THE ST. LOUIS LOCAL DEVELOPMENT COMPANY

REGULAR BOARD OF DIRECTORS MEETING

THURSDAY, AUGUST 13, 2026, 3:00 P.M.

VIA ZOOM

This Board Meeting will be conducted electronically.

In order to ensure that all Directors and the public are able to connect successfully, we recommend that you call in or join via Zoom (for video) starting at 2:45 p.m. to allow time to troubleshoot any connection issues. The host will open up the phone line and initiate the Zoom meeting at that time. Should you have a problem accessing the meeting, please call (314) 657-3708 for assistance. The Board of Directors and the public are able to access the meeting in two ways:

Via Zoom at:
https://us02web.zoom.us/j/88425617623?pwd=V0loWDFLTUpiQzlrdXBYcldoMDd6Zz09
Webinar ID: 884 2561 7623 and Password: 548615
Zoom may be accessed at www.zoom.us and instructions on its use are available at:
https://support.zoom.us/hc/en-us

Via Phone at: (312) 626-6799 Webinar ID: 884 2561 7623

ACCESSIBILITY: Persons who need accommodations relating to accessibility should contact Janet Harris at harrisjan@stlouis-mo.gov or by phone at (314) 657-3795, or (314) 589-6000 (TTY). Prior notice of two business days is recommended for accommodation requests.

AGENDA

1. Call to Order and Roll Call – Loura Gilbert

2. Approval of the Minutes of the June 11, 2026 Regular Board Meeting

3. Resolution 26-LDC-09 Approving a Loan to Gelateria Del Leone – Zachary Folk

4. Resolution 26-LDC-10 Approving Annual RLF Plan Certification to the Economic Development Administration – Zachary Folk

5. Resolution 26-LDC-11 Approving Loan Write-Offs – Chris Maguire

The official Agenda was posted on the bulletin board in the first-floor lobby of 1520 Market Street prior to 3 p.m. on August 12, 2026. The items may be withdrawn or modified during the public meeting at the discretion of the board.

6. Status of Accounts – Chris Maguire

7. Update on the SBA 504 Loan Program, including the Lender Portal Report for the quarter ending June 30, 2026, and Other Loan Activity – Zachary Folk

8. Other Business

9. Closed Session – If needed, pursuant to Mo. Rev. Stat. § 610.021, which provides for Closed Session discussion of the following proceedings involving: (a) legal actions, causes of actions, or litigation, pursuant to § 610.021(1), or confidential or privileged communications with attorneys or auditors, pursuant to § 610.021(18); (b) hiring, firing, disciplining, or promoting of particular employees, pursuant to § 610.021(3), or individually identifiable personnel records, performance ratings, or records pertaining to employees or applicants for employment, pursuant to § 610.021(13); and/or (c) sealed bids and proposals and related documents, or documents related to negotiated contracts, pursuant to § 610.021(12).

10. Next Regular Board Meeting scheduled for Thursday, September 10, 2026, at 3 p.m.

11. Adjournment

THE ST. LOUIS LOCAL DEVELOPMENT COMPANY

REGULAR BOARD MEETING

THURSDAY, JUNE 11, 2026, 3:00 P.M.

MINUTES

DIRECTORS PRESENT:	Loura Gilbert, President Anne Gliedt Rabiu Ahmad Rabiu Connie L. Johnson Robert M. Hosner Tamara Lackland
STAFF PRESENT:	Linda Behrmann, Rodney Crim, Roger Schlueter, Chris Maguire, Zack Folk, Jace Fredgren, Janet H arris, and Deion Broxton
COUNSEL PRESENT:	Jacqueline Harris
GUESTS PRESENT:	None
MEDIA PRESENT:	None
PUBLIC PRESENT:	Connor Niebruegge

CALL TO ORDER AND ROLL CALL

A quorum being present, President Loura Gilbert called the Regular Board Meeting to order on Thursday, June 11, 2026, at 3:06 p.m. and asked for a roll call. Six directors [Lackland, Hosner, Johnson, Rabiu, Gliedt, and Gilbert] were present.

APPROVAL OF MINUTES

Chair Gilbert called for a motion to approve the Minutes of the May 14, 2026 Regular Board Meeting. Director Hosner moved to approve the Minutes, and Director Lackland seconded the motion. Following a roll call vote, the Minutes of the May 14, 2026 meeting were approved with five directors [Lackland, Hosner, Johnson, Rabiu, and Gilbert] voting Aye, and one director (Gliedt) abstaining.

AMENDED RESOLUTION 21-LDC-20 APPROVING A LOAN TO CM PROPERTY LLC FOR THE BENEFIT OF C&M INTERIORS LLC

Roger Schlueter presented Amended Resolution 21-LDC-20. On November 18, 2021, the Board approved an SBA 504 loan to CM Property LLC in the amount of $296,000 for the benefit C & M Interiors LLC for the purchase and renovation of the property located at 2855 Accomac Street. This Resolution asked the Board to increase the amount of the SBA 504 loan to $377,000 due to construction cost overruns.

After discussion, Chair Gilbert called for a motion to approve Amended Resolution 21-LDC-20. Director Gliedt moved to approve the Resolution, and Director Johnson seconded the motion. Following a roll call vote, the motion was approved with all six directors present (Lackland, Hosner, Johnson, Rabiu, Gliedt, and Gilbert] voting Aye.

