CITY OF COFFEYVILLE
BOARD OF COMMISSIONERS AGENDA ITEM

MEETING DATE	07/14/2015	
RESOLUTION OR ORDINANCE NUMBER	R-15-80	
AGENDA TITLE	Yates Clothing Company Small Business Loan Application	
REQUESTING DEPARTMENT	City Manager's Office - Economic Development	
PRESENTER	Trisha Purdon – Assistant to the City Manager	
FISCAL INFORMATION	Cost as recommended:	$75,000
	Budget Line Item:	180-5-215-424
	Balance Available	$2,351,694
	New Appropriation Required:	[X] Yes [ ] No
PURPOSE	The Coffeyville Small Business Loan Program is designed to stimulate economic growth and create jobs that will improve the living conditions of residents in the community. The program provides affordable, non-conventional financing, typically "gap financing," to eligible businesses and development projects that are not able to receive funding elsewhere. Businesses receiving these funds will be required to produce a sufficient number of net new jobs, or in the case of business retention, retain existing jobs. This loan is to provide funding for Yates Clothing Company for the renovation and opening of a new retail clothing business in Coffeyville.	

BACKGROUND	As part of the Coffeyville Economic Development Incentive guidelines, the Small Business loan program was established to help small businesses open or expand in Coffeyville. We understand that small businesses and entrepreneurship is the most stable form of new jobs in rural Kansas, and thus the City Commission helped to establish this program to incentivize a business to open a new retail establishment in Coffeyville. Alicia Yates of Nado Alley, approached the City to apply for this program so that she could open a Country Western Clothing and Work apparel clothing store on 8th Street near the downtown. As she had considerable private investment and personal investment in the project, and her application met all eligibility requirements for the program. we submitted her application to the SEK Inc., SEK Regional Planning Commission, and the Midwest CDC for financial review and credit analysis. Her business has created 3 new jobs in Coffeyville, including herself, and expects to add 1 more employee in the next 2-3 years, with the potential to add some part-time employees during special events such as Fair and Rodeo.
SPECIAL NOTES	
ANALYSIS	Jitka Durman of the Midwest CDC and Pittsburg State University reviewed the full application, financials, credit history, and provided a full analysis on her application for review. It is her recommendation that the application be approved, based upon her credit history, management experience, and experience and involvement in economic and downtown revitalization efforts in Coffeyville. However, this recommendation is contingent upon Mrs. Yates providing cost documents that show the total spent on real estate, property improvements, fixtures, and inventory. It is also recommended that we receive updated financial statements with an explanation of COGS and Inventory Adjustment amounts.
PUBLIC INFORMATION PROCESS	

BOARD OR COMMISSION RECOMMENDATION	
STAFF RECOMMENDATION	New retail in Coffeyville is challenging to attract, and starting with local well established business owners to venture into new retail opportunities provides the most cost-effective method to start the retail growth trend. It is staff's recommendation that the Commission approve the $75,000 loan for 5 years with an interest rate of 2.25%. This loan will be collateralized by a second mortgage on Mr. & Mrs. Yates personal residence, and agricultural land owned by Richard and Alicia Yates.
REFERENCE DOCUMENTS ATTACHED	Yates Clothing Company Application Midwest CDC Recommendation Exhibit A: Collateral Exhibit B: (Confidential Information – not included) Exhibit C: Annual Cash Flow Projections Exhibit D: Personal Finances (Confidential) Exhibit E: Personal Statement and Property Detail

RESOLUTION NO. R-15-80

A RESOLUTION TO APPROVE A SMALL BUSINESS LOAN APPLICATION FOR YATES CLOTHING COMPANY.

Whereas, on August 19, 2014 the City of Coffeyville adopted the Coffeyville Economic Development Incentive Guidelines as the clearly defined guidelines for the use of incentives ensuring the good stewardship of public funds; and

Whereas, small business growth is critical to the long term stability of the economy and job security of Coffeyville; and

Whereas, the Coffeyville Small Business Development Loan Program was established as part of these guidelines to support the growth and development of new small businesses in Coffeyville; and

Whereas, Yates Clothing Company met all of the eligibility, financial, and application requirements to receive funding through the Coffeyville Small Business Loan Program; and

Whereas, Yates Clothing Company has issued collateral in the form of a mortgage on the personal property of Alicia and Richard Yates, and a Mortgage on the Agricultural Land belonging to Alicia and Richard Yates in the amount of $163,045; and

Whereas, Yates Clothing Company has successfully satisfied all loan requirements and financial review of the loan review board; and

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Coffeyville, Kansas, that the Mayor and City Clerk be authorized to execute a Small Business Development Loan agreement with Yates Clothing Company.

Adopted this 14th Day of July, 2015.

