

## Ox Manufacturing

Plans to add 20-25 jobs within the next 12 months.

Needs additional assembly space and will convert the roughly 3,000 sf covered area in the back to air-conditioned, finishing space.

### Proposal:

1. \$200,000 Loan to Build out the needed improvements and paid for directly from BEDC to contractors.
2. Repayable to BEDC over a 4-year term (\$50k/year) with 4% *interest* and secured by 2nd lien on the property.
3. \$7,000 grant per new FTE as an incentive to Ox based on annual payroll change (1 new FTE equals \$35,000/year wage)
4. Repayment begins 1 year after execution and is based on the remainder of the loan minus incentive for that year. So, 2025 payroll will determine repayment in 2026. This gives a 1-year ramp-up time period which is when the bulk of overhead costs and obstacles will be incurred (purchasing raw materials, build out, etc)
5. If defaults, then foreclose on the building for the remaining balance.

The maximum incentive is the full \$200,000 loaned (\$175,000 would be 25 jobs)

### *Example 1:*

5 **new** FTE: \$35,000 grant

Loan amount due: \$50,000 plus interest

\$15,000 / 12 months = \$1,250/month plus interest

### *Example 2:*

10 **new** FTE: \$70,000 grant

Loan amount due: \$50,000 plus interest

\$-20,000 balance transfers to the next year.