RESOLUTION 26-LDC-07 AUTHORIZING AND APPROVING ADMINISTRATION AGREEMENT WITH ST. LOUIS DEVELOPMENT CORPORATION

Jacqueline Harris presented Resolution 26-LDC-07, asking the board to authorize and approve a new administration agreement between The St. Louis Local Development Company and St. Louis Development Corporation. The current administration agreement, under which the parties have operated for the past five years, will end on June 30, 2026.

After discussion, Chair Gilbert called for a motion to approve Resolution 26-LDC-07. Director Hosner moved to approve the Resolution, and Director Johnson seconded the motion. Following a roll call vote, the motion was approved with all six directors present [Lackland, Hosner, Johnson, Rabiu, Gliedt, and Gilbert] voting Aye.

RESOLUTION 26-LDC-08 APPROVING FY2027 BUDGET AND ANNUAL FEE PAYABLE TO ST. LOUIS DEVELOPMENT CORPORATION

Chris Maguire presented Resolution 26-LDC-08 asking the board to approve the FY2027 budget for The St. Louis Local Development Company for the period July 1, 2026, through June 30, 2027. The budget contains the annual fee payable to the St. Louis Development Corporation for administrative expenses. Staff recommends that the annual fee payable to SLDC for FY2027 be $30,000.

After discussion, Chair Gilbert called for a motion to approve Resolution 26-LDC-08. Director Gliedt moved to approve the Resolution, and Director Johnson seconded the motion. Following a roll call vote, the motion was approved with all six directors present [Lackland, Hosner, Johnson, Rabiu, Gliedt, and Gilbert] voting Aye.

STATUS OF ACCOUNTS

Mr. Maguire provided the financial report for the period ending May 31, 2026, and updated the board on the status of accounts.

UPDATE ON SBA 504 LOAN PROGRAM AND OTHER LOAN ACTIVITY

Zachary Folk updated the board on the SBA 504 loans and reviewed the Lender Portal Report for the period ending March 31, 2026.

NEXT BOARD MEETING

The next Board meeting is scheduled for Thursday, July 9, 2026, at 3:00 p.m.

ADJOURNMENT

There being no further business to discuss, Chair Gilbert asked for a motion to adjourn. Director Johnson moved to adjourn and the motion was seconded by Director Gliedt. All were in favor. The meeting adjourned at 3:35 p.m.

Respectfully submitted,

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Loura Gilbert, President

RESOLUTION NO. 26-LDC-09
PRESENTED TO THE BOARD 08/13/2026

TO: THE ST. LOUIS LOCAL DEVELOPMENT COMPANY BOARD OF DIRECTORS AND STEPHEN WESTBROOKS, EXECUTIVE DIRECTOR

FROM: ZACHARY FOLK

RE: RESOLUTION APPROVING A LOAN TO GELATERIA DEL LEONE, LLC

EXECUTIVE SUMMARY:

This Resolution seeks approval of an LDC loan in the amount of $300,000.00 to Gelateria Del Leone, LLC, d/b/a The Gelateria, for working capital needs. The Italian-inspired cafe is owned by Amanda G. Fair and Andrew M. Fair and is located at 3197-3199 S. Grand Boulevard.

BACKGROUND:

Gelateria Del Leone, d/b/a The Gelateria, is an Italian-inspired café owned by Amanda G. Fair and Andrew M. Fair, husband and wife. The company has requested a loan from The St. Louis Local Development Company in the amount of $300,000.00 for working capital needs as it seeks to reopen the business following an extensive fire in March of 2025. The business is located at 3197-3199 S. Grand Boulevard (63118) in the South Grand Business District of the Tower Grove South neighborhood. The café will offer espresso drinks and other brewed beverages, along with gelato, pastries, sandwiches, pizza, and pasta, when it re-opens.

The loan will have a term of 10 years and an interest rate of 4%. Interest-only payments will be required for the first six months of the loan followed by payments of principal and interest for each of the remaining 114 months. The loan will be secured by a third deed of trust on the South Grand property and will be guaranteed by Amanda G. and Andrew M. Fair and Fair Squared LLC, the entity that owns the property, which is also owned by the Fairs.

The LDC Board previously approved an SBA 504 loan to the company in the amount of $1,103,000.00 in connection with the renovation of the fire-damaged property. The SBA requires that the company contribute 15% of the project cost to the project, which will deplete the company's working capital. The LDC loan will provide the working capital that the company will need to re-open and re-establish the business once the building renovation is completed, which is estimated to take 10 months to a year after the SBA loan closes.

The company expects to create 20 new full-time equivalent jobs over the next two years.

REQUESTED ACTION:

Approval of this Resolution is requested.

NOW, THEREFORE, be it resolved by the Board of Directors of The St. Louis Local Development Company that:

1. The loan to Borrower, as described, and upon the terms and conditions set forth herein, is hereby approved.

2. The proper officers and agents of LDC are hereby authorized to take all action, including but not limited to, execution of all documents, as may be necessary or convenient to carry out the provisions of this Resolution.

3. This Resolution shall take effect and be in full force immediately after its passage and approval by the Board.

ADOPTED this 13th day of August, 2026.

THE ST. LOUIS LOCAL DEVELOPMENT COMPANY

By: ______________________________________
Rodney Crim, Vice President

ATTEST:

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Zachary Folk, Assistant Secretary

RESOLUTION NO. 26-LDC-10
PRESENTED TO THE BOARD 08/13/2026

TO: THE ST. LOUIS LOCAL DEVELOPMENT COMPANY BOARD OF DIRECTORS AND STEPHEN WESTBROOKS, EXECUTIVE DIRECTOR

FROM: ZACHARY FOLK

RE: RESOLUTION APPROVING ANNUAL RLF PLAN CERTIFICATION TO THE ECONOMIC DEVELOPMENT ADMINISTRATION

EXECUTIVE SUMMARY:

This Resolution asks the Board to approve The St. Louis Local Development Company's ("LDC's) annual Revolving Loan Fund Plan Certification to the Economic Development Administration ("EDA"), certifying that LDC is operating its CARES Act Revolving Loan Fund ("RLF") in accordance with EDA's Standard Terms and Conditions and LDC's approved RLF Plan.

