



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: September 26, 2024

STATEMENT OF ISSUE: Consider approval of a Commercial Building Improvement Loan with Klockow Brewing for improvements to 36 SE 10th St.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

Andy and Tasha Klockow, owners of the Klockow Brewing Company located at 36 SE 10th Street have requested a Commercial Building Improvement Loan of \$6,777.53, which represents 75% of the cost of a project to install a water supply carbon filtration system. The total cost of the project is \$9,668.53. The project is necessitated by the Grand Rapids PUC recent decision to begin chlorinating the city water supply.

As you'll recall, the CBIL can provide up to \$40,000 per project or 75% of the total project cost, whichever is less. The CBIL program provides these funds at a 2% interest rate, amortized over a 20-year periods with a balloon payment at the end of year five.

This investment by GREDA requires an exception from the Guidelines for the CBIL Program in that the filtration system can be considered as equipment and not a building improvement. GREDA is allowed to deviate from those guidelines for a specific reason. In this case, the impact of the GRPUC decision to chlorinate has resulted in an unanticipated business expense.

Commissioners Hodnik and Blake will be reviewing this application with staff and will have a recommendation for GREDA at the meeting.

RECOMMENDATION:

REQUIRED ACTION: Pass a motion approving a Commercial Building Improvement Loan with Klockow Brewing Company for improvements to 36 SE 10th St.