

Rock Island CIRLF Committee Agenda

VIRTUAL MEETING – Google Meets

1528 3rd Avenue

May 26, 2020

5:30 PM



1. Call to Order and Roll Call
 - Mayor Mike Thoms
 - Joan Dean
 - Lawrence Davis
 - Thomas Thoms
 - Brandy VandeWalle
2. Public Comment
3. Opening Items
 - A. Committee Orientation & Review of Procedures
 - B. Upcoming Meeting Dates
 - C. Review of Active Loan Report
4. Old Business
 - A. Review of TESBO File for Write-off
 - Recommended Motion: Move to approve the recommended write-off of the TESBO Conception Group loan.*
5. New Business
 - A. Application from Media Link LLC
 - B. Approval of Loan Balance Write-offs
6. Other Business
 - Next Meeting: June 23, 2020
7. Adjournment
 - Recommended Motion: Move to adjourn.*

From CIRLF Policies and Procedures – 2/8/2018

CIRLF Objectives as Identified by Community and Economic Development Department:

- A. Retain and attract businesses that provide permanent employment principally benefitting persons of low – to – moderate income as outlined in the Community Development Block Grant (CDBG) regulations.
- B. Support potential gains in property tax and sales tax within the City.
- C. Maximize and stimulate private lending institution investment within the City.
- D. Redevelop and recycle blighted or vacant land and facilities within the City.
- E. Provide financial assistance to those businesses that can reasonably document the need for public assistance or where the use of these funds may be the determining factor in a Rock Island location.

CIRLF Mission: It is the goal of the CIRLF Committee to provide long-term, low interest gap financing to businesses and start-up or expanding businesses that will improve Rock Island’s economic resilience to future economic threats by creating and/or retaining jobs.

CIRLF Goals: The following are the business development objectives of the CIRLF Committee:

- Assist eligible businesses in recovering from economic downturns
- Promote business startup and expansion opportunities
- Support development that generally strengthens the City economy against future economic downturns
- Create jobs
- Diversify the economic base of the City

Financing Policies

1. Lending Area: The eligible lending area includes all of the City of Rock Island.
2. Allowable Borrowers: The loan program shall be available to private businesses only to include industrial, commercial/retail and service sectors. Private businesses in all stages of development shall be eligible for funding, so long as they meet the criteria specified herein.
3. Allowable Lending Activities: The loan program shall be available to a wide variety of industry sectors. Loans can be used for, but are not limited to, construction of buildings, reuse and modernization of facilities, purchase of machinery and equipment, and purchase of inventory.
4. Prohibited Lending Activities: The following will not be funded by CIRLF:
 - Speculative activities, such as land banking and the construction of speculative buildings, since they do not normally result in near-term job creation or retention.

- Loan activities and economic benefits resulting from these activities that are not located within the eligible area. CIRLF assistance must be withdrawn if for any reason the activity financed is moved from the eligible area.
- Loans for the purpose of investing in high interest accounts, certificates of deposit or other investments.
- CIRLF loans used as a loan guarantee program.
- CIRLF loans used as a substitute for private capital. The City of Rock Island CED staff will prepare a written analysis within the loan summary and recommendation which is submitted to the CIRLF Committee for review and approval. The analysis will be placed in the loan file. The written analysis will include evidence, such as a bank rejection letter or a list of banks contacted, the amount of funds requested and the bank responses to show that CIRLF funds are not substituting for private capital. The documentation will also show that credit is not available on terms and conditions which would permit the completion and/or successful operation or accomplishment of the project activities to be financed.
- Loans which would create a potential conflict-of-interest for any officer or employee of CIRLF committee, or any current or former member of the CIRLF Committee, elected or appointed official, or staff who reviews, approves or otherwise participates in decisions on CIRLF loans. Loan activities which directly benefit these individuals or people related to them by blood, marriage or law are prohibited in accordance with the terms of the plan.
- Loans will only be made to eligible borrowers when bank or private financing is not otherwise available or terms and conditions which would permit completion of the project activities to be financed. If another public or private loan source is available, no funds can be made available from the CIRLF unless the CED staff finds that the sources have insufficient funds, or the loan project cannot meet the requirements of that source. If a proposed loan meets the program requirements of another public loan fund, but those funds are not sufficient funds to complete the project. The CIRLF Committee should render a finding to combining the public funds with the CIRLF loan to complete the project.
- Loans which will be used to acquire equity position in a private business.
- Loans which will be used to construct public buildings or infrastructure.
- Loans which will subsidize interest payments on an existing bond(s).
- Loans which will provide the equity contribution required of borrowers under other federal loan programs.
- Loans which will enable a borrower to acquire an interest in a business either through the purchase of stock or through the acquisition of assets, unless the need for CIRLF assistance is sufficiently justified.
- Loans which will refinance existing debt, unless in compliance with applicable program regulations.