BACKGROUND:

LDC received a Coronavirus Aid, Relief, and Economic Security (CARES) Act Revolving Loan Fund Supplemental Disaster Recovery and Resiliency Award from EDA in July of 2020 (Award # 05-79-06024) to assist businesses adversely impacted by the coronavirus pandemic or to assist businesses seeking to address problems caused by the pandemic.

The RLF is governed by EDA's Revolving Loan Fund Standard Terms and Conditions, dated April 30, 2019, and by LDC's RLF Plan, which was approved by the LDC Board on August 13, 2020, and by EDA on October 2, 2020. An updated RLF Plan was submitted to EDA in October of 2026, but has not yet been approved by EDA. The LDC is required to submit semi-annual reports to EDA reporting on the status of the loan portfolio and is required to certify on an annual basis that the RLF is operating in accordance with EDA's Standard Terms and Conditions and LDC's approved RLF Plan. This Resolution asks the Board to approve LDC's annual certification to EDA, certifying that LDC's RLF is being operated in accordance with EDA's Standard Terms and Conditions and LDC's RLF Plan. A copy of the RLF Plan is attached hereto as Exhibit A.

NOW, THEREFORE, be it resolved by the Board of Directors of The St. Louis Local Development Company that:

1. The LDC's RLF (Award # 05-79-06024) is being operated in accordance with EDA's Standard Terms and Conditions and LDC's RLF Plan.

2. The LDC may certify to the EDA that its RLF (Award # 05-79-06024) is being operated in accordance with EDA's Standard Terms and Conditions and LDC's RLF Plan.

3. The proper officers and agents of LDC are hereby authorized to take all action, including but not limited to, execution of all documents, as may be necessary or convenient to carry out the provisions of this Resolution.

4. This Resolution shall take effect and be in full force immediately after its passage and approval by the Board.

ADOPTED this 13th day of August, 2026.

THE ST. LOUIS LOCAL DEVELOPMENT COMPANY

By:__________________________________
Rodney Crim, Vice President

ATTEST:

____
Zachary Folk, Assistant Secretary

THE ST. LOUIS LOCAL DEVELOPMENT COMPANY

CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT REVOLVING LOAN FUND SUPPLEMENTAL DISASTER RECOVERY AND RESILIENCY AWARD PLAN

Award # 59-79-06024

Prepared For
The Economic Development Administration

Approved by
The St. Louis Local Development Company Board of Directors
August 13, 2020

EXHIBIT A

PART I: REVOLVING LOAN FUND STRATEGY

A. ECONOMIC ADJUSTMENT OVERVIEW

1. Nature and Scale of Economic Adjustment Problems and Economic Distress to be Addressed by the Revolving Loan Fund

This Revolving Loan Fund ("RLF") is created to help respond to the unusual and compelling urgency caused by the coronavirus pandemic. Loans made from this RLF will assist small businesses in the City of St. Louis that are experiencing economic distress as a result of forced shut downs and the loss of business caused by the pandemic. Loans made from this RLF will also assist small businesses that are seeking to respond to the particular challenges created by the COVID-19 crisis. All RLF loan assistance is intended to help businesses survive, adapt, and grow, and to retain and create jobs.

The RLF will be administered by The St. Louis Local Development Company ("LDC") and will help address the goals and objectives of the Comprehensive Economic Development Strategy ("CEDS Plan") for the City of St. Louis and St. Louis County.

In 2013, the economic development components of the St. Louis Development Corporation ("SLDC"), representing the City of St. Louis, and the St. Louis County Economic Council ("SLCEC"), representing St. Louis County, joined forces to create the St. Louis Economic Development Partnership ("SLEDP"), to better address the economic development needs of both the City of St. Louis and St. Louis County and to promote more effective collaboration and joint prosperity. In 2016, the first CEDS Plan was prepared for the new joint organization to promote economic development and opportunity in both St. Louis City and St. Louis County.

As detailed in the CEDS Plan, both St. Louis City and St. Louis County have been losing ground for a number of years. The closing of major automobile assembly plants and cut-backs in defense industry spending have contributed to this decline, as have shifts in both the population and the labor force to surrounding counties, leaving behind a substantial amount of vacant and underutilized land and buildings. In the City of St. Louis, vacant and abandoned properties are a particularly significant problem with roughly one-fourth of the parcels in the City of St. Louis considered distressed.

The St. Louis region has experienced a significant decline in manufacturing employment — losing just under 175,000 manufacturing jobs, a 60% decrease, since 1969. Despite this decline, the region continues to serve as a hub for shipping and manufacturing, thanks to the area's strategic location along the Mississippi and Missouri rivers, and remains home to several major manufacturers and suppliers, including Boeing, the GM Wentzville Assembly Center, and Anheuser-Busch InBev.

