

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

**RESOLUTION No. 10-2019
ADOPTED September 24, 2019**

**APPROVING AN APPLICATION FROM DOUBLE C, LLC REQUESTING CRIZ
FINANCIAL ASSISTANCE TO PAY DEBT SERVICE ON FINANCING OBTAINED TO
ACQUIRE A CONDOMINIUM UNIT AT 220 NORTH PRINCE STREET AND DEVELOP
A NEW RESTAURANT AT THE LOCATION**

WHEREAS, Double C, LLC, (the "Applicant") has acquired a condominium unit on the first floor of 220 North Prince Street, Lancaster, PA with the intention of developing and operating a new restaurant at the location; and

WHEREAS, the Applicant has submitted an application to the CRIZ Authority seeking CRIZ financial assistance to pay debt service on the acquisition financing and financing to build out and equip the restaurant at 220 North Prince Street, Lancaster, PA; 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 10, 2019 to present the application for consideration by the Committee; and

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

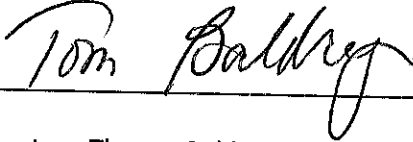
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Lancaster Revitalization and Improvement Zone (CRIZ) Authority to provide CRIZ financial assistance to Double C, LLC to pay debt service on acquisition financing used to acquire the first floor condominium unit at 220 North Prince Street, Lancaster, PA and on financing to build out and equip the restaurant at the location, 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 Officers 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 24, 2019; 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 24th day of September 2019.



Secretary, Thomas Baldrige

CONFIDENTIAL

MEMORANDUM

TO: CRIZ BOARD OF DIRECTORS
FROM: PROJECT REVIEW COMMITTEE
SUBJECT: DOUBLE C, LLC; 220 NORTH PRINCE STREET APPLICATION
DATE: SEPTEMBER 19, 2019
CC: RANDY S. PATTERSON

On September 10, 2019, the Project Review Committee met with to discuss the Double C, LLC ("Applicant") application for CRIZ financial assistance. The application is requesting CRIZ financial assistance to cover the debt service associated with financing to acquire the first-floor condominium unit at 220 North Prince Street and to build out and equip a new restaurant at the location.

There is an expectation that 18 permanent full-time jobs will be created and an additional 6-8 part-time positions. They expect that more than 75% of the kitchen staff and at least 25% of the front of house staff will be City residents. Required City approvals have been obtained. Financing has been obtained for the full scope of the project. Construction is expected to begin in September.

The total cost of the project will be approximately \$1.93 million. The Applicant is seeking CRIZ financial assistance based on the increment to be created by the new restaurant.

The request reviewed by the Project Review Committee was to extend CRIZ financial assistance for the term of the existing financing which is 20 years for the build out and 25 years for the acquisition financing. The Applicant is requesting the full use of 80% of the actual CRIZ increment generated up to the amount shown in the CRIZ revenue modeling prepared by Four Score, LLC based on information provided by Double C, LLC to pay the annual principal and interest payments. 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 Double C proposed project for 220 North Prince Street.
2. Summary of projected CRIZ Revenues to be generated.

Following the interview with Mr. Cavanaugh, representing Double C, LLC, and additional deliberations, the Project Review Committee submits the following recommendation to the CRIZ Authority Board:

1. The CRIZ Authority will act as a pass through of incremental CRIZ revenue generated by the restaurant developed by Double C, LLC at 220 North Prince Street. The CRIZ Authority will not be a lender, a borrower or a guarantor of any debt.
2. The CRIZ Authority agrees to provide a 20-year financing commitment to pay debt service on the financing obtained to build out, equip and furnish the new restaurant and a 25-year commitment, or 2045, to pay debt service on the financing provided to acquire the first floor condominium.
3. The financing commitment will provide 80% of the actual incremental CRIZ revenue to be generated by the restaurant during the 25-year period, not to exceed 80% of the revenue modeled by the Applicant and FourScore LLC.
4. 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 of the 80% after paying annual debt service to make a principal reduction payment agreed to by the Lender(s).
5. 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 the restaurant would be available to the applicant to make additional principal reduction payments on the CRIZ-supported loans, upon an annual request from Double C, LLC, and approval of the CRIZ Authority.
6. The use of the 70% amount referenced in No. 5 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.
7. Prior to issuing a Grant Agreement for the CRIZ financial assistance from incremental CRIZ revenues to be generated by the restaurant, the applicant must provide a more detailed construction cost estimate related to the work to be financed by the CRIZ-supported loan.
8. Prior to issuing a Grant Agreement documentation must be provided showing the terms and conditions of all financing sources and an amortization schedule for each loan.
9. Prior to issuing a Grant Agreement the Commonwealth of Pennsylvania must approve the use of CRIZ revenues to pay debt service on financing obtained to acquire the condominium and build out, equip and furnish the restaurant.

10. Prior to issuing any annual CRIZ increment Double C, LLC must be able to provide contractor payroll certifications showing that appropriate State prevailing wages have been paid to all labor working on the project in accordance with the Commonwealth of Pennsylvania Department of Labor Prevailing Wage Rate decision issued for the project.
11. Prior to issuing any annual CRIZ increment for debt service payments Double C, LLC must be able to provide documentation proving that it has invested the required minimum of \$1.00 for every \$5.00 provided by 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.