_____
Christopher V. Williams, Mayor

ATTEST:

_____
Cindy Price, City Clerk

Approved as to Form:

_____
Paul Kritz, City Attorney

Yates Clothing Co.
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Exhibit E – Business Summary

City of Coffeyville
Business Loan/Incentive Application

Coffeyville KANSAS

New Loan/Incentive Application

Date:

COMPANY INFORMATION

Company name:	Yates Clothing Co. LLC
Type of Business:	Retail Clothing and Footwear - work and casual apparel
Primary Contact Name:	Alicia Yates
Address (Current):	3515 Mays Drive Independence, Ks
Location of Proposed Facility:	401 W. 8th
Telephone number:	620-515-0427
Fax number:	620-251-8307
Email:	yatesclothingco@gmail.com
Website:	
Date business started:	1/2015
Number of owners:	3
Tax ID Number:	47-2707967
NAICS Code (if applicable):	
Number of Jobs Created:	3-4
Pay range of Jobs:	10-15/hour
Products to be assembled or manufactured or service to be rendered:	Retail apparel
Amount needed from the City of Coffeyville or other entities:	$75,000

INFORMATION NEEDED FOR LOAN/INCENTIVE TO BE FINALIZED:

☒	Choose type of business entity. Business entity type: [Sole Proprietorship/LLC/Corporation]	LLC
☒	Select end of fiscal year. Fiscal year-end:	December 31
☐	IRS Employer Identification Number (EIN), if applicable. (To obtain Form SS-4 to apply for an EIN, go to irs.gov)	
☒	Detailed Company Information Form	Page 3-4
☒	Building Information Form	Page 5
☒	Loan / Incentive Information Form	Page 6
☒	Job Creation Projections	Page 7
☒	Estimated Business Projections	Page 8
☒	Personal Financial Statement for all Key personnel – Fill out for each Owner/Major Stockholder	Page 9-10
☒	Credit Check	Page 11
☒	Tax records for past 3 years	
☐	Attach proforma statements for the first three (3) years of operation after insurance of the loan, including:	
☐	revenue projections	
☐	operating expense projections	
☒	Register with state as a business.	
☒	Obtain county and city business licenses.	
☒	If corporation, file letters of incorporation. If partnership, create and sign partnership agreement.	[Attorney contact information]
☐	Purchase Life Insurance plan in the amount of the loan with an assignment to the City of Coffeyville:	[Insurance agency contact info]

DETAILED COMPANY INFORMATION

Names of all persons or corporations who would be obligated as either applicant or as personal guarantors of loans:

Name	Address	Telephone	Email
Richard Yates	3515 Mays Dr. Indy	620-251-6040	
Alicia Yates	same	620-251-6040	pc@print.kscoxmail.com

BUSINESS HISTORY

Why did you create or acquire your company?	To provide a location for local business, industries, and their employees to purchase required work apparel, boots and casual clothing. We are also offering a unique retail shopping facility that will offer items that are not currently offered in Coffeyville or in the surrounding area.
Explain how your company has grown since you were established.	New Business
Why Coffeyville?	Coffeyville has the support of local business and industries to support such a retail shopping center.
How do you see this project affecting your company?	We already have the support and loyalty of the community, with our current business Nado Alley. Therefore we feel we will continue to grow as we partner with the local patrons of Coffeyville and expand into work apparel, boots, and casual clothing lines.
Do you have suppliers or customers you would benefit from also being in Coffeyville?	Yes, currently, local employers find it impossible to provide clothing and boot service for their employees so that they have the proper protective attire and foot wear. We will be contracting with these employers to provide this service that they have been unable to secure before our company was established.

OTHER BUSINESS INFORMATION

Applicants Attorney and Phone number (if any):	Doug Ott
Applicants Financial Advisor and Phone Number (if any):	Charles Sharpe 620-431-7000
How many years has the applicant been in the business?	Current business is 10 years
Has a financial advisor submitted an analysis indicating the need for the loan, the advisability of the loan, or benefit to the loan? (If Yes, attach a copy with this application)	☐ Yes / No ☑
Has additional financing, whether internally generated or through other loans been generated? If yes, include those on the loan Sources and Uses table.	☐ Yes / No ☑
Describe all threatened or outstanding litigation:	none
Do you have any tax liens against you or your company?	no
Has the applicant investigated conventional financing?	☑ Yes / No ☐
What do you propose to use as collateral (if needed)?	401 W. 8th Coffeyville, ks

BUILDING INFORMATION

Location of Proposed Facility:	401 W. 8th Coffeyville, Ks
If facility is a proposed expansion or replacement of another plant, state size and location of current operations:	no
Does this property have existing buildings that you will utilize? Will you Lease / Own / Lease to Own?	OWN - There is a building on this property that we have renovated and will utilize for the business.
If Lease to Own, is this application a Phase I or Phase II that will allow for the purchase of the building in the future? When do you anticipate purchasing the building?	
What percentage of the facility will be occupied by applicant?	100%
Is the prospective location properly zoned?	YES
If a zoning change is pending, briefly describe what change will be needed and plans for submitting application:	
If unusual demands for gas, water, electric or sewer services or police or fire protection will be made, specify the demands:	
Will the loan proceeds be used to expand or replace an existing building?	NO
What type and size of building will be constructed (if any)?	
Name & Address of Contractor or Architect:	
What type of machinery or equipment will be financed (if any)?	NONE
What percentage of the facility will be occupied by applicant	100%

LOAN/INCENTIVE INFORMATION

Estimated Amount of Loan:	$75,000
Number of Years (or months) to retire loan:	5 YEARS
Number of months to complete project:	STORE OPENS 3/2015
What portion of the project is being financed from other company funds (in addition to this loan)?	41.6% From Personal cash contributions
Sources of Other Financial Assistance if not Company funds:	Personal savings

33%

PREVIOUS LOAN/FINANCIAL INFORMATION

Institution	Balance	Address	Phone
COMMUNITY STATE BANK	SEVERAL ACCOUNTS	1414 W. 11th St., Coffeyville, KS	620-515-0427

