HEDA WORKING SESSION

Monday, September 19, 2022

5:00 p.m.

ATTENDANCE:			
	Vice-President Rick Cannata		Greg Pruszinske, *City Administrator*
	Member John Schweiberger		Andy Borland, *City Attorney*
	Member Jennifer Hoffman Saccoman		Sheena Mulner, City Clerk-Treasurer
	Member Steve Jurenes		Candie Seppala, *Sr Executive Assistant*
	Member Roger Kivela		*Betsy Olivanti, Community Dev. Director*
	Member Shelly Hanson		
	President Shari Majkich Brock		

AGENDA:

- The Do You LLC Loan Request (Andrew Hanegmon)
- Scranton Iron Haul Road Update
- Androy Update – TIF 8 Decertification, loan forgiveness, site visit
- Red Rock Hotel Update
- Vidovic Building Update – Meeting with RMB and AMGS
- Eye Clinic North – DEED funds and IRRRB grant
- Broadband Projects Update
- HEDA Bylaws Update
- Conference Update
- Bruce Eichorn Loan Revision
- HEDA Loans
- Miscellaneous – Round Table

NEXT REGULAR MEETING:

Wednesday, September 21, 2022
4:45 p.m.

ADJOURNMENT:

APPLICATION

Hibbing Economic Development Authority Loan

Basic Information

Name of Applicant(s): Andrew Hanegmon
Address: 214 East Howard Street Hibbing MN 55746
Phone: 218-966-1192

Name of Business: Iron Range Makerspace LLC
Address: 214 East Howard Street Hibbing MN 55746
Phone: ______

Business is:

[ ] new business start-up

[X] existing business 5 number of years $ 317,350 equity in business

Briefly describe your business, including such information as products and services provided, general market area served, and any other information you feel may be appropriate:

Primarily membership based workshop. new property is property management primarily with an entertainment, art, and culture focus.

Briefly describe the proposed project for which you are seeking assistance:

Working capital primarily to insulate the business over it's first winter with a new property, Fire suppresion update, bathroom remodel, and HVAC unit

Use of Proceeds

Fixed Assets	Amount
Land and building acquisition	$
Land improvements	
New building construction	
Building renovation	60,000
Purchase machinery/equipment	
Total Fixed Assets	$ 60,000
Working Capital	
Operating Capital	$ 40,000
Inventory	
Total Working Capital	$
Debt Refinancing	$
Total Uses	$ 100,000

Sources

Amount to be financed:

Source	*Rate*	*Term*	Amount
Equity			$
HEDA	3 %	10 yrs	$ 100,000
Bank	%	yrs	$
Other:			
	%	yrs	$
	%	yrs	$
Total Sources			$

Interest only for 1 year.

APPLICATION

How many jobs do you anticipate will be created or retained by this project?

5+ **Created** 4+ **Retained** 9+ **Total**

What is the wage/salary rage of these jobs?

15 **/hr. to** 35 **/hr** **and/or** ________ **/yr. To** ________ **/yr.**

PLEASE PROVIDE DETAIL TO THE FOLLOWING THREE COLLATERAL QUESTIONS. 1. What collateral do you have available which can be used as security for the proposed financing? 2. What is its estimated value? 3. Is this collateral subordinate to any other loan? If so, please provide details.

Personal guarantee

What experience or other qualifications do you have for operating this business?

5+ years as entrepreneur, BSE Integrated Engineering, Hibbing focused local who grew up here. 5+ yrs working in engineering for MSU Mankato.

I have reviewed the proposal described above. Based on this preliminary review and discussion, our Bank is interested in participating in the financing of this project assuming the following:

- ❑ **A complete application will be completed by the business/individual named herein**
- ❑ **All information requested by the HEDA and/or our Bank is provided in satisfactory form,**
- ❑ **The economic feasibility of the proposed project is demonstrated to our satisfaction.**

Furthermore, I understand that this indication of interest to participate with the HEDA in financing the project described herein, does not obligate this Bank to actually approve such financing unless and until the above mentioned conditions, and any other which this Bank may reasonably request have been met to the full satisfaction of this Bank, and a letter to that effect, signed by an officer of this Bank, has been delivered to the Hibbing Economic Development Authority Board.

