

REVOLVING FUND COMMITTEE MINUTES

Tuesday August 26, 2008 @ 2:00 PM
2ND Floor Conference Room
County Administration Building
189 E. Court Street, Kankakee, IL

CALL TO ORDER:

Chairman Jim Vickery called the meeting to order at 2:03 P.M.

ROLL CALL: *In Attendance*

Members – Mr. Jim Vickery, Mr. Brett Reum, Mr. John Gruhn, Cherrie McBride

Staff – Mr. Michael Martin

Others – Mr. Luke Wetzel w/Luke's Performance Collision Center

DECLARE QUORUM: Quorum declared by Mr. Jim Vickery

PUBLIC COMMENTS:

None

APPROVAL OF MINUTES:

The minutes from August 12, 2008 were discussed and Bret Reum made it known that the election of officers needed to be added to the minutes. A motion was made by Bret Reum to accept the minutes as amended. Jim Vickery seconded the motion, motion carried.

SIGN FINAL REPORT & RECOMMENDATION FOR ACCION OF CHICAGO APPLICATION

The final report and recommendation was reviewed and signed by Bret Reum, John Gruhn, Jim Vickery and Cherrie McBride. The Recommendation will move on to PZA on August 27, 2008.

REVIEW OF LUKE'S PERFORMANCE COLLISION CENTER APPLICATION:

Mr. Luke Wetzel introduced himself and went on to describe his business and the business plan. Mr. Wetzel said that he is trying to expand the business and use green technologies by using a water based paint as opposed to a thinner based paint. Water based paints require a special paint booth to dry the paint. He is planning to buy the North building (395 N. Schuyler) half office and half shop. Mr. Wetzel currently rents the space he is currently in but would like to expand the office space. Mr. Wetzel said that the building was worth \$179,900 and that he had planned on putting \$127,000 into the remodeling of the building. John Gruhn asked if he had other bank financing and Mr. Wetzel replied yes with City Bank for \$270,000 but City Bank was unwilling to loan more. Mr. Wetzel will be covering the remaining 10% of his loan. John Gruhn asked if it was a SBA loan and Mr. Wetzel replied yes. Bret Reum asked if Mr. Wetzel had exhausted all other financing options and Mr. Wetzel said yes. Luke's Performance Collision Center would like to borrow \$100,000 from the Revolving Fund for five years to help expand the business and to buy equipment. John Gruhn asked how many years Luke's Performance Collision Center had been in business. Mr. Wetzel replied in business for 3 years and at its current location for 2 and 1/2 years. They employ 5 fulltime employees currently. There was some confusion on the building location that Mr. Wetzel was intending to buy, Jim Vickery asked if Mr. Wetzel could

provide a sketch of the buildings and addresses to identify each of the buildings and their locations, Mr. Wetzel replied yes. John Gruhn mentioned that as of June 19th 2008 that the business had \$231,000 in total income and Mr. Wetzel replied yes. John Gruhn asked if he had explored the possibility of City Bank also financing the equipment portion of the plan. Mr. Wetzel replied yes but they wouldn't loan any more. John Gruhn asked if Mr. Wetzel felt he would be able to afford such financing. Mr. Wetzel replied that he plans to lease some of the space back to a rental car company and a car detail shop. John asked if those arrangements were set in stone and Mr. Wetzel replied not as of yet, some of the car rental outfits he approached said that they wouldn't be ready to do anything until the 2nd qtr. of 2009 due to the current economic conditions. John Gruhn asked why Mr. Wetzel would want to have a \$3000 note versus a rent payment of something considerably less. Mr. Wetzel replied that he has the detail business going in for \$800 per month and still hopes to get additional rent from other businesses. He also mentioned that a typical repair averages around \$1000 therefore would be approximately two additional repairs per month. Bret Reum mentioned that the RF is based on jobs and that for every \$15,000 lent he needs to provide 1 full time job. Therefore with a loan of \$100,000 that would be almost 7 jobs. Bret asked Mr. Wetzel how he was going to sustain 7 jobs. Mr. Wetzel replied through marketing and more business would require more help. Bret said it seems to me that Mr. Wetzel needs to exclude the building purchase from the application for this to make more sense. Jim Vickery said that the RF committee will need a new business plan in order to reevaluate this application due to the many changes that have occurred since the application was written. Mr. Wetzel agreed. Bret Reum agreed as well. John Gruhn asked if Mr. Wetzel could do this without the new building and Mr. Wetzel replied yes. John went on to say that he would also like to see Bank commitment letters and a revised application that reflects what has changed since the application was written. John also stated that he would also like an opportunity to speak with Mike Van Mill in regards to the equipment that the RF monies went towards was going into a rented building. He wasn't sure how all that would play out in the decision process. John also wanted to discuss the 3-1 policy with Mike Van Mill. There were no further questions. Mr. Wetzel thanked us for reviewing his application and will revise the numbers to reflect the current situations. Mr. Wetzel left the building.

QUESTIONS/COMMENTS:

Bret Reum asked Mike Martin if he could get with Mr. Wetzel to assist him with revising of the application with the current numbers that translate. Jim Vickery agreed. Bret Reum said in his opinion even if the building was split out of the business plan the most Mr. Wetsel seems to be eligible for was approximately \$20,000. Bret mentioned that Mr. Wetsel should remove the building purchase from the application to be eligible, showing a 3-1 match and 10% owner equity including bank commitment letters and equipment purchase estimates.

OLD BUSINESS/NEW BUSINESS:

None / None.

ADJOURNMENT:

The meeting adjourned at 3:00 P.M.