



April 5, 2025

Commercial Loan Application

Borrower: SEAR'D

Project: SEAR'D will be a Korean BBQ and karaoke restaurant located at 723 New York Ave., bringing an interactive and upscale dining experience to downtown Sheboygan. This project requires securing and renovating a two-story, 8,542 sq. ft. venue in the heart of downtown to accommodate a full-service Korean BBQ restaurant with built-in tabletop grills, a commercial kitchen, and private karaoke rooms.

The City RLF loan will be used for equipment and working capital including the purchase of a commercial kitchen hood system, the purchase of high-quality used or new restaurant equipment, and working capital to support the first few months of operations.

Led by May Xiong, SEAR'D will introduce a unique cultural dining experience that will attract both locals and visitors, contribute to the downtown area's economic growth, and create new job opportunities within the community. The business is committing to creating 23 jobs available to LMI individuals.

Total Project:	\$500,000	acquisition
	400,000	renovations
	150,000	equipment (City RLF request)
	100,000	working capital (City RLF request)
	\$ 1,150,000	Total project

Request: City of Sheboygan revolving loan fund:

- \$250,000 for equipment and working capital/soft costs
- 10-year term
- 4.25% interest rate
- 10-year amortization
- 6 months deferred payments

Expected Payments: \$2,560.94 per month

Collateral:

- 1st position lien on new equipment
- GBSA on business assets
- Owner's personal guarantee

Project Information:

SEAR'D is targeting a prime location in Sheboygan to open SEAR'D, focusing on an area with high foot traffic and a central, accessible spot for the community. The restaurant will feature seating for 120-150 guests, creating a welcoming space for both casual diners and larger gatherings. Additionally, the venue will include private karaoke rooms designed for group bookings and celebrations, along with a bar area to enhance the

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social experience. Korean cuisine is experiencing a surge in popularity, driven by cultural interest, media exposure, and the growing influence of K-pop. The U.S. Census Bureau reports a significant increase in the Asian American population, many of whom are already familiar with Korean BBQ. In parallel, more people are seeking out authentic international dining experiences, which further boosts demand for Korean BBQ.

Currently, Sheboygan lacks a Korean BBQ restaurant, making SEAR'D a trailblazer in introducing this unique concept to the local market. While there are several restaurants offering Asian cuisine, none provide the interactive dining and entertainment experience of Korean BBQ paired with private karaoke rooms. This creates a significant opportunity to fill a gap in the market and stand out as a first-of-its-kind establishment in the area. However, there are a few close or key competitors in the area, including Toy's Restaurant, Thai Café, The Spices, Kame Ramen & Sushi Poke.

Key Milestones for SEAR'D

To ensure the success and growth of SEAR'D, the following milestones will guide operations and strategic planning:

- Pre-Opening Phase – 0-6 months
- Short term Goals – 6-12 months
 - Customer feedback integration
 - Steady revenue growth
 - Establish reputation
- Mid-term Goals – 1-3 years
 - Expand offerings
 - Optimize operations
 - Achieve financial milestones (revenue and profit margins)
- Long-Term Goals – 3-5 years
 - Community involvement
 - Explore expansion
 - Solidify market leadership

Target markets include young adults (age 18-30), young professionals (age 25-45), families (age 35-55), corporate groups and special events, and tourist/local visitors.

Private Funds Leveraged: (The applicant must leverage a minimum of one dollar (\$1.00) of private funds for every one dollar (\$1) of loan funds requested.)

SEAR'D will borrow \$875,500 from United One for acquisition and renovations.

The owner will invest \$25,000 of her own cash.

Total dollars leveraged: \$900,500.

Cost per Job Created: (At least one (1) full-time permanent position or full-time equivalent must be created for every \$25,000 of program funds requested.)

SEAR'D is projecting to create 59 jobs over the first two years, 23 of which will be for low-to-moderate-income persons.

	MANAGEMENT/SUPERVISORY TOTAL	PROFESSIONAL/TECHNICAL TOTAL	SKILLED LABOR TOTAL	UNSKILLED LABOR TOTAL
End of First Year	4	2	8	12
End of Second Year	5	3	10	15
Average Wage	60000	50000	16	12

Low and Moderate Income (LMI) Benefits: (The project shall provide increased permanent employment or will retain existing jobs, which would have been lost locally. Of the jobs created or retained by the project, at least 51 percent of these jobs must be made available to low to moderate income persons (as defined by household incomes published by the U.S. Department of Housing and Urban Development.)

All the jobs created will be available to low- to- moderate income individuals.

Financial Feasibility and Business Viability:

Verified: Borrower's entity, SEAR'D, LLC is listed with the State of WI DFI as a business entity in good standing.

A UCC Filing search reveals no tax liens.

A review of the company's financial records and projections, and personal finances of the borrower have been conducted, and has been found to represent a strong application. The business owner is highly capable of owning/operating this business, and has significant project management experience from her career at Johnsonville.

Strengths:

- The business has a well- thought- out business plan
- Financial projections are within industry standards for a restaurant/bar with entertainment establishment.
- They are occupying a downtown storefront.
- The owner is employed full- time as a project manager with significant experience implementing large project, she is driven and committed to business success
- The owner is not giving up her primary full- time employment as a project manager at Johnsonville.
- With multiple streams of revenue, this business will be able to withstand fluctuations in sales.

Noteworthy:

- The City of Sheboygan has available funding and continues to receive program income, as repayments from other loans, which it also needs to keep revolving into local projects.
- Current pipeline demand for loan funds does not exceed supply.