Loan Size: The maximum loan amount of the program shall be \$75,000 and the minimum shall be \$7,500. No loan shall exceed the outstanding thirty percent (30%) of total participation within the City of Rock Island. The borrower must be in good standing with the City and may only carry one revolving loan at a time.

Interest Rate: The minimum interest rate that may be charged is prime interest rate quoted in the Wall Street Journal, plus one quarter percent. In no event shall the interest rate be less than four percent (4%). The interest rate shall be established at the time of the CIRLF Committee approval.

Term: The term of a loan shall not exceed ten (10) years unless approved as an exception to policy by the Loan Committee. Loans for working capital expenditures generally will not exceed three (3) years.

Equity and Collateral: The borrower will be required to provide a minimum of ten percent (10%) equity into the project. All loans shall be secured by collateral in an amount equal to one hundred percent (100%) of the face value of the loan.

The CIRLF Committee shall review each application for financial feasibility, security and ability to satisfy the purposes and priorities of the CIRLF Program. The Committee shall approve, by majority vote of the full Committee, applications that meet program guidelines and that are financially sound. The Committee shall not approve any application, either tentatively or conditionally, if there are not sufficient funds currently in the program account. The decisions of the Committee are final and without right of appeal.

City of Rock Island

MEETING DATES AND APPLICATION DEADLINES FOR CIRLF LOAN PROGRAM

Program Year 2020

Meeting Date

May 26, 2020

June 23, 2020

July 28, 2020

August 25, 2020

September 22, 2020

October 27, 2020

November 24, 2020

December 22, 2020

Application Deadline

May 5, 2020

June 2, 2020

July 7, 2020

August 4, 2020

September 1, 2020

October 6, 2020

November 3, 2020

December 1, 2020

**All Dates are proposed until ratified by the committee.

CORI Monthly - Payments - April 2020

As of:
4/30/2020

Note Type Code	Loan Account	Effective Date	Customer Name	TC	Current Balance	Total Amount	Principal	Interest
189 CI-CIRLF	CL-008880007331	04/01/2020	SMOOTH JAZZ CAFE INC	300	7,974.98	172.12	144.52	27.60
	CL-008880008081	04/01/2020	JAKEBS INC DBA JAKES O'S GRILLE	300	551.17	184.17	181.68	2.49
	CL-008880008341	04/01/2020	DISCOUNTED FURNITURE COMPANY LLC	300	35,498.77	506.23	384.78	121.45
	CL-008880008391	04/01/2020	TABLE 13 PRODUCTION INC DBA IGORS BISTRO	300	37,800.58	506.23	376.53	129.70
	CL-008880008111	04/06/2020	1809 LLC	300	33,506.23	607.45	491.72	115.73
	CL-008880008381	04/06/2020	BROTHERS PARRIS LLC DBA WAKE BREWING	300	86,044.67	739.69	445.96	293.73
	CL-008880008471	04/08/2020	TAPAS YOGA SHALA INC	300	2,479.04	221.00	211.52	9.48
	CL-008880007671	04/13/2020	AFS CLASSICO LLC	300	31,848.91	800.00	688.71	111.29
	CL-008880007031	04/15/2020	RILCO	305	0.00	0.71	0.00	0.71
	CL-008880007031	04/15/2020	RILCO	304	0.00	248.69	248.69	0.00
	CL-008880008451	04/28/2020	MEDIA LINK INC	300	35,657.69	506.23	387.77	118.46
	CL-008880006961	04/30/2020	JTM CONCEPTS INC	300	61,797.13	703.08	498.33	204.75
	CL-008880008191	04/30/2020	SILVER PAWS LLC	300	30,170.37	506.23	405.92	100.31
	Total						5,701.83	4,466.13