SOURCES AND USES OF LOAN PROCEEDS:

Project Cost:	City of Coffeyville Loan	Other Financial Assistance:
Amount Requested for Purchase of Land	Building $36,500	
Amount Requested for Land Improvements:		
Amount Requested for Machinery & Equipment: Describe:	Merchandise $20,500	$108,000 of Personal Savings have been spent for this project.
Amount for Moving/Relocation:		
Amount for Working Capital:	$18,000	
Amount for Infrastructure/Facility Improvements:	remodel	
Other (Specify):		
TOTAL REQUEST:	$75,000	

JOB CREATION PROJECTIONS:

CURRENT Employees Salary Range & Job Category/Title	Number of Jobs Opening Date
Alicia Yates/MANAGER	3/1/15
EMPLOYEE #1	3/1/15
EMPLOYEE #2	3/1/15
Minorities:	
Women:	3 TOTAL
TOTAL JOBS:	3

FUTURE Employees Salary Range (Full Time)	Number of Jobs Year 1	Year 2	Year 3	Year 4	Year 5
Alicia Yates	$30,000	$40,000	$45,000	$45,000	$45,000
EMPLOYEE #1	$24,000	$26,000	$28,000	$28,840	$29,700
EMPLOYEE #2	$13,000	$20,000	$24,000	$24,720	$25,460
Minorities:					
Women:	3	3	3	3	3
Salary Range (Part Time)	Year 1	Year 2	Year 3	Year 4	Year 5
EMPLOYEE #3		$15,000	$20,000	$25,000	$25,000
Minorities:					
Women:					

MID-AMERICA, INC.
Pittsburg, Kansas

CREDIT MEMORANDUM

To: Loan Review Committee
City of Coffeyville

From: Jitka Durman, Mid-America CDC

Subject: Business Loan / Incentive Application

SBC NAME AND PROJECT LOCATION

Yates Clothing Co., LLC

Purpose
The purpose of this loan is to provide $75,000 to reimburse Alicia Yates for the funds that she put into the purchase and renovation of the Yates Clothing Company building downtown Coffeyville, purchase of fixtures and merchandise and start up working capital. Mrs. Yates is 33% owner of Yates Clothing Company with the rest of the company being owned by Albert Mettry Investment. As part of her ownership investment into the business she purchased the building located at 401 W. 8th downtown Coffeyville and used her personal funds to renovate the building as well as purchase the fixtures and merchandise.
Yates Clothing Company was established in January 2015 and opened its door in March of the same year. The company was established mainly for servicing the refinery with RF clothing and work boots, but also carries the casual boots, shoes and clothing.

Terms of Proposed Financing

	SEK RLF
Amount	$75,000
Term	60 months – 5 yrs
Interest Rate	2.25%
Collateral	Full unsecured personal guarantee of Alicia Yates will be required. Second Mortgage on Personal residence and agricultural land owned by Richard and Alicia Yates will be required.

Bank transactions attached in Exhibit D shows two deposits in the total amount of $102,000. The deposits were done by Mrs. Yates and she is asking for the reimbursement of $75,000. Mid America CDC asked for the settlement statement and fixtures and merchandise invoices so we can confirm the amount spend on those items, but we were unable to obtain those.

Management
Mrs. Yates is a manager of Yates Clothing Co. She will employ three other employees. Mrs. Yates is also an owner and manager of Coffeyville Printing center and Nado Alley, both businesses located in Coffeyville. With ownership of the two other businesses we believe that Mrs. Yates has an exceptional leadership and management experience.

Mrs. Yates credit report is good with the credit score of 709. Her credit report is showing nine 30 day delinquencies, but no 60 or 90 day delinquencies. There are no public records, foreclosure or collections reported on her credit report.

Feasibility
The projections were prepared by Mrs. Yates and are based on sales and discussions held with local industries. We have asked Mrs. Yates to provide the Profit and Loss Statement for first two months of operations and attached those statements in exhibit C for the loan committee review. Both March and April statements are showing higher COGS than sales and significant amount in Inventory Adjustments. We were not able to reach Mrs. Yates to discuss the discrepancies and therefore were not able to analyze the statements. Nevertheless it is clear that the first two months of operations are not comparable to the projection numbers Mrs. Yates provided.

The cash flow projections were also prepared from the annual projections provided by Mrs. Yates. Based on those numbers, we took 33% of the projected profit after taxes and compare the result to the annual debt service. The projected cash flow supports the repayment of the proposed debt.

Mrs. Yates is taking $2,500 monthly salary from the business and this income was not taken into consideration while calculating the cash coverage ratio.

Collateral

Full unsecured personal guarantee of Alicia Yates will be required.
Second Mortgage on Personal residence and agricultural land owned by Richard and Alicia Yates will be required.

The project will be fully covered by the personal residence and agricultural land.

Mr. and Mrs. Yates own 140 acres of land. While county value of the land is appraised only at $20,510 total, it was confirmed with real estate professionals that a sales price is currently anywhere from $1,200 to $2,000 per acre.
The value of the land and real estate was therefore determined as follows.

