



MEMO

PLANNING AND COMMUNITY DEVELOPMENT

To: Redevelopment Authority of the City of Kaukauna
From: Lily Paul, Associate Planner
Date: April 3, 2023
Re: Revolving Loan Application Review – Wellness 360

Sydney Hummell, owner of Wellness 360, located at 500 Lawe Street, is seeking a loan to replace the roof of the building. The current roof is in bad condition, and leaking occurs. Some repairs were done, but was not fixed completely. The existing roof condition can be found in the Proposal (Exhibit 4). Please find Exhibit 3 which describes the improvements already made to the building and the income of the business.

The cost estimate for this update is \$48,375, including replacing the skylights. ARC Contracting is proposed to do the work. Ms. Hummell is projecting to put 20% (\$10,000) of her personal/business money into the repairs and a final loan amount of \$38,375. 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.



REVOLVING LOAN PROGRAM APPLICATION



Project Name: Wellness 360

Project Address:

500 LAKE ST. KAUKAUNA, WI 54130

Contact Name:

Sydney Hummell

Contact Address:

500 LAKE ST. KAUKAUNA, WI 54130

Telephone:

920-277-2457

Email:

wellness.360@yahoo.com

Year Business Established: 2019

Applicant Is:

Owner ☒ Lessee of Property ☐ Sole Proprietorship ☐
 Partnership ☐ Corporation ☐ Other Business Structure ☐

Number of Employees:

2

Full Time

Part Time

Brief Description of Business:

Health + Beauty studio. 2 Employees + 10 Independent business owners

List all owners, directors, or partners having 20% or greater interest:

Sydney Hummell - 100%

Project Description:

New roof on building

In what ways will the project benefit the community?

Increase tax value ☐

Improve curb appeal/aesthetics ☐

Safety or security upgrades ☐

Accessibility improvements ☐

Job creation or retention ☐ jobs created ☐ jobs retained

Improved building longevity ☒

New or retained business ☐

Energy efficiency upgrades/weatherization ☐

Creating services not currently available in a community ☐

Other:

Project Costs

Acquisition	
Exterior Renovation	
Interior Rehabilitation	
Land/Site Improvements	\$ 50,000
Utility Improvements	
Machinery/Equipment	
Design Services	

Project Financing

Personal Funds	\$ 10,000
Lender Funds	
RACK Funds Requested	\$ 40,000
Other	

Existing Building Conditions

If building is owned by applicant:

Acquisition Date	Jan 7, 2022
Purchase Price	\$ 285,000
Existing Mortgage Balance	\$ 220,000
Land Contract Balance	
Monthly Mortgage Payment(s)	\$ 1,400
Recent Appraised Value	

If building is leased by applicant:

Annual Rent	
Lease Termination Date	
Name of Building Owner	
Address of Building Owner	

Application Agreement

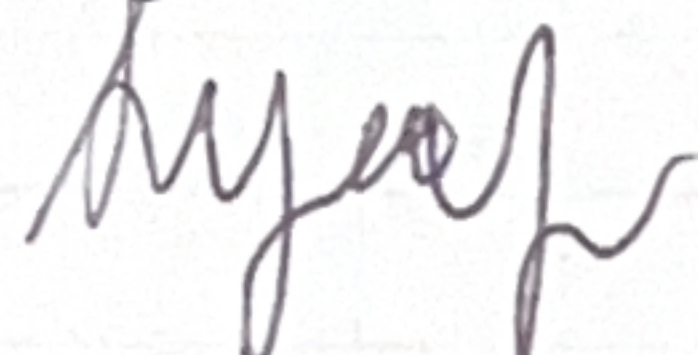
The applicant certifies that all information in this application, and all information furnished in support of this application, is given for the purpose of obtaining a loan under the Commercial Revolving Loan Program and is true and complete to the best of the applicant's knowledge.

The applicant further certifies that they are the owner of the property described in this application, or the lessee with proof of the owner's consent to improve said property.

The applicant further certifies that the loan proceeds will be used for the work and materials identified in this application and will abide with all provisions and guidelines of the Commercial Revolving Loan Program.

The applicant further authorizes disclosure of all financial information submitted in connection with this application by and between the Redevelopment Authority of the City of Kaukauna and any lender agreeing to participate with the applicant's loan through this program.

