

Big Sky EDA-RLF Loan Request

I. Big Sky EDC Finance Department is requesting approval for the following EDA-RLF request. The Big Sky EDA-RLF Loan Committee has reviewed the request and recommends approval to the full EDC Board. The request meets all the underwriting and eligibility requirements of the program.

1. **Magic City Subs, LLC (Jersey Mike's)** – Request is for \$250,000 to assist with funding for leasehold improvements, FF&E, start-up costs and working capital for a new Jersey Mike's location on Grand Avenue in Billings, MT. Jersey Mike's is a fast casual sandwich franchise with more than 1,500 locations in the U.S. John Vagner is 100% owner of this franchise location as well as two others in Billings and one in Great Falls.

Big Sky EDC will utilize the EDA-RLF funds in partnership with First Interstate Bank in financing the total project costs. First Interstate will finance \$290,000 in a 1st lien position and the borrower will be providing 10% equity of \$60,000. Our financing terms will be 10 years at 7.50% fixed, matching that of the bank. Big Sky EDC will be taking a 2nd lien position on all business assets at this location behind First Interstate Bank. 12 jobs are projected to be created because of this project. The Big Sky EDC Loan Committee has reviewed and approved the request as presented.