140 acres x $1,500/acre =	$210,000
Farm Homesite Value (county appraisal) =	$117,420
TOTAL	$327,420
Discounted to 80% of the value	$261,934
Less: First Mortgage	$98,886
Available Collateral Value of the property:	*$163,045*

Recommendations

Based on the collateral value of the real estate and Mrs. Yates credit history, management experience and involvement in Coffeyville economic development and downtown revitalization we would recommend the approval of the loan contingent upon:

- Providing the project cost documents that will confirm the amount spent on real estate purchase and improvements and purchase of fixtures and merchandise
- Providing updated financial statements with the explanation of COGS and Inventory Adjustment amount

We would also highly recommend to require a collateral assignment of life insurance in the amount of $75,000 on life of Alicia Yates.

Jitka Durman

Jitka Durman

6/19/2015

Date

Mid-America CDC
1701 S. Broadway
Pittsburg, KS 66762
620-235-4924
jdurman@pittstate.edu

Exhibit A

Collateral Summary **Yates Clothing Co.**

	Market Value	Discount	Lien	Collateral Value
Land and R/E	$327,420	80%	$98,886	$163,050
TOTAL	**327,420**			**$163,050**

Second mortgage on the agricultural land and personal real estate located at 3515 Mays Dr., Independence, KS.

Personal Guarantee of Alicia Yates.

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Parcel Search Results (Click on the Parcel ID Number for Detailed Results)

Owner Information	Property Address	Property Description	Apr Amount	Prop Class
063-186-14-0-00-00-004.00-0 **Quick Ref ID = 12466** **Tax Year = 2015** YATES, RICHARD C & ALICIA D Owner Mailing Address: 3515 MAYS DR INDEPENDENCE, KS 67301	00000 MAYS DR, Independence, KS 67301 ACRES=101.4 Neighborhood=003.C	FAWN CREEK TWP, S14, T34, R15, ACRES 101.4, BEG 1100' S NW COR NW4, E 420.32' NELY 265' NELY 75' SELY 1040.26' N 57.09' E 911.23' S 1771.40' TO SE COR NW4, W TO SW COR NW4, N TO POB; LESS R/W	$15,470	Agricultural Use
063-186-14-0-00-00-004.02-0 **Quick Ref ID = 12468** **Tax Year = 2015** YATES, RICHARD C; YATES, ALICIA Owner Mailing Address: 3515 MAYS DR INDEPENDENCE, KS 67301	3532 CR 2600, Independence, KS 67301 ACRES=38.6 Neighborhood=003.C	FAWN CREEK TWP , ACRES 38.6 , BEG 911' W NE COR NW4 S 958.5' NWLY 1040.26' SWLY 75' SWLY 265' SWLY 420.32' N 1100' ELY 1746.28' TO POB; LESS R/W SECTION 14 TOWNSHIP 34 RANGE 15	$5,040 A $117,420 F	Farm Homesite

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Parcel Search powered by THOMSON REUTERS

Exhibit B

Exhibit C

Yates Clothing co. - 33% ownership of Alicia Yates

Coffeyville, KS

Annual Cash Flow Projections

	Pre Start	Year 1	Year 2	Year 3
Cash on hand		0	28,845	51,759
Cash from operations		44,718	67,633	111,434
City of Coffeyville Payment		15,874	15,874	15,874
Operational Cash after D/S		28,845	51,759	179,067
Cash Coverage Ratio		2.82	4.26	7.02
City of Coffeyville Loan				
Principle Balance		60,667	46,008	31,015
Annual Interest		1,540	1,214	881
Annual Payment		15,874	15,874	15,874
Annual Principle Reduction		14,333	14,659	14,992

Yates Clothing Co., LLC
Profit & Loss
April 2015

		Apr 15
Ordinary Income/Expense		
Income		
Merchandise Sales		13,187.63
Service Sales		36.37
Total Income		13,224.00
Cost of Goods Sold		
Cost of Goods Sold		39,031.47
Total COGS		39,031.47
Gross Profit		-25,807.47
Expense		
Advertising and Promotion		1,163.62
Bank & Credit Card Charges		257.63
Computer and Internet Expenses		60.00
Dues		4.37
Embroidery		163.00
Freight and Shipping Costs		20.60
Guaranteed Payment - Yates		1,250.00
Insurance Expense		959.32
Meals and Entertainment		302.64
Office Supplies		340.31
Payroll Expenses		
Payroll Tax Expense	406.77	
Salary	3,714.75	
Payroll Expenses - Other	0.00	
Total Payroll Expenses		4,121.52
POS Inventory Adjustments		-26,395.98
Postage & Delivery		81.67
Professional Fees		35.00
Utilities		540.25
Total Expense		-17,096.05
Net Ordinary Income		-8,711.42
Net Income		**-8,711.42**

Yates Clothing Co., LLC
Profit & Loss
March 2015

		Mar 15
Ordinary Income/Expense		
Income		
Merchandise Sales		4,759.47
Total Income		4,759.47
Cost of Goods Sold		
Cost of Goods Sold		89,834.40
Total COGS		89,834.40
Gross Profit		-85,074.93
Expense		
Bank & Credit Card Charges		68.89
Computer and Internet Expenses		320.00
Dues		350.00
Guaranteed Payment - Yates		1,250.00
Insurance Expense		245.88
Meals and Entertainment		125.92
Office Supplies		1,134.78
Payroll Expenses		
Payroll Tax Expense	193.22	
Salary	1,764.50	
Payroll Expenses - Other	0.00	
Total Payroll Expenses		1,957.72
POS Inventory Adjustments		-114,621.41
Postage & Delivery		63.94
Professional Fees		451.00
Rent Expense		148.39
Utilities		1,776.10
Total Expense		-106,728.79
Net Ordinary Income		21,653.86
Net Income		**21,653.86**

