

**CITY OF LANCASTER REVITALIZATION AND IMPROVEMENT ZONE
AUTHORITY**

RESOLUTION No. 7-2018

ADOPTED September 25, 2018

**AUTHORIZING THE INCLUSION OF 551 WEST KING STREET IN THE LANCASTER
CRIZ DISTRICT AND APPROVING AN APPLICATION FROM TRISSLER PARTNERS,
LLC AND TAFF ENTERPRISES, LLC REQUESTING CRIZ FINANCIAL ASSISTANCE TO
EXPAND THE FACILITY KNOWN AS 551 WEST BUSINESS**

WHEREAS, the Trissler Partners, LLC, the owner of 551 West King Street and Taff Enterprises, LLC, owners of the restaurant located at 551 West King Street (hereinafter jointly referred to as the Applicant), have requested the City of Lancaster City Revitalization and Improvement Zone (CRIZ) Authority to consider including 551 West King Street, Lancaster PA (Property ID # 3359027400000) in the Lancaster CRIZ District; and

WHEREAS, in expectation of the request to be added to the CRIZ District being approved by the CRIZ Authority and the Commonwealth of Pennsylvania, the Applicant has also submitted an application to the CRIZ Authority seeking CRIZ financial assistance to finance the expansion of the restaurant to include outdoor seating and a roof-top dining area for the 551 West restaurant facility; and

WHEREAS, the Applicant submitted a complete application for consideration and appeared before the Project Review Committee at a meeting of the Committee on September 11, 2018 to present the application for consideration by the Committee; and

WHEREAS, the Project Review Committee has recommended approval of the application, with conditions.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Lancaster Revitalization and Improvement Zone (CRIZ) Authority to approve adding the 0.13 acre property at 551 West King Street (Property ID# 3359027400000), Lancaster, PA to the Lancaster CRIZ District, subject to the approval of the Commonwealth of Pennsylvania.

BE IT FURTHER RESOLVED by the Board of Directors of the CRIZ Authority to providing CRIZ financial assistance to Trissler Partners, LLC and/or Taff Enterprises, LLC to renovate and expand the dining areas at 551 West King Street, as outlined in the Applicant's application, and as stipulated in the Project Review Committee recommendation, attached hereto as Exhibit A.

BE IT FURTHER RESOLVED that this commitment of CRIZ financial assistance is also conditioned upon the approval of the project by the Pennsylvania Department of Community and Economic Development, the Pennsylvania Department of Revenue and the Pennsylvania Office of Budget.

BE IT FURTHER RESOLVED that upon receipt of the required approvals of the Commonwealth of Pennsylvania agencies, the Acting Executive Director and Chair are authorized to prepare and execute, with the assistance of legal counsel, the CRIZ Grant Agreement and all other legal documents required to provide the CRIZ financial assistance to the Applicant.

CERTIFICATE OF SECRETARY

I hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Board of Directors of the City of Lancaster Revitalization and Improvement Zone Authority at a regular meeting of said Board duly called and held on September 25, 2018; that public notice of said meeting was given as required by law; that said Resolution has been duly recorded upon the minutes of said Board; and that said Resolution has not been amended, repealed or superseded and is in full force and effect this 25th day of September 2018.

A handwritten signature in cursive script, reading "Thomas Baldrige", is written over a horizontal line.

Secretary, Thomas Baldrige

CONFIDENTIAL

MEMORANDUM

TO: CRIZ BOARD OF DIRECTORS
FROM: PROJECT REVIEW COMMITTEE
SUBJECT: TRISSLER PARTNERS, LLC/TAFF ENTERPRISES, LLC; 551 WEST KING STREET APPLICATION
DATE: SEPTEMBER 18, 2018
CC: RANDY S. PATTERSON

On September 11 2018, the Project Review Committee met with to discuss the Trissler Partners, LLC and TAFF Enterprises, LLC ("Applicant") application for CRIZ financial assistance. The application is requesting CRIZ financial assistance to cover the debt service associated with a loan to expand the restaurant and bar facilities at 551 West King Street, Lancaster, PA by constructing a 2,100-outdoor seating and a rooftop dining area. Other interior improvements to the restaurant will also be undertaken as part of the project.

