

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

RESOLUTION NO. 12-2019

ADOPTED September 24, 2019

**APPROVING A SMALL BUSINESS FINANCIAL ASSISTANCE GRANT TO TREAD HOUSE, LLC TO
ACQUIRE EQUIPMENT TO BE USED AT A FITNESS FACILITY TO BE LOCATED AT 28 PENN
SQUARE, LANCASTER**

WHEREAS, on February 26, 2019 the City of Lancaster Revitalization and Improvement Zone (CRIZ) Authority approved allocating \$250,000.00 of available Series 2015 Tax Revenue Bond proceeds to create a CRIZ Small Business Financial Assistance Grant Program that will provide grants up to \$25,000.00 to small businesses located in, or locating in, the existing CRIZ District; and

WHEREAS, the Project Review Committee met on September 10, 2019 to review an application from Tread House, LLC to obtain assistance to acquire fitness equipment for a new fitness facility to be located on the first floor of 28 Penn Square, Lancaster; and

WHEREAS, the Project Review Committee has recommended approval of the Tread House, LLC's application for a \$20,000.00 CRIZ Small Business Financial Assistance Grant.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Lancaster Revitalization and Improvement Zone (CRIZ) Authority to approve a \$20,000.00 Small Business Financial Assistance Grant to Tread House, LLC to acquire new fitness equipment for a new fitness center to be located on the first floor of 28 Penn Square, Lancaster, PA.

BE IT FURTHER RESOLVED that the Acting Executive Director is hereby authorized to prepare all legal documents, with the assistance of legal counsel, required to provide the CRIZ financial assistance as hereby approved by the CRIZ Authority.

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said Resolution has been duly recorded upon the minutes of said Board; and that said Resolution has not been amended, repealed or superseded and is in full force and effect this 24th day of September, 2019.

A handwritten signature in cursive script that reads "Tom Baldrige". The signature is written in black ink and is positioned above a solid horizontal line.

Secretary, Thomas Baldrige

CRIZ MEMORANDUM

9/4/2019

BUSINESS: Tread House LLC
BUSINESS ADDRESS: 28 Penn Square, Suite 160
Lancaster, PA 17603

BUSINESS OWNERS: Justin and Megan McCarthy Shana Atkins
OWNER ADDRESSES: 1003 McGrann Blvd. 716 Mayer Place
Lanc. PA 17601 Lancaster, PA 17601
60% owners collectively 40% owner

REQUESTED CRIZ AMT: \$20,000

BACKGROUND:

Tread House LLC is a newly formed boutique fitness studio that focuses on scientific research, state of the art equipment, recovery, community-based fitness concepts, and "feel good" experiences that members can enjoy at an affordable price. Tread House has a template design that has been tested and successful nationally in cities such as Richmond, VA. It will have a focus on running, strength training, and personalized fitness. It is interested in using the CRIZ Grant for the purchase of three treadmills.

SOURCES & USES OF PROCEEDS:

Sources of Funds		Uses of Funds			
CRIZ Grant	\$20,000.00	A	Equipment	\$77,637.65	A,B,C
Owner Equity	\$26,836.73	B	Leasehold Improvements	\$40,000.00	C
CFF	\$97,000.00	C	Working Capital	\$ 14,500.00	C
			Contingency	\$ 5,758.35	C
			Furniture/Fixtures	\$ 3,104.00	C
			Closing Costs	\$ 2,836.73	C
Total	\$143,836.73		Total	\$143,836.73	

SOURCES OF REPAYMENT FOR ADDITIONAL LOANS: Membership fees will pay the CFF loan.

CRIZ CONTRIBUTION:

The business expects to generate 1% of employee wages and 6% of sale taxes that will contribute towards CRIZ revenues.

HOW MANY JOBS WILL BE RETAINED OR CREATED: A total of six full-time and three part-time positions will be created, which includes the three owners.

FINANCIAL INFORMATION:

See attached.

STRENGTHS OF REQUEST:

Boutique fitness studios are on an up rise nationally. The owners have a good amount of experience in the fitness field. They also have experience in business start-ups, and corporate fitness management. They believe that their program is not being offered anywhere locally so the competition is minimal.

CHALLENGES OF REQUEST:

There are many fitness studios in the area, and their marketing efforts will need to be ongoing in order to recruit and maintain members.