City of Rock Island (888) YTD Delinquent

As of: 4/30/2020

Note Type Code	Account Number	Name	Last Payment Date	Next Payment Date	Total Current Balance	Total Delinquent Amount	Total Original Amount
189 CI-CIRLF	008880000758	JEANS PLATINUM STYLEZ BEAUTY SUPPLY	03/11/2020	05/01/2020	27,096.12	373.59	10,000.00
	008880001651	RUBYS CREOLE & CAJUN FOOD INC	09/28/2007	05/26/2020	34,627.75	3,200.00	34,627.75
	008880001971	ENVIRONMENTAL ASSOCIATED SERVICES	09/28/2007		14,893.00	20,938.32	14,893.00
	008880002071	INFINITY II INC	05/22/2009	05/01/2020	44,742.05	24,150.00	46,842.05
	008880002981	GLASS IMPACT INC	09/28/2007		11,147.18	17,207.57	11,147.18
	008880003231	SERVICE SHOP	09/28/2007		17,811.12	28,472.17	17,811.12
	008880003791	LATISHA HOWLETT	09/28/2007		18,449.45	31,052.95	18,449.45
	008880003881	GLASS IMPACT INC	09/28/2007		38,858.97	62,626.28	38,858.97
	008880003931	HARPLANDER LLC	09/28/2007		25,248.37	27,321.50	25,248.37
	008880003961	CARLSON HEATING & AIR CONDITIONING INC			27,606.61	32,054.96	27,606.61
	008880003991	C & S ENTERPRISES INC	09/28/2007		16,110.13	19,597.86	16,110.13
	008880004011	SONATA RESTAURANT & LOUNGE	09/28/2007		39,318.38	47,971.11	39,318.38
	008880004161	BROOKE KATHERINE DESIGNS	09/28/2007		9,520.54	11,280.67	9,520.54
	008880004261	WRIGHT HEATING & AIR CONDITIONING	10/19/2007		9,526.44	10,199.68	9,724.62
	008880004441	ROCK TOWN DINER INC	12/11/2009		28,578.93	34,754.76	28,578.93
	008880004771	T & JS EURO CAFE & COFFEHOUSE	09/28/2007		19,929.02	23,510.77	19,929.02
	008880004801	THE ART PLACE	09/28/2007		19,919.59	23,970.86	19,919.59
	008880005231	MARY K BENHART	01/07/2008		17,605.79	23,363.51	18,191.83
	008880005431	LE MEDUSE ESPRESSO EMPORIUM	08/10/2009		14,544.48	17,309.73	14,544.48
	008880005651	2107 CLUB ENTERPRISES LLC	09/28/2007		37,569.11	47,462.91	37,569.11
	008880005671	BEARTRAC JUNCTION LLC	06/23/2008		43,741.92	43,741.92	49,217.74
	008880005771	R FAMILIES CORPORATION	09/28/2007		60,000.00	60,000.00	60,000.00
	008880005781	BEARTRAC JUNCTION LLC	10/01/2008		40,000.00	47,872.88	40,000.00
	008880006051	HUGHES TIRE & BATTERY CO	12/15/2015		2,087.80	2,087.80	50,000.00
	008880006391	R I W INC	12/01/2010		27,564.01	31,155.02	45,000.00
	008880006691	INDULGENCE NAILS & HAIR SALON	01/14/2011		12,343.89	14,326.30	15,000.00