The expansion of outdoor space will provide an opportunity for 551 West to be more competitive in the Spring, Summer and Fall. There is an expectation that an additional 11-16 permanent jobs will be created. They expect that 80% of the new employees would be City residents. Zoning approvals have been received and a parking lease with a neighboring business has been signed to provide customer parking.

The total cost of the project will be between \$400,000 and \$500,000. The Applicant is seeking CRIZ financial assistance from the increment to be created above a baseline year that will be established in either 2018 or 2019. Conversations are ongoing with several financial institutions.

The request reviewed by the Project Review Committee was to extend CRIZ financial assistance for a maximum 10-year period, but ultimately tied to the term of the bank financing if the term is less than 10 years. The Applicant is requesting the full use of 80% of the actual CRIZ increment generated to pay the annual principal and interest payments. Based on the projected debt service for loans from \$400,000 to \$500,000, 80% of the increment expected to be created will exceed the projected \$38,000-\$40,000 annual debt service payment. However, the Applicant is also requesting access to 70% of

the increment created over the modeled increment to make additional principal reduction payments to pay off the loan more quickly.

Included with this memo are the following documents:

1. Current Project Summary of the 551 West King Street project
2. Summary of projected CRIZ Revenues to be generated

Following the interview with Mr. Trissler, minority owners in both Trissler Partners, LLC and Taff Enterprises, LLC, and additional deliberations, the Project Review Committee submits the following recommendation to the CRIZ Authority Board:

1. The CRIZ Authority agree to ask the Commonwealth to add 551 West King Street, to the Lancaster CRIZ District.
2. The CRIZ Authority will act as a pass through of incremental CRIZ revenue generated by 551 West King. The CRIZ Authority will not be a lender, a borrower or a guarantor of any debt.
3. The CRIZ Authority agrees to provide a 10-year financing commitment from the date of closing to pay debt service on the financing provided to finance the expansion and renovation of the facility.
4. The financing commitment will provide 80% of the actual incremental CRIZ revenue to be generated by 551 West during the 10-year period, not to exceed 80% of the revenue modeled by the Applicant and FourScore LLC.
5. If the annual debt service payment on the CRIZ-supported loan is less than 80% of actual CRIZ revenue generated, or 80% of the modeled revenue, the Applicant may use the remaining balance after paying annual debt service to make a principal reduction payment agreed to by the Lender.
6. If the Applicant exceeds the incremental CRIZ-revenue modeled projections provided, an amount not to exceed 70% of the additional annual CRIZ revenue generated by 551 West would be available to the applicant to make additional principal reduction payments on the CRIZ-supported loan, upon an annual request from Trissler Partners, LLC and Taff Enterprises, LLC, and approval of the CRIZ Authority.
7. The use of the 70% amount referenced in No. 6 above is subordinate to any existing CRIZ Authority annual debt service payments on bond debt issued by the Authority and other financial obligations of the Authority.
8. Prior to issuing a Grant Agreement for the CRIZ financial assistance from incremental CRIZ revenues to be generated by 551 West, the applicant must provide a more detailed construction cost estimate related to the work to be financed by the CRIZ-supported loan.

9. Prior to issuing a Grant Agreement a financial commitment letter from the financial institution providing the financing must be presented to the CRIZ Authority.
10. Prior to issuing a Grant Agreement the Commonwealth of Pennsylvania must approve the use of CRIZ revenues to pay debt service on the expansion project.
11. Prior to issuing a Grant Agreement a Construction Contract with the contractor must be submitted to the CRIZ Authority.
12. Prior to issuing a Grant Agreement the Commonwealth of Pennsylvania Department of Labor Prevailing Wage Rate decision must be submitted to the CRIZ Authority.

The above recommendation was unanimously approved by the Project Review Committee. The Project Review Committee recommends the CRIZ Authority Board approve the recommendation as presented.