Yates Clothing Co **PROJECTIONS**

PROFIT/LOSS STATEMENT	Year 1		Year 2		Year 3		Year4	
Sales	1,000,000	100.0%	1,500,000	100.0%	2,000,000	100.0%	2500000	100.00%
-COGS	600,000	60.0%	900,000	60.0%	1,200,000	60.0%	1500000	60.00%
=Gross Profit	400,000	40.0%	600,000	40.0%	800,000	40.0%	1000000	40.00%
-SGA								
Advertising	10,000	1.0%	8,000	0.5%	8,000	0.4%	8000	0.3%
Wages	67,000	6.7%	101,000	6.7%	117,000	5.9%	133000	5.3%
Commisions	-	0.0%	-	0.0%	-	0.0%		0.0%
Employee Benefits	-	0.0%	-	0.0%	-	0.0%		0.0%
Insurance	3,500	0.4%	3,500	0.2%	3,500	0.2%	3700	0.1%
Equipment Rent	-	0.0%	-	0.0%	-	0.0%		0.0%
Utilities	10,000	1.0%	10,500	0.7%	11,000	0.6%	11500	0.5%
Telephone	-	0.0%	-	0.0%	-	0.0%		0.0%
Supplies	1,000	0.1%	1,000	0.1%	1,000	0.1%	1000	0.0%
Postage	-	0.0%	-	0.0%	-	0.0%		0.0%
Professionals/Consultants	2,000	0.2%	2,500	0.2%	2,700	0.1%	2900	0.1%
Repairs & Maintenance	1,000	0.1%	1,000	0.1%	1,500	0.1%	3000	0.1%
Taxes & Licenses	2,500	0.3%	2,500	0.2%	2,500	0.1%	2500	0.1%
Other Expenses	-	0.0%	-	0.0%	-	0.0%		0.0%
Misc. Expenses	-	0.0%	-	0.0%	-	0.0%		0.0%
Total Expenses	97,000	9.7%	130,000	8.7%	147,200	7.4%	165600	6.6%
=Operating Profit	303,000	30.3%	470,000	31.3%	652,800	32.6%	834400	33.4%
-Officer(s) Salary	150,000	15.0%	250,000	16.7%	300,000	15.0%	350000	14.0%
-Depreciation Expense	3,000	0.3%	500	0.0%	500	0.0%	500	0.0%
-Ammortization Expense	-	0.0%	-	0.0%		0.0%		0.0%
-Interest Expense	1,540	0.2%	1,214	0.1%	881	0.0%	540.36	0.0%
-Rent	-	0.0%	-	0.0%	-	0.0%		0.0%
Other Inc./Exp. (Net)	-	0.0%	-	0.0%	-	0.0%		0.0%
=Earnings Before Taxes	148,460	14.8%	218,286	14.6%	351,419	17.6%	-1019840.36	-40.8%
-Income Taxes	12,950	1.3%	13,339	0.9%	13,739	0.7%	0	0.0%
=Profit After Taxes	135,510	13.6%	204,947	13.7%	337,680	16.9%	0	0.0%

Exhibit D

Exhibit E

YATES CLOTHING CO.
EST.2015

To Whom it May Concern:

My name is Alicia Yates. I am a lifelong citizen and business owner of Coffeyville. I have two other business that were established in Coffeyville in 2004. I bought my first business, Coffeyville Printing Center in 2004. I expanded my capabilities in 2007 and opened Nado Alley.

In 2013 I started exploring the possibilities of servicing the refinery with FR clothing and work boots. I have worked hard over the past two years building business relationships with management and supervisors at the refinery. After several meetings and discussions on how to alleviate the problems with availability and servicing their employees, both sides determined that there was a need for someone to service the uniforms for their employees that they were trying to handle and service internally. A system they are currently using in Wyneewood, Ok with Mettry's was the most viable option.

I built a relationship with Albert Mettry Investments to form a business partnership in 2013. Albert Mettry Investments owns 3 additional store locations, which also services the Resources Refining and Marketing in Wynnewood, OK. A mutual agreement was made to open another location in Coffeyville. The refinery expressed their concerns about utilizing an "across the board system" between both refineries to best service their employees and contractors that may be traveling back and forth to the refineries. This voucher system is currently in place at the Metty's in Wynnewood, OK and will be utilized at the Coffeyville location.

I am now the owner of 33% of Yates Clothing Co. Albert Mettry Investments holds the remainder of that investment. I will also be the manager for Yates Clothing Co. Yates Clothing Co. will staff 3 employees. Projected sales for 2015 will be $750,000-$1,000,000.00. In addition to FR clothing and work boots. We will also carry a selection of casual boots, casual shoes and clothing. Our store will be at 401 W. 8th and is currently being renovated for our opening March 1.

Additional Responses to questions on application:

Loan information: We are requesting a loan from the Coffeyville Small Business Loan Program with the City of Coffeyville. See program details in application file.

Loan Sources and Uses: Loan funds will be used to reimburse the owners for the purchase and renovation of the land and building at 401 W. 8th St. Coffeyville, KS ($36,500); to purchase merchandise and display materials ($20,500); and to provide funds for working capital ($18,000) to help the business grow. Personal savings was utilized in the amount of $108,000 to purchase and renovate the building, as well as to pay for marketing materials, merchandise, equipment and supplies, and professional services.