Signature of Applicant



Signature of Applicant

Date

3/27/23

Date



Exhibit 2

RACK Loan Info

Business Description

Wellness 360 is home to 11 small business owners, all operating under one roof. We provide the community with various health + beauty services including massage, nutrition coaching, esthetics, injectables, spray tans, reiki, hair, makeup & more. Our company works with a variety of providers on a commission basis as well as a few team members who pay on a monthly rent rate + commission basis. I am attaching an additional document in which it breaks down those incomes further.

Description of Need

Our building is in need of a new roof. We have 72 patches across the roof, due to the prior owner's decision, which has caused the roof to have frequent leaks.

Estimates

I am attaching in an additional document, the quotes from our preferred company, ARC Contracting

Exhibit 3

Wellness 360 Improvements + Income

Improvements made since purchase

1. \$12,000 Lower level upgrades
 - A. New Ceiling
 - B. New lighting
 - C. Walls painted
 - D. New Flooring
2. \$15,000 Flooring in treatment rooms
 - A. Carpet pulled + Vinyl added in 7 Treatment rooms
3. \$3,000 Ceiling + lights in treatment room
 - A. Original 1977 tile ceiling + box lights removed. Drywall ceiling + Can lights + Chandelier added.
4. \$2,000 Baseboard in some treatment rooms
5. \$4,000 plumbing added
 - A. Plumbing + vanities added to 3 treatment rooms

Future Improvements

1. \$100,000-\$175,000 Upper level upgrades occurring in 2023
 - A. New flooring in Entire hallway + Lobby
 - B. New Ceilings in entire hallway + lobby
 - C. New Ceilings in all treatment rooms
 - D. New Light fixtures (1977 originals currently) across entire building
 - E. New baseboard through entire building
 - F. Wall added to create additional treatment room
 - G. Walls taken down + replaced in back hallway of building
 - H. Wall replaced to extend existing treatment room
2. \$50,000 New roof (completing by May 2023)
 - A. 20 year warranty with life expectancy of 25-30 years
 - B. All skylights replaced + warrantied
3. \$4800 New Concrete in front entrance (completing by May 2023)

Exhibit 3

Rent Roll

1. Treatment room 1: \$700/month + 5% (avg \$300/month)
2. Treatment room 2: 30% Commission (AVG. \$1000/month)
3. Treatment room 3: \$700/month + 3% (avg \$300/month)
4. Treatment room 4: 30% commission (avg \$800/month)
5. Treatment room 5: \$600/month + 3% commission (avg \$400/month)
6. Treatment room 6: 30% Commission (avg. \$1500/month)
7. Treatment room 7: 15% Commission (avg \$4000/month) increasing to 25% commission 6/1/23
8. Lower level treatment room: 25% commission (projected income \$1000/month)

March 13, 2023

Wellness 360



Roof Replacement Proposal

ARC Contracting
2300 Holly Rd. Neenah, WI 54956
Prepared by: Jesse Chase

Enclosed is the proposal and pictures for the roofing project on your commercial building.

Exhibit 4

Roof Synopsis and Notes:

Age of roof:	17 years
Square Footage:	4,213sf
Concerns:	Leaking
Slope:	Low Slope
Roof Type:	Pea Gravel, Built-up Roofing system
Composition:	Wood decking

Further notes from the inspection are as follows:

- The building is experiencing multiple leaks and will have areas of wet insulation.
- Multiple failing repairs.
- The pea gravel will need to be removed before installing the new roof system.

Inspection Images:

Overview



Exhibit 4



Exhibit 4



Large amount of tar patches.





ARC Contracting of Wisconsin, Inc.

2300 Holly Road
Neenah, WI 54956
(877) 272-3200

Customer:

Wellness 360
500 Lawe St
Kaukauna, WI 54130

ARC Project Manager:

Adam Reichenberger
(920) 517-1682

DESCRIPTION OF WORK:

- ARC Contracting will pull required permits prior to the start of the project.
- Remove the existing loose pea gravel prior to loading the roof with materials.
- Inspect for wet insulation where there were previous leaks and provide replacement cost to the owner.
- Load roof with materials and set up a safety warning line system up to OSHA standards.
- Remove the existing edge metal and safely dispose of the debris.
- Remove all unused roofing penetrations and safely dispose of the debris.
- Fill in the open areas with new insulation up to the existing roof system.