In recent years, the workforce in the St. Louis region has shifted from a manufacturing to a more service-oriented economy, which requires a more highly skilled workforce. Between 2001 and 2014, employment in the educational services, finance and insurance, real estate, and health care sectors increased by more than 28%, while manufacturing employment declined by more than 28% during this same time period. While the manufacturing sector employed 25.9% of workers in the region in 1969, it now employs only 6.9%. Accordingly, the St. Louis Regional Chamber, which represents 15 counties in the St. Louis metropolitan area, has targeted the following four key industry clusters to drive the region's economic growth in the future: (1) the health science and services industry; (2) financial and information service companies; (3) bioscience companies; and (4) multi-modal logistics and advanced manufacturing facilities.

As a result of these changes, the St. Louis area has begun positioning itself as a hub for innovation and entrepreneurship by building on its many long-standing educational, health, and cultural institutions, including Washington University, St. Louis University, the University of Missouri - St. Louis, BJC Health Systems, and the Missouri Botanical Garden. The area is very strong in the bioscience and agriculture sectors with Monsanto, the Danforth Plant Science Center, and the newly planned "39 North" AgTech innovation district in St. Louis County, and the Cortex Innovation Community, a rapidly developing 200-acre, mixed-use innovation and technology district, located in the City's Central Corridor.

To help encourage innovation and entrepreneurship, several new business incubators and co-working spaces have sprung up in the area, including T-Rex and the Cambridge Innovation Center ("CIT"), in St. Louis City, and the Helix Center and STLVentureWorks' facilities, in St. Louis County. Arch Grants, a local non-profit organizations, is also encouraging the growth of innovation and entrepreneurship in the area through a competition for early stage businesses that provides $50,000 equity-free grants to the winning businesses, who, in turn, agree to locate in St. Louis for at least one year.

2. **Plans or Strategies to Deal with Economic Adjustment Problems**

The CEDS Plan identified four strategic directions for St. Louis City and St. Louis County: (1) Investing in Infrastructure and Real Estate Development; (2) Supporting Entrepreneurship and Innovation; (3) Leveraging Our Assets; and (4) Developing Our Workforce.

With respect to Strategy 2, Supporting Entrepreneurship and Innovation, the CEDS Plan outlined the following five goals:

1. Leverage existing, or promote creation of new, tax credit programs, lending, and other funding programs that support entrepreneurs and the small business community.

2. Continue providing resources to nurture high-growth startups and technology firms in the region.

3. Support talent development, business innovation and new business creation for young professionals.

4. Expand opportunities for minority- and women-owned businesses.

5. Continue expanding the St. Louis region as a hub for agriculture and bio-science innovation and technology.

With respect to Strategy 3, Leveraging Our Assets, the CEDS Plan identified the support of business retention and expansion as one of the goals of this strategy.

3. How the RLF Supports Economic Adjustment Strategies

The 2016 CEDS Plan did not anticipate a world-wide pandemic striking in early 2020, forcing non-essential businesses to close their doors and people with non-essential jobs to work and stay in their homes for weeks on end, dramatically impacting the local economy and causing severe economic distress in the St. Louis metropolitan area. This RLF will help the City of St. Louis respond to this economic injury and the urgent and compelling need caused by the coronavirus while supporting the goals of both Strategy 2 and Strategy 3 of the CEDS Plan.

During the Disbursing Phase of the RLF, the RLF will make low interest loans available to businesses that have been adversely affected by the COVID-19 crisis, helping them to adapt and survive in the new business and social climate. The RLF will also assist businesses that are directly addressing problems caused by the pandemic through the production of needed goods or the providing of needed services to combat coronavirus-related problems. Once the pandemic subsides and the economy improves, the RLF will continue to address the needs of small businesses during the Revolving Phase of the RLF by providing gap financing and leveraging private investment to help both existing and new businesses undertake a variety of projects, consistent with the CEDS Plan.

B. BUSINESS DEVELOPMENT STRATEGY

1. Objectives

The RLF is designed to assist businesses with projects and activities that will help alleviate economic distress in the City of St. Louis caused by the COVID-19 crisis and that are consistent with the strategies and goals outlined in the CEDS Plan that could not be undertaken and successfully completed without RLF participation.

2. **Targeted Businesses**

During the Disbursing Phase of the RLF, low-interest loans will be available to assist both businesses adversely affected by the COVID-19 crisis and businesses actively engaged in addressing problems caused by the COVID-19 crisis.

During the Revolving Phase of the RLF, the RLF will continue to assist businesses struggling with the lingering effects of the coronavirus crisis. It will also seek to assist young entrepreneurs with new start-up businesses, particularly high-growth and technology-related firms; minority- and women-owned businesses; and agriculture or bioscience-related businesses, where possible. The RLF will also be available to assist businesses of all kinds that are seeking to locate in the City, particularly in the City's Promise Zone in the northern portion of St. Louis, in the area immediately surrounding the new National Geospatial Administration ("NGA") headquarters, or in other distressed areas, including the southeast portion of the City. The RLF will attempt to assist businesses that will provide needed goods and services to residents in under-served neighborhoods and that will create new job opportunities for area residents. The LDC will build on existing assets by assisting those businesses currently located in the City of St. Louis that are seeking to expand or that need help maintaining their current operations.

3. **Business needs**

Historically, both new and existing businesses have had difficulty obtaining needed capital from traditional lending sources at affordable interest rates, particularly businesses located in or wishing to locate to parts of the City suffering from years of poverty, crime, abandonment, and disinvestment.

This problem has only been exacerbated by the coronavirus pandemic. While businesses have always needed assistance in developing a sound business plan, learning what is required to open and successfully operate a business, finding a suitable business location, and hiring and retaining employees, businesses now need assistance in determining how to respond to and reposition themselves in light of the myriad of changes caused by COVID-19. The need for such assistance has been communicated to the LDC by the local business community through phone calls, personal contact, and public meetings held prior to the outbreak of the pandemic.