Business Projections Notes:

Projections for Yates Clothing were based on sales and projections from discussions held with local industries regarding the current need and expense that their employees incur for work clothing and boots. Additional market analysis was done by researching previous stores sales data and customer primary residence data for other stores that are owned by the other partner investors of Yates Clothing Co. in similar towns as Coffeyville. This data showed that there was significant leakage from Coffeyville to other towns, which could be addressed if a location opened closer to the employee/employer location.

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The Parcel Number for this Property is 063-221-02-0-10-01-001.00-0
Quick Ref ID: 19235

Owner Information

Owner Name	AM&Y LLC
Address	401 W 8TH ST COFFEYVILLE, KS 67337

Property Situs Address

Address	401 W 8TH ST, Coffeyville, KS 67337

Land Based Classification System

Function	Retail store
Activity	Goods-oriented shopping
Ownership	Private-fee simple
Site	Developed site - with buildings

General Property Information

Prop Class	Commercial & Industrial - C
Living Units	
Zoning	
Neighborhood	204.C
Tax Unit Group	105

Property Factors

Topography	Level - 1
Utilities	All Public - 1
Access	Paved Road - 1 Alley - 7
Fronting	Secondary Artery - 2
Location	Secondary Strip - 5
Parking Type	Off Street - 1
Parking Quantity	Adequate - 2
Parking Proximity	On Site - 3
Parking Covered	
Parking Uncovered	

2015 Appraised Value

Class	Land	Building	Total
Commercial & Industrial - C	5,040	71,350	76,390
Total	5,040	71,350	76,390

2014 Appraised Value

Class	Land	Building	Total
Commercial & Industrial - C	5,040	45,210	50,250
Total	5,040	45,210	50,250

Tract Description

ORIGINAL, S02, T35, R16, LT 1; E 40' LT 2 BLK 47; Lot Width: 090.0 Lot Depth: 140.0

Deed Information

Book1	Page1	Book2	Page2	Book3	Page3	Book4	Page4

Market Land Information

Method	Type	AC/SF	Eff FF	Depth	D-Fact	Inf1	Fact1	Inf2	Fact2	Ovrd	Class	Value Est
Sqft	Primary Site - 1	12600										5,040

General Commercial Building Information

General Building Information	
LBCS Structure Code	Standalone store or shop building
Bldg No.	1
Building Name	UNITED AUTOMOTIVE PARTS - VACANT
Identical units	1
No. of Units	
Unit Type	
MS Mult	
MS Zip	

Apartment Data

	1	2	3	4	5	6	7	8
Units								
BR Type								
Baths								

Commercial Building Sections & Basements

Sec	Occupancy	MSCls	Rank	Yr Blt	Eff Yr	Levels	Stories	Area	Perim	Hgt	Phys	Func	Econ	OVR%	Rsn	Inc Use	Net Area	Cls	RCN	%Gd	Value
1	Automotive Center	C	1.00	1973		01/01		4,000	260	16	3	3				047			280,850	24	67,400

Commercial Building Section Components

Sec	Code	Units	Pct	Size	Other	Rank	Year
1	Canopy, Retail Wood Frame	192					
1	Concrete Block		100				
1	Porch, Open Slab	150					
1	Warmed and Cooled Air		100				

Other Building Improvements

Id	Occupancy	MSCls	Rank	Qty	Yr Blt	Eff Yr	LBCS	Area	Perim	Hgt	Dimensions	Stories	Phys	Func	Econ	OVR%	Rsn	Cls	RCN	%Gd	Value
49	Site Improvements	C	2.00	1	1973			10		8		1	2	2					24,710	16	3,950

Other Building Improvement Components

Id	Code	Units	Pct	Size	Other	Rank	Year
49	Paving, Asphalt w/Base	7,896		10			

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LOAN AMORTIZATION SCHEDULE

ENTER VALUES	
Loan amount	$75,000.00
Annual interest rate	2.25%
Loan period in years	5
Number of payments per year	12
Start date of loan	9/1/2015
Optional extra payments	$ -

LOAN SUMMARY	
Scheduled payment	$1,322.80
Scheduled number of payments	60
Actual number of payments	60
Total early payments	$0.00
Total interest	
LENDER NAME	City of Coffeyville

