



CITY OF MANITOWOC

WISCONSIN, USA

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DATE: March 27, 2025
TO: Finance Committee
FROM: Adam Tegen, Community Development
RE: Propel Manitowoc – City RLF – 2024 Activity Report

Executive Summary

The purpose of this report is to provide an overview of the Propel Manitowoc Revolving Loan Fund (RLF), including the original funding amounts, loans issued, income generated, and the annual balance at the end of each year. The goal of the RLF to promote local economic development throughout the community but with an emphasis on the downtown. The program intended to encourage attraction and expansion of businesses, support job retention and growth, leverage private investment, maintain and promote a diverse mix of employment opportunities, and help to strengthen our entrepreneur friendly environment within the City of Manitowoc.

1. Original Funding Amount

The Propel Manitowoc program was initially funded with an allocation of \$150,980 in the City's 2021 Budget. The City was also successful in a grant application to the USDA for matching funds through the end of 2023. The RLF is designed to provide loans that can be repaid over time, with the principal repayments and interest earned returned to the fund to support future loans.

2. Loans Issued

Since the program was launched in 2022 a total of 3 loans have been issued as detailed below:

Loan Borrower: Black Squirrel LLC (CRusched)

Loan Amount: \$45,000

Loan Funding: \$27,000 City and \$18,000 USDA

Loan Issue Date: March 16, 2023

Loan Terms: 15.75 Years at 6.8% with 9-month Interest Only Period

Loan Collateral: 2nd Mortgage on 115 North 10th Street, Business and Personal Guarantees

Loan Borrower: Sebeco LLC (Summit Clinical Services)

Loan Amount: \$50,000

Loan Funding: \$30,000 City and \$20,000 USDA

Loan Issue Date: June 7, 2023

Loan Terms: 15.5 Years at 6.7% with 6-month Interest Only Period

Loan Collateral: 2nd Mortgage on 816 Washington Street, Business and Personal Guarantees

Loan Borrower: The Nook Lounge LLC (The Nook)

Loan Amount: \$15,000

Loan Funding: \$15,000 City

Loan Issue Date: October 24, 2024

Loan Terms: 5.5 Years at 8.5% with 6-month Interest Only Period

Loan Collateral: Business and Personal Guarantees

3. Annual Activity

The Propel Manitowoc program balance is made up of the original funding amount, income from the USDA Grant, interest earned, repaid principal and outstanding principal. The fund has been successful in maintaining a positive balance and continues to grow as loans are repaid and new loans are issued.

Balances:

Date	Available to Lend	Loan Principal Outstanding	Total RLF
12-31-2021	\$150,980	\$0	\$150,980
12-31-2022	\$150,980	\$0	\$150,980
12-31-2023	\$98,656	\$94,311.78	\$192,967.78
12-31-2024	\$93,494.25	\$105,864.08	\$199,358.33

4. Loan Fund Activity Overview

Total Loans Issued (since inception): \$110,000

Total Principal Repayments Received (since inception): \$4,135.92

Interest Earned (since inception): \$10,378.33

5. Outlook for the Next Year

Looking ahead to 2025, we anticipate continued interest in the fund from local businesses and organizations. We continue to receive referrals from Progress Lakeshore and local financial institutions. It is expected that the fund will continue to grow as repayments are made and new loans are issued. The City Council's ongoing support of this program is vital to the economic development of our community.