008880006731	THE FANCY STREET CLOCK & LIGHT CO LLC	04/26/2010	05/01/2020	58,561.00	82,005.76	60,000.00
008880006771	KELVIN SHEETS	03/01/2010		10,000.00	11,970.41	10,000.00
008880006891	1722 2ND AVE LLC	05/01/2013		7,039.56	7,510.15	20,000.00
008880006911	REALM WELLNESS SPA LLC	09/24/2015		35,314.74	43,517.35	40,000.00
008880007011	CITY LIMITS SALOON & GRILL LTD	06/12/2018		62,872.33	74,199.69	83,406.00
008880007041	MIDWEST TOOL AND EQUIPMENT	11/14/2014		20,073.36	22,687.20	30,000.00
008880007261	THE SPEED ATTIC	06/30/2017		12,478.68	14,241.02	25,000.00
008880007421	COMPLETE BALANCE CHIROPRACTIC PC	01/13/2020	05/01/2020	2,544.11	861.68	20,000.00
008880007431	MORTEN T WABYAOMBE	10/31/2017	05/01/2020	26,202.17	25,118.80	26,252.17
008880007481	MARTINIS ON THE ROCK INC	09/03/2013		35,528.19	40,975.36	45,500.00
008880007571	GOOMBAZZ RESTAURANTS INC	07/01/2013	05/01/2020	24,658.28	27,679.32	25,000.00
008880007621	SENLU LLC	07/01/2014		19,500.00	23,338.03	19,500.00
008880007731	THE WRIGHT OCCASION GIFT SHOP	05/05/2017	05/01/2020	25,387.17	8,996.05	22,792.00
008880007821	D&L SURPLUS & SPECIALTIES INC	03/08/2018	05/01/2020	66,745.98	25,311.25	100,000.00
008880008101	SWITCH STANCE SKATE SHOP LLC	06/12/2019	05/01/2020	2,482.46	2,025.87	10,000.00
008880008131	TIMOTHY BALDWIN	03/02/2020	05/01/2020	14,444.80	14,855.58	54,852.00
008880008141	COURTNEY LOFTIN	01/03/2018	05/01/2020	5,912.26	4,972.59	10,000.00
008880008161	EL PATRON	04/29/2019	05/01/2020	50,476.80	10,630.80	70,000.00
008880008171	KRISTA TRACY	11/03/2016	05/01/2020	8,324.97	7,550.97	10,000.00
008880008301	HEALTHY HARVEST URBAN FARMS &	02/11/2020	05/01/2020	52,393.89	5,669.76	70,000.00
008880008331	BRIDGES CATERING DBA BIG H LITTLE H	05/23/2019	05/01/2020	78,657.75	12,149.40	100,000.00
008880008521	SHELEIGH MARTIN	10/24/2018	05/01/2020	8,601.19	3,368.52	10,000.00
008880008561	SPAGOS LLC	12/06/2019		53,002.88	9,466.45	55,000.00
Total				1,340,043.22	1,185,105.13	1,635,411.04

**Memorandum
Department**

To: Randall Tweet, City Manager
Subject: TESBO Conception Group Releases and Write-Off
Date: October 14, 2019



In 2003 Rock Island's CIRLF committee authorized a loan to TESBO Conception Group, LLC in order to retain a grocery store on 24th Street in place of the Eagle's store that was closing.

The CIRLF loan issued to the group has been delinquent since 2010 and has a total delinquent amount of \$44,057.70.

The Finance Department has a lien on the property for unpaid water and sewer bills in the amount of \$20,364.04 and \$1,012.58 in late fees and charges.

A new company has purchased the property and is working to redevelop the property. The company has asked if creditors for TESBO Conception Group will release liens that have been placed on the property to facilitate their redevelopment.

Staff is seeking council guidance on whether to release the liens, and whether to write-off the outstanding balances owed to the City.

RECOMMENDATION:

That Council approve the lien releases; approve write-off of outstanding balances; and direct City Staff to execute the appropriate documents.

Submitted by: Tarah Sipes, Economic Development Manager
Chandler M. Poole, CED Director

Approved by: Randall Tweet, City Manager