4. **Other programs and activities**

LDC, SLEDP, SLDC and the City of St. Louis offer a variety of services designed to assist area businesses.

LDC serves as a Certified Development Company ("CDC") for the U.S. Small Business Administration ("SBA"), making SBA 504 loans for fixed asset financing available to businesses located in the City. LDC uses Community Development Block Grant ("CDBG") funds to make loans available to City businesses that will create jobs for low-to-moderate income persons or that will make needed goods and services available to residents in low- to moderate-income neighborhoods. SLDC also uses CDBG funds to finance a facade improvement program to help businesses make needed improvements to the exteriors of their facilities. SLDC also participates in a $10 million loan fund, funded by area banking institutions and community interests, to support minority- and women-owned construction contractors.

SLEDP provides site selection services to help businesses identify and secure suitable locations or facilities in which to operate. SLEDP and SLDC, through STLVentureWorks, provide affordable incubator space and mentoring assistance to start-up businesses. The City's Business Assistance Center ("BAC") helps businesses navigate the legal requirements of doing business in the City by helping businesses obtain necessary licenses and permits. The City's Commercial District Managers ("CDMs") assist businesses and business associations with a variety of issues affecting everyday business operations. The SBA-related Small Business Development Center ("SBDC") and SCORE business mentors, are available, free of charge, to assist businesses develop business plans or to provide mentoring services specifically tailored to the needs of the business being mentored. The St. Louis Agency on Training and Employment ("SLATE"), a City agency, helps businesses find qualified employees to staff their businesses at no charge to either the business or the job seeker.

C. FINANCING STRATEGY

1. Financing Needs

Traditionally, the type of financing needed in the City of St. Louis was financing primarily for younger companies that had been in business for less than two or three years and that needed financing to purchase inventory or equipment or to fund working capital needs. These companies were often self-funded with little or no credit history and little or no available collateral to secure financing from traditional lending sources on conventional lending terms. More established businesses with low revenues and slim profit margins or other credit issues also faced challenges in obtaining financing on affordable terms for working capital needs, to help finance the purchase of new equipment, or to fund expansion or modernization needs.

Today, as a result of the coronavirus crisis, it is anticipated that small businesses of all kinds will need low-interest loans for working capital or inventory and equipment needs to help these businesses survive and retain employees until the pandemic subsides, the economy returns to more normal levels, and financing from conventional lending sources becomes more readily available.

2. Local Capital Market

Prior to the coronavirus pandemic, the capital market in the St. Louis area consisted of funding primarily from banks, credit unions, and private investors. There were over 70 different conventional financial institutions that lent to commercial customers, resulting in a very competitive banking environment and a good availability of funds for well-established companies with good credit histories. How the local capital market will change in response to the coronavirus pandemic is unclear at this time.

While SBA-related Paycheck Protect Plan ("PPP") and Economic Injury Disaster Loans ("EIDL") loans have been available to assist businesses adversely affected by COVID-19 in the early months of the pandemic, it is unknown if additional assistance will be available in the months ahead. The SBA's 504 loan program will continue to be available to assist businesses in need of fixed asset financing, but this program does not provide funds for working capital and is not suitable for all borrowers. Many local lenders rely on the SBA's 7(a) program to finance projects that are ineligible for traditional bank financing due to a borrower's lack of collateral, lack of business experience, insufficient historic cash flow to service debt, reliance on projected revenue to support debt repayment, or other credit issues.

Most of the public financing that is available in the City is financing for large projects or developments, utilizing New Markets Tax Credits ("NMTC") or Tax Increment Financing ("TIF"). Such funding is generally not available for smaller projects. The City, through the LDC, uses CDBG funds to provide loans to businesses in certain parts of the City where the business will create jobs for low- to moderate-income persons or will provide needed goods and services to residents living in an underserved area. Such funds are limited, however, and are not suitable for all types of projects. While there are some micro-lending programs available through local organizations that provide small loans to businesses, often at higher interest rates, the LDC is the only organization offering EDA-funded revolving loans to City businesses.

3. **RLF Financing Niche**

Given the uncertainty caused by the coronavirus pandemic, it is anticipated that lenders will be even more conservative in their lending practices in the months ahead, making it harder for small businesses with low credit scores and thin collateral to obtain necessary financing. During the Disbursing Phase of the RLF, the LDC may, out of necessity, be the only lender involved in the project, causing LDC's usual equity and leveraging requirements for loans to be waived.

As banks, credit unions, and other private investors become more willing to lend again, particularly if there is another lending partner involved in the project that can provide part of the necessary financing and limit the lender's risk and potential loss, the LDC will partner with other lenders to provide gap financing. The LDC's loans will be expected to leverage private investment and applicants will have to demonstrate that credit is not available from other private sources on terms and conditions that would permit the successful completion of the project.

The RLF will assist both start-up businesses (early stage companies less than three years old, typically with annual revenues of less than $1 million) and established businesses seeking to expand, both in terms of physical location and workforce size. In some circumstances, RLF assistance may be provided to businesses in need of assistance to continue operations, maintain existing workforce, or remain in an existing location. The RLF funds received may be used by the borrower for the purchase or renovation of real estate, the purchase of furniture, fixtures, and equipment, the purchase of inventory, or for working capital needs.