Name of Bank: ______________________

Name of Officer: ______________________

Phone Number: ______________________

Signature: ______________________

Title: ______________________

Date: ______________________

Business Owner: ______________________

Signature: ______________________

Date: ______________________

HEDA approval date: ______________________

____
HEDA Exec. Dir. Signature:

____
HEDA President Signature:

Date: ______________________

HEDA Loan Disbursement Policy

Adopted June 11, 2003

This Policy has been established to guide HEDA and staff on the disbursement of HEDA loan funds:

Business Name:____

Loan Amount:________________ **Interest rate:**____________ **Term:**____________

Date:_______________________

1. HEDA and the participating bank shall enter into a "Participation Agreement" which shall address the following points:

______ a. All loan documents including Personal Guarantee

______ b. Certificate of Participation

______ c. Description of Collateral and Parties Security Interest Therein

______ d. List of Participation interests sold to other participants

______ e. Additional Covenants, Terms and Conditions

______ 2. Attorney review and signature:____

______ 3. HEDA Executive Director review and signature:____________________________

______ 4. HEDA Clerk review and signature:____________________________________

______ 5. Finance Director to execute check to participating bank

Overall Plans

The Iron Range Makerspace (IRM) purchased the old Crown Ballroom building to establish a creative center in Hibbing. The first floor is being leased to creator/art-based tenants. The second floor has a night club focused on entertainment, experiences, and art being designed that will lease to IRM. The basement will be an IRM expansion that will include a movie studio, audio studio, electronics workstations, and a hackerspace. The internet serving the building is brought by Paul Bunyan and is 1g up/down. Within 2 years, we intend to bring the service up to 10g up/down. This will create an access hub to the entire world that does not have a limit. This will allow the tenants and users of the building to expand their impacts globally. For example, if another pandemic happens we will be ready to host virtual concerts/events using this technology.

Financing Need Explanation

Fire suppression in the building has not been addressed since 2012. IRM intends to bring the sprinkler system up to code and recharge and update all fire extinguishers. LVC will do the sprinkler system update which will include over 500 sprinkler heads and some small piping additions. The quote for this is about $20,000.

The second floor has no AC system functioning currently. In July when the Iron Range Makerspace purchased the building, the temperature on the second floor was over 95 degrees which is causing deterioration to the property as well as assets and literally curling paper. Iron Range Plumbing and Heating has quoted a new unit at $47,000.

To accommodate additional occupancy effectively during large events, we are going to add another bathroom to the second floor. There is $10,000 budgeting to complete this.

The largest expenses for IRM will happen in the first quarter of 2023. To insulate IRM and ensure success in this project, IRM is asking for an additional $40,000 in working capital to be ready for the bills of 1st quarter 2023 and the unexpected costs associated with the new property.

In the estimated income statement sent, 2022 shows -$8k, and 2023 shows a stressed analysis (covering unplanned costs of a 100 yr old building and risk of high utilities) of potentially -$25K. This would give a $7,000 buffer off the $40,000 working capital asked for. That buffer is intended to cover the unknown unknowns which we are finding as we dive into this property (electrical panel replacement in the basement as an example). The other risk is if the rental income off the property does not match the projections.

The proposal also asks for 1 year of interest only payments while IRM secures cash flow off of the new property. Debt to worth of IRM with the HEDA financing is still 0.7 as well.

Feel free to reach out to Andrew Hanegmon at ironrangemakerspace@gmail.com or 218-966-1192 for additional information.

