

Community Planning & Economic Development

Crown Roller Mill, 105 Fifth Ave. S.
Suite 200
Minneapolis, MN 55401



June 4, 2015

MEMO TO: Kevin Carpenter, CFO
Sandy Christensen, DCFO
Craig Taylor, CPED Executive Director

FROM: Chuck Lutz, Chair, Development Finance Committee

SUBJECT: Development Finance Committee recommendation regarding Eastside Food Co-op expansion project.

On June 4, 2015, the Development Finance Committee reviewed a staff report recommending approval of \$450,000 CDBG Great Streets Gap Financing Loan and approval of subordinating \$400,293 (\$319,273.53 current balance) NRP Loan Pool loans.

Due to the Development Finance Committees consensus that additional documentation is needed to support the request, the Development Finance Committee (DFC) agreed to move this item to the next Community Development and Regulatory Services Committee meeting June 23. The issue will be further discussed during the next DFC meeting June 18.

The committee would like further assessment of the cash flow projections, including the cash flow analysis done by the primary lender for the NMTC deal, information on historic profit margins, and the gross sales per square foot currently and how that compares to the projections and to other comparable grocery stores. The committee also requested information on what impact the construction disruption is expected to have including comparables from other similar stores that have recently expanded, and what EFC's "Plan B" is if the sales do not meet projections.

cc: Irene Kasper
Nila McDonald
David Frank