139	10/15/2018	(\$3,128.00)	(\$100.00)	\$0.00	\$0.00	\$0.00	(\$3,228.00)
2018	U18.11121	5/15/2018	(\$3,128.00)	(\$100.00)	\$0.00	\$0.00	\$0.00	(\$3,228.00)
2017	U17.19256	10/16/2017	(\$2,588.00)	(\$100.00)	\$0.00	\$0.00	\$0.00	(\$2,688.00)
2017	U17.10098	5/15/2017	(\$2,588.00)	(\$100.00)	\$0.00	\$0.00	\$0.00	(\$2,688.00)
2016	U16.19323	10/17/2016	(\$2,736.00)	(\$100.00)	\$0.00	\$0.00	\$0.00	(\$2,836.00)
2016	U16.12094	6/30/2016	(\$2,736.00)	(\$100.00)	(\$226.88)	\$0.00	\$0.00	(\$3,062.88)
2015	U15.19708	10/15/2015	(\$2,743.00)	(\$100.00)	\$0.00	\$0.00	\$0.00	(\$2,843.00)
2015	U15.11417	5/15/2015	(\$2,743.00)	(\$100.00)	\$0.00	\$0.00	\$0.00	(\$2,843.00)
2014	U14.20487	10/15/2014	(\$2,836.00)	(\$65.00)	\$0.00	\$0.00	\$0.00	(\$2,901.00)
2014	U14.11377	5/15/2014	(\$2,836.00)	(\$65.00)	\$0.00	\$0.00	\$0.00	(\$2,901.00)
2013	U13.26356	10/15/2013	(\$3,073.00)	(\$65.00)	\$0.00	\$0.00	\$0.00	(\$3,138.00)
2013	U13.14101	5/15/2013	(\$3,073.00)	(\$65.00)	\$0.00	\$0.00	\$0.00	(\$3,138.00)
2012	B12.1285	10/15/2012	(\$2,489.48)	(\$56.52)	\$0.00	\$0.00	\$0.00	(\$2,546.00)
2012	U12.26161	10/15/2012	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2012	B12.1285	10/15/2012	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2012	B12.1281	10/15/2012	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2012	U12.15693	5/15/2012	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2012	B12.1284	5/15/2012	(\$3,236.52)	(\$73.48)	\$0.00	\$0.00	\$0.00	(\$3,310.00)
2012	B12.1280	5/15/2012	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2011	U11.21533	10/17/2011	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2011	B13.348	10/17/2011	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2011	B13.358	10/17/2011	(\$1,719.94)	(\$41.06)	\$0.00	\$0.00	\$0.00	(\$1,761.00)
2011	B13.358	10/17/2011	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