Exhibit 4

- Mechanically fasten new 1" ISO insulation board over the existing roof system with approved fasteners.
- Mechanically fasten new 50 mil PVC single ply membrane over the new ISO insulation board with approved fasteners.
- Flash the perimeter with 50 mil PVC single ply membrane and terminate with approved fasteners.
- Furnish and install new aluminum drain inserts into the existing drainage system for proper water flow.
- Flash all penetrations and terminate with approved roofing materials.
- Furnish and install a new 24-gauge 4" edge metal on the perimeter for a decorative finish.
- Perform a workmanship quality inspection to ensure a watertight roofing system.
- Clean up all tools and debris from the job site.
- Ten (10) year Workmanship Warranty.
- Twenty (20) year IB Manufacturer Warranty.

Investment Total: \$44,225.00

Skylight Replacement: \$4,150.00 (5 skylights)

Int._____

Customer Signature_____

Print Name_____

Date_____

March 13, 2023

Exhibit 4

TERMS AND CONDITIONS

- i. All agreements are contingent upon strikes, accidents or delays beyond the control of ARC Contracting of Wisconsin, Inc. Any and all complaints/claims concerning workmanship, aesthetic quality, damage, debris, additional materials, etc. must be given to ARC Contracting of Wisconsin, Inc. in writing, by certified mail, within thirty (30) days of completion of job or are hereby and absolutely waived.
- ii. If payment is not made as set forth herein, Customer will be in default of the payment terms of this contract, waiving notice or presentment. Upon default, Customer agrees to pay all costs associated with the collection, including attorney's fees, pre-judgment and post-judgment interest at 1.5% monthly. Further, Customer and/or Property Owner agrees that this agreement represents a consensual lien on all property, and that ARC Contracting of Wisconsin, Inc. may take whatever steps necessary to perfect such a lien. In addition, if payment in full is not received by ARC Contracting of Wisconsin, Inc. within fifteen (15) days of completion any/all warranties shall become void.
- iii. Payments shall be made as follows: (1st) **1/2 upon approval**; (2nd) **1/2 upon completion**
- iv. ARC Contracting of Wisconsin, Inc. disclaims any and all responsibility for pre-existing conditions (disclosed and undisclosed) including, but not limited to: structural damage and deficiencies, clogged drains, mold growth, excessive standing water, removal of hazardous material or other hidden deficiencies such as HVAC units/conduits, electrical or gas lines. This agreement does not cover, and in no case, shall ARC Contracting of Wisconsin, Inc. be liable for, the removal of or damage to HVAC units/conduits, gas lines, water lines, electric lines, or conduits, whether located above, below or within the roof system, lightning protection systems, landscaping, communication cable, communication devices, or other devices, including recalibration of satellites. It is the building owner's responsibility to provide protective measures. Customer and/or Property Owner agree that all residences and commercial structures that have plumbing related facilities have the presence of mold and mildew. ARC Contracting of Wisconsin, Inc. shall not be responsible for mold or mildew existing prior to any roofing work or any mold or mildew discovered subsequent to any roofing work. Customer and/or Property Owner hereby waives any claim for personal injury or property damage against ARC Contracting of Wisconsin, Inc. related to any form of mold or mildew. Customer and/or Property Owner agree that, unless otherwise specifically stated within this agreement, ARC Contracting of Wisconsin, Inc. will only be responsible for the roof during the time that the roof project is in progress and under no circumstances will ARC Contracting of Wisconsin, Inc., its owners, officers, or employees be responsible for interior finishes after roof work as described herein has been completed in full by ARC Contracting of Wisconsin, Inc.
- v. This agreement shall be governed by the laws of the State of Wisconsin, and the venue for any dispute arising under this contract shall be in Winnebago County, Wisconsin. This document represents the entire agreement, and all modifications must be accepted by both parties in writing.
- vi. The person or person(s) signing this agreement represents that they are either the owners of the property for which the roofing work is being performed, and/or the authorized agent of all owners whose signatures do not appear on this agreement. In addition, they affirmatively represent that they have the available funds to pay the entire charges contemplated by this agreement upon substantial completion and that they are not currently a Petitioner under any case in Bankruptcy Court nor contemplating the filing of any Petition in Bankruptcy. Customer and/or Property Owner is signing as the owner of the property and personal guarantor.

Int. _____