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	CUMULATIVE INTEREST
1	9/1/2015	$75,000.00	$1,322.80	$0.00	$1,322.80	$1,182.18	$140.63	$73,817.82	$140.63
2	10/1/2015	$73,817.82	$1,322.80	$0.00	$1,322.80	$1,184.39	$138.41	$72,633.43	$279.03
3	11/1/2015	$72,633.43	$1,322.80	$0.00	$1,322.80	$1,186.61	$136.19	$71,446.82	$415.22
4	12/1/2015	$71,446.82	$1,322.80	$0.00	$1,322.80	$1,188.84	$133.96	$70,257.98	$549.18
5	1/1/2016	$70,257.98	$1,322.80	$0.00	$1,322.80	$1,191.07	$131.73	$69,066.91	$680.92
6	2/1/2016	$69,066.91	$1,322.80	$0.00	$1,322.80	$1,193.30	$129.50	$67,873.61	$810.42
7	3/1/2016	$67,873.61	$1,322.80	$0.00	$1,322.80	$1,195.54	$127.26	$66,678.08	$937.68
8	4/1/2016	$66,678.08	$1,322.80	$0.00	$1,322.80	$1,197.78	$125.02	$65,480.30	$1,062.70
9	5/1/2016	$65,480.30	$1,322.80	$0.00	$1,322.80	$1,200.03	$122.78	$64,280.27	$1,185.48
10	6/1/2016	$64,280.27	$1,322.80	$0.00	$1,322.80	$1,202.28	$120.53	$63,077.99	$1,306.00
11	7/1/2016	$63,077.99	$1,322.80	$0.00	$1,322.80	$1,204.53	$118.27	$61,873.47	$1,424.27
12	8/1/2016	$61,873.47	$1,322.80	$0.00	$1,322.80	$1,206.79	$116.01	$60,666.68	$1,540.29
13	9/1/2016	$60,666.68	$1,322.80	$0.00	$1,322.80	$1,209.05	$113.75	$59,457.63	$1,654.04
14	10/1/2016	$59,457.63	$1,322.80	$0.00	$1,322.80	$1,211.32	$111.48	$58,246.31	$1,765.52
15	11/1/2016	$58,246.31	$1,322.80	$0.00	$1,322.80	$1,213.59	$109.21	$57,032.72	$1,874.73
16	12/1/2016	$57,032.72	$1,322.80	$0.00	$1,322.80	$1,215.86	$106.94	$55,816.86	$1,981.67
17	1/1/2017	$55,816.86	$1,322.80	$0.00	$1,322.80	$1,218.14	$104.66	$54,598.71	$2,086.33
18	2/1/2017	$54,598.71	$1,322.80	$0.00	$1,322.80	$1,220.43	$102.37	$53,378.28	$2,188.70
19	3/1/2017	$53,378.28	$1,322.80	$0.00	$1,322.80	$1,222.72	$100.08	$52,155.57	$2,288.78
20	4/1/2017	$52,155.57	$1,322.80	$0.00	$1,322.80	$1,225.01	$97.79	$50,930.56	$2,386.57
21	5/1/2017	$50,930.56	$1,322.80	$0.00	$1,322.80	$1,227.31	$95.49	$49,703.25	$2,482.07
22	6/1/2017	$49,703.25	$1,322.80	$0.00	$1,322.80	$1,229.61	$93.19	$48,473.64	$2,575.26
23	7/1/2017	$48,473.64	$1,322.80	$0.00	$1,322.80	$1,231.91	$90.89	$47,241.73	$2,666.15
24	8/1/2017	$47,241.73	$1,322.80	$0.00	$1,322.80	$1,234.22	$88.58	$46,007.51	$2,754.73
25	9/1/2017	$46,007.51	$1,322.80	$0.00	$1,322.80	$1,236.54	$86.26	$44,770.97	$2,840.99
26	10/1/2017	$44,770.97	$1,322.80	$0.00	$1,322.80	$1,238.86	$83.95	$43,532.12	$2,924.94
27	11/1/2017	$43,532.12	$1,322.80	$0.00	$1,322.80	$1,241.18	$81.62	$42,290.94	$3,006.56
28	12/1/2017	$42,290.94	$1,322.80	$0.00	$1,322.80	$1,243.51	$79.30	$41,047.43	$3,085.86
29	1/1/2018	$41,047.43	$1,322.80	$0.00	$1,322.80	$1,245.84	$76.96	$39,801.60	$3,162.82
30	2/1/2018	$39,801.60	$1,322.80	$0.00	$1,322.80	$1,248.17	$74.63	$38,553.42	$3,237.45

