

*****ATTACHMENTS*****



625 N. 8TH STREET • SHEBOYGAN, WI 53081

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July 10, 2020

City of Sheboygan
City Hall
Attn: Chad Pelishek
828 Center Avenue, Suite 208
Sheboygan, WI 53081

Dear Chad,

The purpose of this letter is to request to modify my loan terms. I was given money from the revolving loan fund from the City of Sheboygan in December 2017 (or thereabouts). The money was used for the acquisition of The Financial Group, Inc., and I'm very thankful to have had the city help me with this as I was able to successfully close my business deal.

The original terms of the loan included hiring low-to-moderate income employees (needing over half of the employees to fall within this category). This task has been challenging given the unprecedented times we are now facing. However, I was recently able to hire a low-to-moderate income employee, but it doesn't fully meet the loan terms as half of the employees are over the income limit (Greg-Owner) and half are within the low-to-moderate income limits (Sara-Operations Manager).

I recently tried to restructure my business loans with my local bank to help pay off the City of Sheboygan loan. My local bank provided me with two options. The first option was with the Small Business Administration (SBA). While this option seemed promising, the SBA is requiring me to have an environmental study done (Phase 1). The reason for the test is because my building shares an alleyway with Art Imig's (a former drycleaner that is responsible for any past chemical spills that triggered this study). This type of environmental test is quite costly, and understanding this, my commercial banker tried another strategy to keep my loan "in-house" as a conventional loan; however, the underwriter couldn't come to an agreement with my commercial banker.



The Financial Group

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I'd like to maintain my loan with the City of Sheboygan if possible and I'm open to any suggested term modifications (i.e., interest rate, amount of years, etc.) given my situation. This original loan has allowed me to help many individuals, families, and business owners in the City of Sheboygan, as well as Sheboygan County, and I'm forever grateful to have had the city help me with my acquisition. My business will continue to grow as more and more people have questions and need guidance during these turbulent times we are facing and will continue to face given the current economic environment.

I ask that you and the Redevelopment Authority team examine my character, financials, and the unique opportunity I have put myself in position for as owner of The Financial Group, Inc. as you consider helping my business while in turn I help the residents of the City of Sheboygan and Sheboygan County.

If you have any questions or need information, please contact me directly at 920-451-6800.

Sincerely,

Greg Casper, CFP®
Financial Advisor | Owner

CITY OF SHEBOYGAN

REQUEST FOR REDEVELOPMENT AUTHORITY COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Discussion and possible action on business loan modification for The Financial Group.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: July 17, 2020 **MEETING DATE:** July 22, 2020

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The Redevelopment Authority has a \$75,000 loan with The Financial Group executed in December 2017 Under the terms of the loan, The Financial Group was to create three (3) new FTE positions in three years with two meeting the low to moderate income status. To date, they have created one job that meets the LMI status. The Financial Group explored paying the RDA off early and that did not work out. The Financial Group is asking for a loan modification because with COVID they do not foresee hiring more employees to meet the terms of the agreement.

STAFF COMMENTS:

The loan is current. Current terms is 2.5% for 10 years.

ACTION REQUESTED:

Motion as determined by the Authority.

ATTACHMENTS:

- I. Letter from The Financial Group dated July 10, 2020.