The amount of the RLF loan will range from $10,000 to $300,000, with most loans in the $50,000 to $150,000 range. The loan terms will vary depending on the nature of the business and the purpose of the loan, but the interest rate will typically be set at below-market rates with a loan term of 10 years or less, with the majority of loans having a term of five years or less. While RLF loans will be collateralized to the fullest extent possible, generally on a one-to-one basis, the LDC will generally be in a subordinated lien position behind the primary lender involved in the project, or previous creditors to the business. The borrower will generally be required to contribute equity equal to at least 10% of the project cost, however, this requirement may be waived during the Disbursing Phase of the RLF. Those persons or entities with an ownership interest of 20% or more in the borrowing entity will be required to guaranty the loan.

During the Revolving Phase of the RLF, the RLF loan will generally be required to leverage a minimum of two dollars of private funds for every one dollar of RLF funds invested. During both the Disbursing and the Revolving phases, the project must create or retain at least one full-time equivalent job for every $35,000 in loan proceeds.

D. FINANCING POLICIES

The RLF will provide financing to both new and existing businesses that are unable to obtain the necessary financing from traditional lending sources to assist with projects that will result in the creation or retention of jobs in the City of St. Louis. The projects assisted must be economically viable, and the borrowers must have the ability to repay the RLF funds received. All borrowers receiving RLF assistance must enter into a First Source Employment Agreement with the St. Louis Agency on Training and Employment ("SLATE") obligating the borrower to use SLATE's job referral services when seeking to fill new, entry-level (non-managerial, non-professional, or non-technical) jobs created in connection with the assisted project. The lending policies associated with the RLF are detailed below.

1. Eligible Lending Area

The eligible lending area for the RLF is the City of St. Louis. Applicants must currently operate, or plan to operate, a business located within the city limits of the City of St. Louis.

2. Allowable Borrowers

Both new and established for-profit businesses, including commercial, industrial and service-oriented businesses, are eligible for loan assistance through the

RLF. The business must obtain all necessary licenses to do business in the City of St. Louis and must be current (or current on an approved payment plan) on all real estate, personal property, earnings, and other taxes owed at the time of loan closing.

Non-profit corporations are not eligible for RLF assistance.

3. **Allowable Lending Activities**

Loan recipients may use RLF loan funds to: (1) acquire land and buildings; (2) construct new buildings or renovate or expand existing facilities; (3) make leasehold improvements; (4) purchase furniture, fixtures, machinery, and equipment; or (5) assist with working capital needs.

Loan recipients may **not** use RLF loan funds to: (1) acquire an equity position in a private business; (2) subsidize interest payments on an existing loan; (3) provide the equity contribution required of borrowers under other federal loan programs; (4) acquire an interest in a business, unless there is sufficient justification and documentation showing the need for RLF financing; (5) invest in interest-bearing accounts or other investments not related to the RLF; or (6) refinance existing debt, unless: (a) the LDC can sufficiently demonstrate in the loan documentation a "sound economic justification" for the refinancing (e.g., the refinancing will support additional capital investment intended to increase business activities) or (b) the RLF capital will finance the purchase of the rights of a prior lien holder during a foreclosure action necessary to preclude a significant loss on an RLF loan. Reducing the risk of loss to an existing lender or lowering the cost of financing to a borrower will not constitute a "sound economic justification" sufficient to justify the refinancing, without other factors present warranting the justification.

4. **Loan Size**

The amount of funds that may be lent to a single borrower at any given time may range from a minimum of $10,000 to a maximum of $300,000, but may not exceed 25% of the RLF capital base.

5. **Interest Rates**

During the Disbursing Phase of the RLF, the minimum interest rate that may be charged on an RLF loan is one percentage point (1%). Once the Disbursing Phase has ended and the Revolving Phase has begun, the minimum interest rate that may be charged on an RLF loan will be four percentage points below the lesser of the current money center prime interest rate quoted in the *Wall Street Journal*, or the maximum interest rate allowed under Missouri law, but in no event will the interest rate be less than the lower of 4% or 75% of the prime interest rate listed in the *Wall Street Journal*, unless specifically allowed by EDA.

The interest rate charged on a loan will be determined by the LDC Board at the recommendation of the Loan Officer based on the particular circumstances surrounding the loan.

6. **Terms**

The term of the loan will be determined based on the needs of the borrower and the borrower's ability to repay the loan, and will generally not exceed the average useful life of the fixed asset involved in the project. The term of a loan involving the purchase or renovation of real estate will not exceed 10 years and the term of a loan involving the purchase of furniture, fixtures, and equipment will generally not exceed 5 to 7 years. The term of a working capital or non-fixed asset loan will ordinarily not exceed 5 years.

A borrower may prepay a loan at any time without penalty.

7. **Fees**

Borrowers receiving loans from the RLF will be charged the following fees and will be responsible for the following costs:

- a $100 non-refundable application fee, payable to the LDC, at the time of application;

- a loan origination fee of 1% of the loan amount, due at loan closing and deducted from the loan proceeds; and

- all costs associated with closing the loan, including appraisals, environmental reports, lien searches, and recording fees.

A late fee of 5% of the monthly loan payment amount, or $60.00, whichever is greater, may be assessed for payments received fifteen days or more past the date the payment is due.

8. **Equity & Collateral**

Borrowers receiving loans from the RLF will generally be required to contribute equity in the amount of at least 10% of the project cost. This equity contribution must be made within 12 months prior to or after approval of the loan and cannot include accrued equity in borrower's assets. This requirement may be waived during the Disbursing Phase of the RLF.

