



Loan Administration Board  
**MEETING AGENDA**  
JANUARY 19, 2017

*Board Members*

*Tim Kobasic, Roni Beaudoin, Chris Economos, Jeanine Dagenais, Holly Thomma*  
*Council Liaison: Michael Sattem*  
*City Official: Robert Valentine*

City Hall Room 102 - Escanaba, MI 49829

Regular Meeting  
**JANUARY 19, 2017 8:00 a.m.**

CALL TO ORDER

APPROVAL/ADJUSTMENTS TO THE AGENDA

APPROVAL OF MINUTES FROM MAY 17, 2016

NEW BUSINESS

1. QUARTERLY LOAN REVIEW

GENERAL PUBLIC COMMENT

ANNOUNCEMENTS

ADJOURNMENT

The City of Escanaba will provide all necessary, reasonable aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting to individuals with disabilities at the meeting/hearing upon five days notice to the City of Escanaba. Individuals with disabilities requiring auxiliary aids or services should contact the City of Escanaba by writing or calling at (906) 786-9402.

Respectfully Submitted,

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Robert Valentine  
City Treasurer/HR Manager

**LOAN ADMINISTRATION BOARD MEETING MINUTES  
SPECIAL MEETING  
MAY 17, 2016**

Pursuant to public notice, a special meeting of the City of Escanaba Loan Administration Board was held on Thursday, May 17, 2016, at 8:00 a.m. at City Hall, Room C102, 410 Ludington Street, Escanaba, MI.

Board Members Present: Board members Roni Beaudoin, Jeanine Dagenais, Holly Thomma, Chris Economos, and Chairman Tim Kobasic

Also Present: City Treasurer Robert Valentine, City Attorney Russ Hall, Andy Crispigna

Absent: Boardmember Jeanine Dagenais

Chairperson Tim Kobasic called the meeting to order at 8:00 a.m.

**Approval/Adjustments to the Agenda**

A motion was made by Board member Beaudoin, seconded by Board member Thomma, to accept the Agenda subject to the addition of a discussion on establishment of a business incubator as requested by Chairman Kobasic.

**Approval of Minutes from April 21, 2016**

A motion was made by Boardmember Thomma, seconded by Board member Beaudoin, to accept the January 21, 2016 meeting minutes as submitted. Motion was approved unanimously.

**NEW BUSINESS**

**1. Crispigna Loan request**

The board considered a loan application package from restaurant owner Andrew Crispigna. Treasurer Valentine advised that proposed terms are 15 years, at prime plus 1%, adjustable at three year intervals. The request would be secured by a first mortgage on the building, a personal guarantee from the borrower and general business assets of Crispigna's Restaurant and Andy's Diner. Mr. Valentine advised that there is not a current appraisal, but offered the City Assessor's valuation which exceeds \$100,000 in place of an appraisal. Treasurer Valentine further advised that Mr. Crispigna has paid as agreed on his two prior loans and has otherwise complied with all terms and conditions.

Mr. Crispigna was present and summarized his project for the board. According to Mr. Crispigna, the first phase involves acquisition of the building before the June 1<sup>st</sup> deadline contained in the purchase and sale agreement. Mr. Crispigna advised that the second phase will involve demolition, construction and an addition to the rear of the building as well as creation of openings to join the two buildings into one facility. Mr. Crispigna advised that plans include additional first floor seating, a cold kitchen, a retail

counter, a wood fired pizza oven/bar, and upstairs seating. Mr. Crispigna has retained the services of an engineer, and is currently refining the design and cost estimates. Mr. Crispigna intends to finance the construction phase through the City's CDBG RLF at Northern Initiatives or through other sources.

Mr. Crispigna advised that he can reasonably expect to triple his retail sales by having a counter and cold kitchen for that specific purpose. He also anticipates additional restaurant, banquet and catering sales as a result of the additional space.

Board member Thomma advised that she reviewed Mr. Crispigna's financial statements and was of the opinion that the current business cash flow is sufficient to support the debt service. Treasurer Valentine advised that his analysis also supports the ability to service additional debt.

Upon further discussion and review of the application and related documents, board member Dagenais moved for approval of the request as presented. Board member Beaudoin supported the motion. There being no further discussion, the motion carried unanimously.

## **2. Michigan Meats Property Disposition**

Attorney Hall advised that he was in touch with representatives of State Bank regarding the sale of the Michigan Meats building. Attorney Hall further advised that he has reviewed the matter with Treasurer Valentine, and with the City Manager and it is consensus of the group to recommend that the LAB not attempt to purchase the real estate at the foreclosure auction scheduled for May 20<sup>th</sup>. Upon hearing the recommendation of Attorney Hall, board member Beaudoin moved to take no action with respect to the property sale. Board member Economos supported the motion. There being no further discussion, the motion carried unanimously.

## **3. Business Incubator Discussion**

Chairman Kobasic advised the board that he has had discussions with officials at Sault Ste. Marie regarding the business incubator that has been in existence in their community. Chairman Kobasic further advised that he is coordinating an in-person meeting and field trip to the Sault to learn more about the project. Mr. Kobasic will keep the board apprised of further developments.

## **General Public Comment**

None.

## **Announcements**

## **Adjournment**

A motion was made by Board member Economos to adjourn the meeting at 9:07 a.m.

APPROVED:

A handwritten signature in cursive script, appearing to read "Robert Valentine", written in black ink.

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TIM KOBASIC, CHAIRPERSON

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ROBERT VALENTINE, RECORDER