

Community Development Authority  
MCRF Loan Report  
October 1, 2012

Noor Investments, LLC (1129 S. Park Street)

Project:

Noor Investments, LLC ("Borrower"), purchased the Clark Oil gas station at 1129 South Park Street (Fig. 1 pictured at right) in 2010 and has operated it profitably for one year.

Borrower proposes to demolish the current station and construct a new 2,500 SF gas station/convenience store on the current site. (Fig. 2 pictured at right). Six (6) groundwater monitoring wells were installed on the property to measure the impact of contamination from caused by leaking USTs. The WI DNR has been working with the Borrower. The site is eligible for PECFA funds to remove USTs and remediate soil

Total project cost is approximately \$1,045,000

Comments:

Borrower purchased the business in 2010 and has operated it profitably for one year.

Borrower intends to break ground in June, 2012.



Fig. 1

Bank will provide \$700,000 of permanent financing at prime plus 2.75% evidenced by a 25 year note, 25 year amortization, to finance remediation, and new construction, to be reimbursed by PCFA, BREWD and MCRF. Bank will take a first mortgage position in the property.

Borrower is requesting \$130,000 MCRF Loan to be disbursed upon completion of the project.

Borrower states that there are no mortgages or liens on both subject properties. Aggregate 2011 Assessed Value of the parcel is \$149,600. The bank's appraisal estimates that new c-store will have a fair market value of \$1,190,000.

Prior to closing, staff would commission a 30-year title report to confirm mortgage/lien status. MCRF policy requires an appraisal demonstrating 90% loan to value including the MCRF loan.

Sources and Uses

Bank Loan (Permanent)	\$700,000
MCRF Loan	130,000
Equity – Land Value (Appraised)	195,000
Equity – Cash	20,000
Total Sources	\$1,045,000

Uses

Construction	(\$1,045,000)
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Fig. 2

Noor Investments, LLC MCRF Loan  
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Loan to Value Calculation

Estimated Value	\$1,190,000	
Bank Loan (Perm.)	\$700,000	\$700,000 @ 25 yr, Prime + 2.75% floating
<b>MCRF Loan</b>	<b><u>130,000</u></b>	
Total Loans	\$830,000	(70% LTV)

Borrower shall provide the CDA a second mortgage security interest on the Property to secure the MCRF loan.

Borrower shall provide the personal guaranties of Mohammed Ehtasham and Almas Begum in the amount of the MCRF loan. Loan closing is contingent upon Borrower complying with other city ordinances, receipt of a certificate of occupancy and receipt of Borrower's appraisal demonstrating a loan to value ratio of 90% off all indebtedness, including the MCRF loan.