All loans will be collateralized to the maximum extent possible, with collateral generally required to secure the loan on a one-to-one basis. In the case of fixed asset loans, liens on the assets financed, plus other collateral, as appropriate, will be required. Working capital loans will normally be secured by receivables, inventory, and available fixed assets. The LDC will usually be in a subordinated collateral position behind previous creditors or other lenders providing financing for the assisted projects.

Hazard insurance with the LDC named as a mortgagee or lender's loss payee will be required in connection with all collateral securing the loan. Flood insurance will be required if the real property securing the loan is situated in a flood plain.

Key man life insurance may be required on persons deemed critical to the operation of the business and the repayment of the loan.

Persons or entities owning at least 20% or more of the business will be required to guaranty the loan.

9. **Moratoria**

Under certain circumstances, a moratoria of up to six months will be permitted on principal payments. Such moratoria may be granted in the case of new or expanding businesses or seasonal businesses that may not be fully operational at the time of loan closing, or where other urgent circumstance exists, which would prevent the borrower from making payments of both principal and interest during the moratoria period.

10. **Start-Ups**

While the LDC desires to encourage and support start-up businesses, particularly new high-tech businesses, such businesses pose a greater risk to the RLF due to the lack of prior history and experience. As such, start-up businesses must present a well thought-out business plan with realistic financial projections. Applicants may be referred to the Small Business Development Center, SCORE, or other business support services for mentoring or other technical assistance prior to, or as a condition of, loan approval.

11. **Working Capital**

Loans for working capital may be made to borrowers where the borrower has demonstrated a need for working capital and the ability to repay the loan.

12. **Credit Not Otherwise Available**

RLF funds cannot be used as a substitute for available private capital. Applicants must demonstrate that credit is not otherwise available on terms and conditions that would permit the successful operation of the activity to be financed. This would typically come in the form of a bank "turn-down" letter or a letter from a bank indicating that the bank can only finance a portion of the money needed to complete the project. During the Disbursing Phase of the RLF, the requirement that an applicant demonstrate that credit is not otherwise available may be waived in order to expedite the making of the loan during this time of urgent need.

E. PORTFOLIO STANDARDS AND TARGET

1. Target Percentages

The RLF will not have targeted percentages for RLF investments based on land use (i.e. industrial, commercial, or service); business status (start-up, expansion, or retention); or fixed asset loans vs. working capital loans.

2. Private Sector Leverage

Projects assisted by the RLF must leverage a minimum of two dollars for every one dollar of RLF loan funds received. To be classified as leveraged, private investment must be made within 12 months of approval of the RLF loan and as part of the same project, and may include: (1) capital invested by the borrower or others; (2) financing from private entities; or (3) the non-guaranteed portion and 90% of the guaranteed portion of a U.S. Small Business Administration 7(A) or 504 debenture loan. The private sector leverage may not include accrued equity in a borrower's assets.

During the Disbursing Phase, the private leverage requirement may be waived. During the Revolving Phase, this leverage requirement may be waived in certain circumstances, as long as the RLF Portfolio as a whole continues to leverage two dollars for every one dollar of RLF funds.

3. Job Cost Ratio

It is anticipated that all assisted projects will result in the creation or retention of at least one full-time equivalent job for every $35,000 of RLF funds lent to the project. While it is hoped that the projects assisted with RLF funds will create or retain higher-skilled, higher paying jobs, the RLF will not impose any particular criteria for the types of jobs (semi-skilled, industrial, commercial, etc.) to be created or saved as a result of the project, given the need in the City of St. Louis for jobs of all types suitable for all skill and education levels.

F. RLF LOAN SELECTION CRITERIA

The following economic impact criteria will be used by the LDC staff and the LDC Board to evaluate the merits of a proposed loan:

1. Whether the proposed borrower has been adversely affected by the COVID-19 crisis and whether the proposed project will respond to the urgent and compelling need caused by the COVID-19 crisis;

2. Whether the proposed loan is consistent with the RLF Plan;

3. Whether the proposed loan capitalizes on regional assets;

4. Whether the proposed loan supports and advances innovation and increases productivity in a particular industry or sector of the economy;

5. Whether the proposed borrower is part of an existing or emerging industry cluster;

6. Whether the proposed borrower will maximize private investment that would not otherwise come to fruition without the RLF's investment; and

7. Whether the proposed loan will result in the creation or retention of jobs, including high paying, high-skilled jobs.

G. PERFORMANCE ASSESSMENT PROCESS

1. Evaluation of RLF Performance

The LDC staff and the LDC Board will assess the performance of the RLF on a semi-annual basis by reviewing the number of loans made, the types of projects assisted, the private funds leveraged in connection with the assisted projects, and the number of jobs created or retained by the assisted projects. The LDC staff and the LDC Board will also assess the performance of the RLF by examining the number of loans in delinquent or defaulted status and the number of loans written off to determine what changes, if any, need to be made to protect the RLF capital and grow the RLF capital base.

2. Review and Update of RLF Plan

The RLF Plan will be reviewed by the LDC staff on an annual basis and will be updated by the LDC Board as needed, but at a minimum, every five years or as required by EDA regulations.

PART II: OPERATIONAL PROCEDURES

The RLF will comply with the Specific Award Conditions governing the RLF Award made pursuant to Economic Adjustment Assistance for Disaster Recovery under Section 209 and 703 of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. §§ 3149 and 3233. The RLF will adhere to EDA's Revolving Loan Fund Standard Terms and Conditions, dated April 30, 2019, the approved Line Item Budget for the RLF, and 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements, as adopted pursuant to 2 C.F.R. § 327.101

The LDC will administer the RLF in accordance with Generally Accepted Accounting Principles ("GAAP"), as outlined in OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the related Compliance Supplement. The LDC will also administer the RLF in accordance with "Prudent Lending Practices," which is defined in 13C.F.R. § 307.8 as "generally accepted underwriting and lending practices for public loan programs, based on sound judgment to protect Federal and lender interests."

