



MEMO

PLANNING AND COMMUNITY DEVELOPMENT

To: Redevelopment Authority of the City of Kaukauna
From: Lily Paul, Associate Planner
Date: August 26, 2022
Re: Revolving Loan Application Review – Riverside Property Management LLC, 215 W Wisconsin Ave

Jason Hurst of Riverside Property Management LLC, owner of 171 W Wisconsin Ave, is seeking a loan to perform updates for his residential rental space in the second level of this building. There are four apartments that need updating. The work that is proposed to be done is installing new cabinets, appliances, sinks, countertops, vanities, doors, and flooring. Wire repairs will be done, and the emergency exit stairs will be replaced. These updates will increase value, and attract tenants to seek out renting in the downtown. Also, repairing wires and updating emergency exit stairs are necessary since they are a safety concern.

Jason Hurst owns several buildings on Wisconsin Ave and has a vision of updating them to help improve the economy of the downtown.

The total cost estimate for building updates is \$180,200 with work to be done by D&M Interiors. All estimates have item break downs listed in the attachments. Also attached is the existing stairwell, and a vision for the finished product. A printed attachment of financials will be available at the meeting to aid in the discussion of the loan proposal.

It is the duty of the Redevelopment Authority to discuss and agree on the loan proposal.

Loan proposals will be based on need and ability to repay. Minimum standards include the following:

1. **Loan Amount:** Loan amounts are subject to the availability of funds. There is no set minimum or maximum loan amount, however, the Redevelopment Authority of the City of Kaukauna loan amount shall not constitute the only source of funds for the project.
2. **Interest Rate:** The interest rate shall be established by the RACK board. Please check the Interest Rates Addendum for the latest guidelines. *The interest rate has been set at 2%*
3. **Term:** The term of the loan shall be no longer than the term of private financing. In no case shall the term exceed fifteen (15 years).
4. **Period of Payment:** The repayment schedule shall be set up for monthly payments.
5. **Amount of Payment:** Interest and principal shall be collected for the term to maturity. Interest and/or principal may be deferred for up to one year, if justified in the loan proposal.
6. **Collateral:** Reasonable security will be required for one hundred percent (100% of the loan. Collateral shall consist of a first or second lien on all assets owned and used in the business and personal guarantees.

