



Legislation Details (With Text)

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Title: Consider Resolution for Revolving Loan request for Secure Base Counseling

Sponsors:

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Attachments: 1. 1 - Resolution, 2. 2 - City Loan Agreement, 3. 3 - Secure Base Counseling Loan Redacted Application

Date	Ver.	Action By	Action	Result
5/23/2019	1	Economic Development Authority	approve	Pass

DATE: May 23, 2019

TO: Members of the Economic Development Authority

FROM: Nate Carlson, Economic Development Coordinator

Consider Resolution for Revolving Loan request for Secure Base Counseling

SUMMARY AND ACTION REQUESTED:

The Northfield EDA Board shall review the Loan Committee recommendation and take action to approve Resolution for revolving loan request from Secure Real Estate, LLC.

BACKGROUND:

Secure Real Estate, LLC (d.b.a Secure Base Counseling Center) is requesting a \$50,000 Loan from the EDA City-Wide Revolving Loan Program. The applicant has provided an application for the funds, which can be found attached to this report. Mrs. Jennifer Simpson-Dahl introduced there project to Economic Development Coordinator, Nate Carlson, in January 2019. There has been thorough due-diligence regarding the project scope and land use specifications of the project. Nate and the applicant worked to refine the project and complete the application to EDA Board standards. This application was provided to staff on April 12, 2019. Staff has reviewed the loan application thoroughly and has identified that this application meets all loan criteria.

Secure Base Counseling Center (SBCC) has identified a business expansion opportunity for their Northfield headquarters located at 570 Professional Drive. Currently, SBCC is medical facility that offers a variety of therapeutic services to children, teens and adults. SBCC has been in operation since 2012. In addition to individual and family psychotherapy, SBCC offers various psychotherapy groups, CTSS services, skills groups, classes, and professional seminars. SBCC employs over 100 employees in total with 75 of those employees working at the Northfield clinic. When the expansion is complete, SBCC estimates their job growth to be an additional 30 employees by the year's end.

Many of the staff consist of Psychiatric Mental Health Nurse Practitioners as well as Occupational Therapists, both of which are high paying positions. The expansion includes purchasing their current facility as well as the adjacent property (600 Professional Drive) and a full build out of both spaces to accommodate their business needs. The project costs are currently estimated at \$1,635,000 to complete the entire expansion.

SBCC has requested funding to assist with gap financing related to building purchase costs and renovations of both facilities. This project has required several financing sources including a significant amount of private equity, a SBA loan through a local bank, a loan from the Women Venture Fund, a Rice County Loan, and an EDA Revolving Loan.

Attached to this report are the necessary documents for EDA Loan Committee review:

- Completed Application
- Funding Sources and Uses Table
- Project Narrative
- Loan Commitment with local bank
- Proposed Amortization Schedule
- Revolving Loan Criteria

The current balance available, as of April 30, 2019, reserved for revolving loans within EDA Fund 292 is \$911,481.07, which is the total unreserved fund balance.

The EDA Loan Committee met on May 7, 2019 to review the application. The minutes of the meeting are attached. The Committee has recommend approval of the loan according to the following terms:

- Loan Amount Requested: \$50,000
- Loan Terms Requested: 20 years
- Loan Amortization Requested: 20 years
- Loan Interest Rate proposed: 5.50%
- Collateral Offered: 2nd Lien Position on Mortgage of both buildings
- Monthly Payments of \$343.94

OPTIONS:

EDA Board has the following options to consider:

- 1) Approve the Committee recommendation for full funding of the Revolving Loan request according to the proposed Loan terms (\$50,000)
- 2) Request further information from applicant to review at a follow-up loan committee meeting
- 3) Deny application

RECOMMENDATION:

Staff recommends approval of the Loan Committee recommendation.