

Minutes of the  
REVOLVING LOAN FUND  
LOAN ADMINISTRATION BOARD

Wednesday, September 20, 2006, 7:30 a.m.  
Bi-State Regional Commission  
Bi-State Regional Commission Conference Room  
1504 Third Avenue  
Rock Island, Illinois

MEMBERS PRESENT: Berlinda Tyler-Jamison – President, Carl Becker, Denise Bulat, Randy Hollerud, Jay Morrow, Mark Petersen, Mike Powers, Lee Schneider, Jim Tank

MEMBERS ABSENT: none

STAFF PRESENT: Pat Burke, City of Moline; Mary Chappell, City of Rock Island; Jim Grafton, City of Silvis; Rich Keehner, City of East Moline; Donna Moritz, Bi-State Regional Commission; Liz Murray Tallman, City of Davenport;

OTHERS PRESENT: Janet Masamoto, JTM Concepts, Inc.; Bruce Kenseth, Kenseth Hospitality III, L.L.C.; Nicholas DeVolder, Angela Gano, Stephen Kingsley, Moline Banquet Center, L.L.C.

Ms. Tyler-Jamison called the meeting to order at 7:30 a.m. Ms. Tyler-Jamison welcomed Jay Morrow the newest board member representing East Moline.

1. Approval of Minutes of the June 21, 2006 Meeting. Ms. Tyler-Jamison asked if there were any additions or corrections to the June 21, 2006 Revolving Loan Fund Loan Administration Board minutes. Mr. Petersen stated a correction should be made to item 2. Financial Summary as there was \$320,662.97 available to loan not zero as the minutes reflected. Mr. Petersen moved approval of the minutes as corrected. Mr. Becker seconded the motion, and the motion passed unanimously.
2. Financial Report
  - a. Financial Summary. The Financial Summary, as of August 31, 2006 was reviewed. The principal balance outstanding for the program is \$1,857,597.03. There were \$3,691.21 available funds to loan from repayments. August repayments generated approximately \$46,500 in program income.
  - b. Delinquency Report. Ms. Moritz reported the delinquent accounts as of September 10, 2006. The following companies are in the over 90 days delinquent column: J T & S Production Co. (August 2005 through September 2006); Dominic Rivera Restaurant

Corporation (November 2004 through September 2006); Interactive Marketing, Inc. (May 2005 through September 2006) and Parakeet Island, Inc. (May 2003 through September 2006).

3. Status of Loan Reviews

a. Upcoming Loan Reviews. Upcoming loan review includes JPF Investment, L.C.

4. Review of Janet Masamoto d/b/a JTM Concepts, Inc. Loan Application. Ms. Chappell introduced Janet Masamoto to the board. Ms. Chappell reviewed the project summary letter stating the RLF funds will be used for construction of new addition. The company plans on creating 15 jobs within the next two years.

STAFF RECOMMENDATION:

RLF Amount	\$100,000
Term/Amortization	10 Years
Loan Review	2 Years
Interest Rate	4%
Collateral	Second Position – land, building, equipment, and inventory
Other Conditions	Personal Guarantee – Janet S. Masamoto Key person insurance on Janet S. Masamoto

After discussion, Mr. Powers moved, seconded by Mr. Petersen, to table further discussion on the loan request to Janet Masamoto d/b/a JTM Concepts, Inc. until the next meeting. The motion passed unanimously.

5. Review of Kenseth Hospitality III, L.L.C. Loan Application. Ms. Chappell introduced Bruce Kenseth to the board. Ms. Chappell reviewed the project summary letter stating the RLF funds will be used for renovations. The company plans on creating 34 jobs within the next two years.

STAFF RECOMMENDATION:

RLF Amount	\$250,000
Term/Amortization	5 Years
Loan Review	2 Years
Interest Rate	4%
Collateral	Second Position – Land, Building, and fixtures
Other Conditions	Corporate Guarantee – Kenseth Hospitality III, L.L.C.

After discussion, Mr. Powers moved, seconded by Mr. Petersen, to table further discussion on the loan request to Kenseth Hospitality III, L.L.C. until the next meeting. The motion passed unanimously.

6. Review of Moline Banquet Center, L.L.C. Loan Application. Mr. Burke introduced Nickolas DeVolder, Angela Gano, and Stephen Kingsley to the board. Mr. Burke reviewed the project summary letter stating the RLF funds will be used for equipment. The company plans on creating 6 ½ jobs within the next two years.

STAFF RECOMMENDATION:

RLF Amount	\$30,000
Term/Amortization	5 Years
Loan Review	2 Years
Interest Rate	4%
Collateral	Second Position – Land, Building, and equipment
Other Conditions	Personal Guarantees – Nicholas DeVolder, Angela Gano, Stephen Kingsley, Troy Said

After discussion, Mr. Powers moved, seconded by Mr. Petersen, to table further discussion on the loan request to Moline Banquet Center L.L.C. until the next meeting. The motion passed unanimously.

7. Old Business. Ms. Moritz updated the board on the following delinquent companies.
  - a. Dominic Rivera Restaurant. Ms. Moritz has received a letter and bankruptcy information from Mr. Rivera's bankruptcy attorney. She will forward this information onto Mr. Fritzsche for his review.
  - b. Interactive Marketing, Inc. There have been no new payments made.
  - c. JT & S Productions, Inc. Ms. Moritz stated the business has closed, and the property is on the market with a few potential buyers identified.
  - d. Parakeet Island, Inc. Ms. Moritz reported the real estate purchase is being negotiated again, and Mr. Malmstead says his financing is still in place and hopes to be working on the Moline location in 30 days.
8. New Business. Ms. Tyler-Jamison stated with the small amount available to loan and with it taking three to four months to rebuild the pool to \$100,000, the board should discuss other possible funding for the program and provide prioritization of projects to the economic development staff. The board decided to meet in one week to discuss these issues further. The board requested updated delinquency information with types of businesses and dollar amount delinquent for the next meeting.
9. Upcoming Loan Applications. Staff representatives from the Cities of Bettendorf, Coal Valley, and Eldridge and the Village of Milan were unable to attend this meeting. Ms. Murray Tallman stated the City of Davenport has three applications to bring in the future, one manufacturing, one service to manufacturing, and one downtown redevelopment

retail/service. Mr. Keehner stated the City of East Moline has a manufacturing project to bring to the next meeting, and the City Council will meet October 2<sup>nd</sup> to vote on becoming a participating community. Ms. Moritz, representing Rock Island County and Scott County, did not have any applications to report on at this time. Mr. Burke stated the City of Moline has an application from an entertainment business to bring to the next meeting. Ms. Chappell stated the City of Rock Island has a retail project to bring to the board in the future. Mr. Grafton stated the City of Silvis has a retail project to bring to the board in the future and the city is also considering becoming a participating member.

10. Other Business. Ms. Moritz reported updated staff and board rosters were sent in the agenda packet. Ms. Moritz stated the Tri City Heat Treat Co. loan was closed on August 25, 2006 in the amount of \$90,000.
11. Adjournment The meeting was adjourned at 8:45 a.m.