Entrepreneur Fund

Cash Flow Projections

Business Name: Iron Range Makerspace LLC

Year:

	Start-Up	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	Ratios
Sales from: Tenants										$ 4,180	$ 4,180	$ 4,180	$ 4,180	$ 16,720	91.1%
Sales from: Additional IRM Memberships from addition										$ 166	$ 249	$ 249	$ 249	$ 913	5.0%
Sales from: Product sale increase using downtown frontage										$ 60	$ 120	$ 240	$ 300	$ 720	3.9%
Sales from:														$ -	0.0%
TOTAL SALES INCOME	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,406**	**$ 4,549**	**$ 4,669**	**$ 4,729**	**$ 18,353**	**100.0%**
Inventory for: Product sales										$ (18)	$ (36)	$ (72)	$ (90)	$ (216)	-1.3%
Inventory for:														$ -	0.0%
Inventory for:														$ -	0.0%
Inventory for:														$ -	#DIV/0!
TOTAL COGS EXPENSES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (18)**	**$ (36)**	**$ (72)**	**$ (90)**	**$ (216)**	**-1.2%**
Accounting														$ -	0.0%
Advertising														$ -	0.0%
Auto Expense														$ -	0.0%
Bank Charges														$ -	0.0%
Computer Software														$ -	0.0%
Charitable Contributions														$ -	0.0%
Credit Card Merchant Fees														$ -	0.0%
Dues & Subscriptions														$ -	0.0%
Insurance														$ -	0.0%
Legal														$ -	0.0%
Licenses & Taxes														$ -	0.0%
Office Supplies										$ 25	$ 25	$ 25	$ 25	$ 100	0.6%
Payroll -Wages														$ -	0.0%
Payroll -Taxes														$ -	0.0%
Phone														$ -	0.0%
Postage														$ -	0.0%
Rent														$ -	0.0%
Repairs & Maintenance										$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 4,000	24.7%
Security														$ -	0.0%
Supplies										$ 100	$ 100	$ 100	$ 100	$ 400	2.5%
Utilities										$ 2,100	$ 2,200	$ 3,000	$ 4,400	$ 11,700	72.2%
Miscellaneous Expenses														$ -	0.0%
TOTAL OPERATING EXPENSES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,225**	**$ 3,325**	**$ 4,125**	**$ 5,525**	**$ 16,200**	**88.3%**
NET INCOME	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,199**	**$ 1,260**	**$ 616**	**$ (706)**	**$ 2,369**	**12.9%**
Loan Proceeds														$ -	#DIV/0!
Owner Contributions														$ -	#DIV/0!
Grant Contributions														$ -	#DIV/0!
Other Cash In														$ -	#DIV/0!
TOTAL CASH IN FROM OTHER	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Loan #1 P&I Payment NBC Loan										$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 7,720	74.6%
Loan #2 P&I Payment Entrepreneur Fund Loan										$ 470	$ 470	$ 470	$ 470	$ 1,880	18.2%
Loan #3 P&I Payment HEDA											$ 250	$ 250	$ 250	$ 750	7.2%
Owner Draws														$ -	0.0%
Capital Expenditures														$ -	0.0%
Other Cash Out														$ -	0.0%
TOTAL CASH OUT TO OTHER	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,400**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 10,350**	**56.4%**
NET CHANGE IN CASH	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (1,201)**	**$ (1,390)**	**$ (2,034)**	**$ (3,356)**	**$ (7,981)**	**-43.5%**
BEGINNING CASH	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,201)	$ (2,591)	$ (4,625)		
ENDING CASH BALANCE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,201)	$ (2,591)	$ (4,625)	**$ (7,981)**		

Entrepreneur Fund

Cash Flow Projections

Business Name: Iron Range Makerspace LLC
Year:

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	Ratios
Sales from: Tenants	$ 5,766	$ 6,766	$ 6,766	$ 7,766	$ 7,766	$ 8,766	$ 8,766	$ 9,766	$ 9,766	$ 12,266	$ 12,266	$ 12,266	$ 108,692	100.0%
Sales from:													$ -	0.0%
Sales from:													$ -	0.0%
Sales from:													$ -	0.0%
TOTAL SALES INCOME	**$ 5,766**	**$ 6,766**	**$ 6,766**	**$ 7,766**	**$ 7,766**	**$ 8,766**	**$ 8,766**	**$ 9,766**	**$ 9,766**	**$ 12,266**	**$ 12,266**	**$ 12,266**	**$ 108,692**	**100.0%**
Inventory for: Product sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Inventory for:													$ -	#DIV/0!
Inventory for:													$ -	#DIV/0!
Inventory for:													$ -	#DIV/0!
TOTAL COGS EXPENSES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Accounting													$ -	0.0%
Advertising													$ -	0.0%
Auto Expense													$ -	0.0%
Bank Charges													$ -	0.0%
Computer Software													$ -	0.0%
Charitable Contributions													$ -	0.0%
Credit Card Merchant Fees													$ -	0.0%
Dues & Subscriptions													$ -	0.0%
Insurance						$ 4,748							$ 4,748	7.2%
Legal													$ -	0.0%
Licenses & Taxes				$ 5,400				$ 5,400					$ 10,800	16.4%
Office Supplies	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 300	0.5%
Payroll -Wages													$ -	0.0%
Payroll -Taxes													$ -	0.0%
Phone													$ -	0.0%
Postage													$ -	0.0%
Rent													$ -	0.0%
Repairs & Maintenance	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 12,000	18.3%
Security													$ -	0.0%
Supplies	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 1,200	1.8%
Utilities	$ 5,500	$ 5,500	$ 5,000	$ 4,500	$ 4,000	$ 1,400	$ 1,400	$ 1,400	$ 1,500	$ 1,500	$ 1,500	$ 3,500	$ 36,700	55.8%
Miscellaneous Expenses													$ -	0.0%
TOTAL OPERATING EXPENSES	**$ 6,625**	**$ 6,625**	**$ 6,125**	**$ 11,025**	**$ 5,125**	**$ 7,273**	**$ 2,525**	**$ 7,925**	**$ 2,625**	**$ 2,625**	**$ 2,625**	**$ 4,625**	**$ 65,748**	**60.5%**
NET INCOME	**$ (859)**	**$ 141**	**$ 641**	**$ (3,259)**	**$ 2,641**	**$ 1,493**	**$ 6,241**	**$ 1,841**	**$ 7,141**	**$ 9,641**	**$ 9,641**	**$ 7,641**	**$ 42,944**	**39.5%**
Loan Proceeds													$ -	#DIV/0!
Owner Contributions													$ -	#DIV/0!
Grant Contributions													$ -	#DIV/0!
Other Cash In													$ -	#DIV/0!
TOTAL CASH IN FROM OTHER	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Loan #1 P&I Payment NBC Loan	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 23,160	68.0%
Loan #2 P&I Payment Entrepreneur Fun	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 5,640	16.6%
Loan #3 P&I Payment HEDA interest onl	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 1,000	$ 1,000	$ 1,000	$ 5,250	15.4%
Owner Draws													$ -	0.0%
Capital Expenditures													$ -	0.0%
Other Cash Out													$ -	0.0%
TOTAL CASH OUT TO OTHER	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 3,400**	**$ 3,400**	**$ 3,400**	**$ 34,050**	**31.3%**
NET CHANGE IN CASH	**$ (3,509)**	**$ (2,509)**	**$ (2,009)**	**$ (5,909)**	**$ (9)**	**$ (1,157)**	**$ 3,591**	**$ (809)**	**$ 4,491**	**$ 6,241**	**$ 6,241**	**$ 4,241**	**$ 8,894**	**8.2%**
BEGINNING CASH	$ -	$ (3,509)	$ (6,018)	$ (8,027)	$ (13,936)	$ (13,945)	$ (15,102)	$ (11,511)	$ (12,320)	$ (7,829)	$ (1,588)	$ 4,653		
ENDING CASH BALANCE	$ (3,509)	$ (6,018)	$ (8,027)	$ (13,936)	$ (13,945)	$ (15,102)	$ (11,511)	$ (12,320)	$ (7,829)	$ (1,588)	$ 4,653	$ 8,894		

Entrepreneur Fund

Cash Flow Projections

Business Name:

Year:

Stress Sales By: -20%

Stress COGS By: 20%

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	Ratios
Sales from:	$ 4,613	$ 5,413	$ 5,413	$ 6,213	$ 6,213	$ 7,013	$ 7,013	$ 7,813	$ 7,813	$ 9,813	$ 9,813	$ 9,813	$ 86,954	100.0%
Sales from:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Sales from:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Sales from:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
TOTAL SALES INCOME	**$ 4,613**	**$ 5,413**	**$ 5,413**	**$ 6,213**	**$ 6,213**	**$ 7,013**	**$ 7,013**	**$ 7,813**	**$ 7,813**	**$ 9,813**	**$ 9,813**	**$ 9,813**	**$ 86,954**	**100.0%**
Inventory for:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Inventory for:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
Inventory for:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
Inventory for:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
TOTAL COGS EXPENSES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Accounting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Advertising	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Auto Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Bank Charges	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Computer Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Charitable Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Credit Card Merchant Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Dues & Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Insurance	$ -	$ -	$ -	$ -	$ -	$ 4,748	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,748	7.2%
Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Licenses & Taxes	$ -	$ -	$ -	$ 5,400	$ -	$ -	$ -	$ 5,400	$ -	$ -	$ -	$ -	$ 10,800	16.4%
Office Supplies	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 300	0.5%
Payroll -Wages	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Payroll -Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Phone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Rent	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Repairs & Maintenance	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 12,000	18.3%
Security	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Supplies	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 1,200	1.8%
Utilities	$ 5,500	$ 5,500	$ 5,000	$ 4,500	$ 4,000	$ 1,400	$ 1,400	$ 1,400	$ 1,500	$ 1,500	$ 1,500	$ 3,500	$ 36,700	55.8%
Miscellaneous Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
TOTAL OPERATING EXPENSES	**$ 6,625**	**$ 6,625**	**$ 6,125**	**$ 11,025**	**$ 5,125**	**$ 7,273**	**$ 2,525**	**$ 7,925**	**$ 2,625**	**$ 2,625**	**$ 2,625**	**$ 4,625**	**$ 65,748**	**75.6%**
NET INCOME	**$ (2,012)**	**$ (1,212)**	**$ (712)**	**$ (4,812)**	**$ 1,088**	**$ (260)**	**$ 4,488**	**$ (112)**	**$ 5,188**	**$ 7,188**	**$ 7,188**	**$ 5,188**	**$ 21,206**	**24.4%**
Loan Proceeds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
Owner Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
Grant Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
Other Cash In	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
TOTAL CASH IN FROM OTHER	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Loan #1 P&I Payment	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 23,160	68.0%
Loan #2 P&I Payment	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 5,640	16.6%
Loan #3 P&I Payment	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 1,000	$ 1,000	$ 1,000	$ 5,250	15.4%
Owner Draws	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Capital Expenditures	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Other Cash Out	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
TOTAL CASH OUT TO OTHER	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 3,400**	**$ 3,400**	**$ 3,400**	**$ 34,050**	**39.2%**
NET CHANGE IN CASH	**$ (4,662)**	**$ (3,862)**	**$ (3,362)**	**$ (7,462)**	**$ (1,562)**	**$ (2,910)**	**$ 1,838**	**$ (2,762)**	**$ 2,538**	**$ 3,788**	**$ 3,788**	**$ 1,788**	**$ (12,844)**	**-14.8%**
BEGINNING CASH	$ -	$ (4,662)	$ (8,524)	$ (11,887)	$ (19,349)	$ (20,911)	$ (23,821)	$ (21,983)	$ (24,746)	$ (22,208)	$ (18,420)	$ (14,632)		
ENDING CASH BALANCE	$ (4,662)	$ (8,524)	$ (11,887)	$ (19,349)	$ (20,911)	$ (23,821)	$ (21,983)	$ (24,746)	$ (22,208)	$ (18,420)	$ (14,632)	**$ (12,844)**		

Entrepreneur Fund

Break Even Calculation

Business Name:
Year:

	Start-Up	Start-Up	Year One	Year One	Year Two	Year Two
Sales from:	S	$ -	S	$ 16,720	S	$ 108,692
Sales from:	S	$ -	S	$ 913	S	$ -
Sales from:	S	$ -	S	$ 720	S	$ -
Sales from:	S	$ -	S	$ -	S	$ -
TOTAL SALES INCOME	**N/A**	**$ -**	**N/A**	**$ 18,353**	**N/A**	**$ 108,692**
Inventory for:	V	$ -	V	$ (216)	V	$ -
Inventory for:	V	$ -	V	$ -	V	$ -
Inventory for:	V	$ -	V	$ -	V	$ -
Inventory for:	V	$ -	V	$ -	V	$ -
TOTAL COGS EXPENSES	**N/A**	**$ -**	**N/A**	**$ (216)**	**N/A**	**$ -**
Accounting	F	$ -	F	$ -	F	$ -
Advertising	F	$ -	F	$ -	F	$ -
Auto Expense	F	$ -	F	$ -	F	$ -
Bank Charges	F	$ -	F	$ -	F	$ -
Computer Software	F	$ -	F	$ -	F	$ -
Charitable Contributions	F	$ -	F	$ -	F	$ -
Credit Card Merchant Fees	F	$ -	F	$ -	F	$ -
Dues & Subscriptions	F	$ -	F	$ -	F	$ -
Insurance	F	$ -	F	$ -	F	$ 4,748
Legal	F	$ -	F	$ -	F	$ -
Licenses & Taxes	F	$ -	F	$ -	F	$ 10,800
Office Supplies	F	$ -	F	$ 100	F	$ 300
Payroll -Wages	F	$ -	F	$ -	F	$ -
Payroll -Taxes	F	$ -	F	$ -	F	$ -
Phone	F	$ -	F	$ -	F	$ -
Postage	F	$ -	F	$ -	F	$ -
Rent	F	$ -	F	$ -	F	$ -
Repairs & Maintenance	F	$ -	F	$ 4,000	F	$ 12,000
Security	F	$ -	F	$ -	F	$ -
Supplies	F	$ -	F	$ 400	F	$ 1,200
Utilities	F	$ -	F	$ 11,700	F	$ 36,700
Miscellaneous Expenses	F	$ -	F	$ -	F	$ -
TOTAL OPERATING EXPENSES	**N/A**	**$ -**	**N/A**	**$ 16,200**	**N/A**	**$ 65,748**
NET INCOME	**N/A**	**$ -**	**N/A**	**$ 2,369**	**N/A**	**$ 42,944**
Loan Proceeds		$ -		$ -		$ -
Owner Contributions		$ -		$ -		$ -
Grant Contributions		$ -		$ -		$ -
Other Cash In		$ -		$ -		$ -
TOTAL CASH IN FROM OTHER	**N/A**	**$ -**	**N/A**	**$ -**	**N/A**	**$ -**
Loan #1 P&I Payment	F	$ -	F	$ 7,720	F	$ 23,160
Loan #2 P&I Payment	F	$ -	F	$ 1,880	F	$ 5,640
Loan #3 P&I Payment	F	$ -	F	$ 750	F	$ 5,250
Owner Draws	V	$ -	V	$ -	V	$ -
Capital Expenditures	V	$ -	V	$ -	V	$ -
Other Cash Out	F	$ -	F	$ -	F	$ -
TOTAL CASH OUT TO OTHER	**N/A**	**$ -**	**N/A**	**$ 10,350**	**N/A**	**$ 34,050**
NET CHANGE IN CASH	**N/A**	**$ -**	**N/A**	**$ (7,981)**	**N/A**	**$ 8,894**
BEGINNING CASH	N/A	$ -	N/A	$ -	N/A	$ -
ENDING CASH BALANCE	N/A	$ -	N/A	$ -	N/A	$ -

Entrepreneur Fund

Cash Flow Projections

Iron Range Makerspace LLC

Business Name:
Year:

	Start-Up	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	Ratios
Sales from: Tenants										$ 4,180	$ 4,180	$ 4,180	$ 4,180	$ 16,720	91.1%
Sales from: Additional IRM Memberships from addition										$ 166	$ 249	$ 249	$ 249	$ 913	5.0%
Sales from: Product sale increase using downtown frontage										$ 60	$ 120	$ 240	$ 300	$ 720	3.9%
Sales from:														$ -	0.0%
TOTAL SALES INCOME	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,406	$ 4,549	$ 4,669	$ 4,729	$ 18,353	100.0%
Inventory for: Product sales										$ (18)	$ (36)	$ (72)	$ (90)	$ (216)	-1.3%
Inventory for:														$ -	0.0%
Inventory for:														$ -	0.0%
Inventory for:														$ -	#DIV/0!
TOTAL COGS EXPENSES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (18)	$ (36)	$ (72)	$ (90)	$ (216)	-1.2%
Accounting														$ -	0.0%
Advertising														$ -	0.0%
Auto Expense														$ -	0.0%
Bank Charges														$ -	0.0%
Computer Software														$ -	0.0%
Charitable Contributions														$ -	0.0%
Credit Card Merchant Fees														$ -	0.0%
Dues & Subscriptions														$ -	0.0%
Insurance														$ -	0.0%
Legal														$ -	0.0%
Licenses & Taxes														$ -	0.0%
Office Supplies										$ 25	$ 25	$ 25	$ 25	$ 100	0.6%
Payroll -Wages														$ -	0.0%
Payroll - Taxes														$ -	0.0%
Phone														$ -	0.0%
Postage														$ -	0.0%
Rent														$ -	0.0%
Repairs & Maintenance										$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 4,000	24.7%
Security														$ -	0.0%
Supplies										$ 100	$ 100	$ 100	$ 100	$ 400	2.5%
Utilities										$ 2,100	$ 2,200	$ 3,000	$ 4,400	$ 11,700	72.2%
Miscellaneous Expenses														$ -	0.0%
TOTAL OPERATING EXPENSES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,225	$ 3,325	$ 4,125	$ 5,525	$ 16,200	88.3%
NET INCOME	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,199	$ 1,260	$ 616	$ (706)	$ 2,369	12.9%
Loan Proceeds														$ -	#DIV/0!
Owner Contributions														$ -	#DIV/0!
Grant Contributions														$ -	#DIV/0!
Other Cash In														$ -	#DIV/0!
TOTAL CASH IN FROM OTHER	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Loan #1 P&I Payment NBC Loan										$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 7,720	74.6%
Loan #2 P&I Payment Entrepreneur Fund Loan										$ 470	$ 470	$ 470	$ 470	$ 1,880	18.2%
Loan #3 P&I Payment HEDA											$ 250	$ 250	$ 250	$ 750	7.2%
Owner Draws														$ -	0.0%
Capital Expenditures														$ -	0.0%
Other Cash Out														$ -	0.0%
TOTAL CASH OUT TO OTHER	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,400	$ 2,650	$ 2,650	$ 2,650	$ 10,350	56.4%
NET CHANGE IN CASH	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,201)	$ (1,390)	$ (2,034)	$ (3,356)	$ (7,981)	-43.5%
BEGINNING CASH	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,201)	$ (2,591)	$ (4,625)		
ENDING CASH BALANCE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,201)	$ (2,591)	$ (4,625)	$ (7,981)		

Entrepreneur Fund

Cash Flow Projections

Business Name:

Year:

Stress Sales By: -20%

Stress COGS By: 20%

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	Ratios
Sales from:	$ 4,613	$ 5,413	$ 5,413	$ 6,213	$ 6,213	$ 7,013	$ 7,013	$ 7,813	$ 7,813	$ 9,813	$ 9,813	$ 9,813	$ 86,954	100.0%
Sales from:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Sales from:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Sales from:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
TOTAL SALES INCOME	**$ 4,613**	**$ 5,413**	**$ 5,413**	**$ 6,213**	**$ 6,213**	**$ 7,013**	**$ 7,013**	**$ 7,813**	**$ 7,813**	**$ 9,813**	**$ 9,813**	**$ 9,813**	**$ 86,954**	**100.0%**
Inventory for:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Inventory for:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
Inventory for:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
Inventory for:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
TOTAL COGS EXPENSES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Accounting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Advertising	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Auto Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Bank Charges	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Computer Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Charitable Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Credit Card Merchant Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Dues & Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Insurance	$ -	$ -	$ -	$ -	$ -	$ 4,748	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,748	7.2%
Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Licenses & Taxes	$ -	$ -	$ -	$ 5,400	$ -	$ -	$ -	$ 5,400	$ -	$ -	$ -	$ -	$ 10,800	16.4%
Office Supplies	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 300	0.5%
Payroll -Wages	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Payroll -Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Phone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Rent	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Repairs & Maintenance	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 12,000	18.3%
Security	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Supplies	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 1,200	1.8%
Utilities	$ 5,500	$ 5,500	$ 5,000	$ 4,500	$ 4,000	$ 1,400	$ 1,400	$ 1,400	$ 1,500	$ 1,500	$ 1,500	$ 3,500	$ 36,700	55.8%
Miscellaneous Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
TOTAL OPERATING EXPENSES	**$ 6,625**	**$ 6,625**	**$ 6,125**	**$ 11,025**	**$ 5,125**	**$ 7,273**	**$ 2,525**	**$ 7,925**	**$ 2,625**	**$ 2,625**	**$ 2,625**	**$ 4,625**	**$ 65,748**	**75.6%**
NET INCOME	**$ (2,012)**	**$ (1,212)**	**$ (712)**	**$ (4,812)**	**$ 1,088**	**$ (260)**	**$ 4,488**	**$ (112)**	**$ 5,188**	**$ 7,188**	**$ 7,188**	**$ 5,188**	**$ 21,206**	**24.4%**
Loan Proceeds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
Owner Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
Grant Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
Other Cash In	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!
TOTAL CASH IN FROM OTHER	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Loan #1 P&I Payment	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 1,930	$ 23,160	68.0%
Loan #2 P&I Payment	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 470	$ 5,640	16.6%
Loan #3 P&I Payment	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 1,000	$ 1,000	$ 1,000	$ 5,250	15.4%
Owner Draws	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Capital Expenditures	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Other Cash Out	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
TOTAL CASH OUT TO OTHER	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 2,650**	**$ 3,400**	**$ 3,400**	**$ 3,400**	**$ 34,050**	**39.2%**
NET CHANGE IN CASH	**$ (4,662)**	**$ (3,862)**	**$ (3,362)**	**$ (7,462)**	**$ (1,562)**	**$ (2,910)**	**$ 1,838**	**$ (2,762)**	**$ 2,538**	**$ 3,788**	**$ 3,788**	**$ 1,788**	**$ (12,844)**	**-14.8%**
BEGINNING CASH	$ -	$ (4,662)	$ (8,524)	$ (11,887)	$ (19,349)	$ (20,911)	$ (23,821)	$ (21,983)	$ (24,746)	$ (22,208)	$ (18,420)	$ (14,632)		
ENDING CASH BALANCE	$ (4,662)	$ (8,524)	$ (11,887)	$ (19,349)	$ (20,911)	$ (23,821)	$ (21,983)	$ (24,746)	$ (22,208)	$ (18,420)	$ (14,632)	**$ (12,844)**		

LEGEND HOMES LLC

To: Betsy, Sheena, and HEDA Board members

From: Margate Const. Legend Homes llc

Date: 9-14-22

Regards: HEDA Loan

I would like to thank all of you for approving my HEDA loan for $100,000. This will be used to finish building the remaining 5 unit townhomes over by Vic Power Park. I don't know if any of you have been by there in the last couple weeks but the walls have been constructed and the roof is going on as we speak.

Over the last several years, HEDA has partnered up with our organization to provide many loans for the townhomes. Each time we have partnered together, HEDA has given me a 6 month interest free loan. This has provided us to get units up and finished and save money on the overall project by giving us that grace period. A few hundred dollars really means something today in this uncertain marketplace.

Payback will work the same as in the past. Once a unit is sold and closed, Legend Homes will pay off a portion of the loan. This HEDA loan means so much to get these homes finished and give people the experience of owning a new home at an affordable price. Thank you for partnering with our organization to make these dreams come true for so many people.

Take care

Bruce Eichorn