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	CUMULATIVE INTEREST
31	3/1/2018	$38,553.42	$1,322.80	$0.00	$1,322.80	$1,250.51	$72.29	$37,302.91	$3,309.74
32	4/1/2018	$37,302.91	$1,322.80	$0.00	$1,322.80	$1,252.86	$69.94	$36,050.05	$3,379.68
33	5/1/2018	$36,050.05	$1,322.80	$0.00	$1,322.80	$1,255.21	$67.59	$34,794.84	$3,447.27
34	6/1/2018	$34,794.84	$1,322.80	$0.00	$1,322.80	$1,257.56	$65.24	$33,537.28	$3,512.51
35	7/1/2018	$33,537.28	$1,322.80	$0.00	$1,322.80	$1,259.92	$62.88	$32,277.37	$3,575.40
36	8/1/2018	$32,277.37	$1,322.80	$0.00	$1,322.80	$1,262.28	$60.52	$31,015.08	$3,635.92
37	9/1/2018	$31,015.08	$1,322.80	$0.00	$1,322.80	$1,264.65	$58.15	$29,750.44	$3,694.07
38	10/1/2018	$29,750.44	$1,322.80	$0.00	$1,322.80	$1,267.02	$55.78	$28,483.42	$3,749.85
39	11/1/2018	$28,483.42	$1,322.80	$0.00	$1,322.80	$1,269.39	$53.41	$27,214.02	$3,803.26
40	12/1/2018	$27,214.02	$1,322.80	$0.00	$1,322.80	$1,271.77	$51.03	$25,942.25	$3,854.28
41	1/1/2019	$25,942.25	$1,322.80	$0.00	$1,322.80	$1,274.16	$48.64	$24,668.09	$3,902.93
42	2/1/2019	$24,668.09	$1,322.80	$0.00	$1,322.80	$1,276.55	$46.25	$23,391.54	$3,949.18
43	3/1/2019	$23,391.54	$1,322.80	$0.00	$1,322.80	$1,278.94	$43.86	$22,112.60	$3,993.04
44	4/1/2019	$22,112.60	$1,322.80	$0.00	$1,322.80	$1,281.34	$41.46	$20,831.26	$4,034.50
45	5/1/2019	$20,831.26	$1,322.80	$0.00	$1,322.80	$1,283.74	$39.06	$19,547.52	$4,073.56
46	6/1/2019	$19,547.52	$1,322.80	$0.00	$1,322.80	$1,286.15	$36.65	$18,261.37	$4,110.21
47	7/1/2019	$18,261.37	$1,322.80	$0.00	$1,322.80	$1,288.56	$34.24	$16,972.81	$4,144.45
48	8/1/2019	$16,972.81	$1,322.80	$0.00	$1,322.80	$1,290.98	$31.82	$15,681.83	$4,176.27
49	9/1/2019	$15,681.83	$1,322.80	$0.00	$1,322.80	$1,293.40	$29.40	$14,388.43	$4,205.68
50	10/1/2019	$14,388.43	$1,322.80	$0.00	$1,322.80	$1,295.82	$26.98	$13,092.61	$4,232.65
51	11/1/2019	$13,092.61	$1,322.80	$0.00	$1,322.80	$1,298.25	$24.55	$11,794.36	$4,257.20
52	12/1/2019	$11,794.36	$1,322.80	$0.00	$1,322.80	$1,300.69	$22.11	$10,493.67	$4,279.32
53	1/1/2020	$10,493.67	$1,322.80	$0.00	$1,322.80	$1,303.13	$19.68	$9,190.55	$4,298.99
54	2/1/2020	$9,190.55	$1,322.80	$0.00	$1,322.80	$1,305.57	$17.23	$7,884.98	$4,316.23
55	3/1/2020	$7,884.98	$1,322.80	$0.00	$1,322.80	$1,308.02	$14.78	$6,576.96	$4,331.01
56	4/1/2020	$6,576.96	$1,322.80	$0.00	$1,322.80	$1,310.47	$12.33	$5,266.49	$4,343.34
57	5/1/2020	$5,266.49	$1,322.80	$0.00	$1,322.80	$1,312.93	$9.87	$3,953.57	$4,353.22
58	6/1/2020	$3,953.57	$1,322.80	$0.00	$1,322.80	$1,315.39	$7.41	$2,638.18	$4,360.63
59	7/1/2020	$2,638.18	$1,322.80	$0.00	$1,322.80	$1,317.85	$4.95	$1,320.33	$4,365.58
60	8/1/2020	$1,320.33	$1,322.80	$0.00	$1,320.33	$1,317.85	$2.48	$0.00	$4,368.05

COFFEYVILLE SMALL BUSINESS LOAN PROGRAM

PURPOSE
The program is designed to stimulate economic growth and create jobs that will improve the living conditions of residents in the community. The program provides affordable, non-conventional financing, typically "gap financing," to eligible businesses and development projects that are not able to receive funding elsewhere. Businesses receiving these funds will be required to produce a sufficient number of net new jobs, or in the case of business retention, retain existing jobs.

ELIGIBLE AREAS
Financing under this program is available to all eligible businesses located within the city limits of the City of Coffeyville or within the Coffeyville Industrial Park.

ELIGIBLE APPLICANTS
Loan applicants for the Program must be existing legal businesses, located within the City of Coffeyville, with a proper local business license (if applicable), insurance, and required permits per local, state and federal requirements. If an applicant is a new start-up business and does not have proper licenses or insurance, then these items can be made a condition of funding the loan. The business can be a tenant leasing space or an owner of property where the business is located. The existing business must create one or more new permanent full time equivalent (FTE) jobs.

ELIGIBILITY CRITERIA
No member of the City Commission and no official, employee or agent of the City of Coffeyville, nor any other person who exercises policy or decision-making responsibilities in connection with the planning and implementation of the economic development policies or programs shall directly or indirectly be eligible for this program. Exceptions to this policy can be made only after public disclosure and formal approval by the City Commission and authorized in writing by the City of Coffeyville's legal counsel.

Eligible applicants must be able to secure financing with another financial institution to be eligible. This may be private lender, public institution such as the MCAC Micro-loan program, E-Community, etc. This loan is not intended to provide 100% financing for any project and is limited to 60% of project costs.

PROGRAM BENEFITS/ELIGIBLE USES
Funds under this program are restricted to certain eligible costs. Some common eligible costs are:

- Operating capital (including license and permit fees if applicable)
- Renovation of leased space or owned buildings (including engineering, architectural, and local permits or fees), new construction, or acquisition of existing commercial or industrial space.
- Purchase of manufacturing equipment (with or without installation costs)
- Furniture, fixtures and equipment (FF&E)

In most cases, loan funds will be disbursed incrementally on a reimbursement basis, or direct payment of vendor/contractor invoices, as eligible costs are verified.

FUNDING LIMITS
Loans are limited to $75,000 per business, however, loan requests will be considered on a case by case basis. Program funding on an annual basis is limited to funding availability and outstanding loan liabilities and is subject to Commission approval.

APPLICATION REQUIREMENTS
Loans will be considered on a case by case basis by the loan review committee. Applications

should include a completed loan application form, business plan, pro-forma financial information, job creation information, and a completed review of the tax impact on the community.

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