The LDC will abide by all applicable federal, state, and local laws and regulations in administering the RLF.

A. ORGANIZATION STRUCTURE

1. Critical Operational Functions

The LDC does not have any employees. It receives staff support from both SLEDP and SLDC under an Administration Agreement between LDC and SLDC and a Cooperation and Management Agreement between SLEDP and SLDC. As a result, employees of both SLEDP and SLDC (herein referred to as "the LDC staff") perform the following critical operational functions for the RLF:

- **Marketing:** The Loan Officer is responsible for working with SLEDP and SLDC business development staff members and local bankers, accountants, and real estate professionals to identify and develop businesses in need of gap financing from the RLF. The Loan Officer makes presentations and attends various events designed to promote the RLF and works with SLDC's and SLEDP's marketing teams to publicize the availability of the RLF to the business community.

- **Business Assistance and Advisory Services:** The Loan Officer is responsible for referring prospective and current borrowers in need of mentoring services or technical assistance to the Small Business Development

Center ("SBDC"), SCORE, or other local mentoring services.

- **Environmental Review:** The Loan Officer is responsible for conducting an environmental review of the project and ensuring that the project complies with all applicable environmental regulations and other regulations governing projects located in floodplains and wetland areas. The Loan Officer will also review the project to determine if the property involved is listed on the state or federal historic register and if consultation with the State Historic Preservation Officer about the project is required.

- **Loan Processing:** The Loan Officer and the Commercial Loan Processor are responsible for processing the loan, including reviewing applications, obtaining credit reports, conducting credit analysis, determining collateral and guaranty requirements, and preparing the loan write-up for and recommendation for the LDC Board.

- **Loan Closing:** The Loan Closer is responsible for drafting all loan documents, ensuring that all required documentation has been obtained prior to loan closing, closing the loan with the borrower, and recording deeds of trust and UCC financing statements.

- **Loan Servicing:** The Portfolio Manager is responsible for loan servicing, including administering loan collections, handling defaulted loans and foreclosures, renewing UCC financing statements, obtaining financial statements, insurance certificates, and job reports, conducting site visits with borrowers, and working with the Accounting Manager to prepare the Semi-Annual Report for submission to EDA.

- **Financial Record-keeping and Compliance:** The Accounting Manager is responsible for all financial record-keeping associated with the RLF, including processing, posting, and depositing loan payments and tracking RLF principal, interest, income, and expenses. The Accounting Manager reports to the LDC Board of Directors on the status of the RLF and the RLF Loan Portfolio, and works with the Portfolio Manager to ensure compliance with EDA administrative and reporting requirements, including file and record retention.

2. Loan Administration Board

The RLF is administered by the LDC's Board of Directors. The LDC's Board of Directors is comprised of nine directors possessing a background and expertise in the following areas: (1) internal controls; (2) financial risk management; (3) commercial lending; (4) legal issues related to commercial lending; and (5) corporate governance. The directors serving on the LDC Board may be either currently employed or retired. At least one director must represent the economic, community, or workforce development fields. At least two, but less than half, of the directors must have commercial lending experience.

Directors are elected to the board for a one-year term, commencing in January of each year, by a majority of the directors then in office and present at the Annual Meeting of the Board of Directors, which is held in December of each year.

Regularly scheduled board meetings are held on the second Thursday of each month at the SLDC office or by Zoom. At least five directors must be present at the meeting, either in person, by phone, or virtually to constitute a quorum. Any matter voted on by the board must be approved by a majority of the directors voting on the matter at a meeting where a quorum is present.

3. Conflicts of Interest

No Interested Party of the LDC may receive, directly or indirectly, any personal or financial benefits resulting from the disbursement of an RLF loan.

An "Interested Party" is defined as "any officer, employee or member of the board of directors or other governing board of the LDC, including any other parties that advise, approve, recommend or otherwise participate in the business decisions of the LDC, such as agents, advisors, consultants, attorneys, accountants or shareholders." An interested party also includes the Interested Party's "Immediate Family." The Interested Party's "Immediate Family" is defined as a person's spouse, parents, grandparents, siblings, children and grandchildren, but does not include distant relatives, such as cousins, unless the distant relative lives in the same household as the person, and other persons directly connected to the Interested Party by law or through a business organization. "Immediate Family" includes a person's "significant other" or partner in a domestic relationship with an "Interested Party."

Former board members of the LDC and members of a board member's immediate family may not receive a loan from the LDC for a period of two years from the date the board member last served on the LDC Board.

B. LOAN PROCESSING PROCEDURES

1. Standard Loan Application Requirements

All businesses seeking loan assistance from the RLF are required to submit a loan application and supporting documentation providing the following information, if such information exists:

- History and description of the business, including a description of products made or sold, services offered, and a description of the business' market and competition;
- Sources and uses of funds;
- Balance sheet and profit & loss statement for previous three years;
- Business federal income tax returns for the last three years;
- Current balance sheet and operating statement (not over 60 days old);
- Projected monthly cash flow and projected annual income statements;
- List of collateral and its value;
- Schedule of existing debt;
- Copy of estimates, bids, contracts, or quotations for work to be done or equipment to be purchased in connection with the project;
- Copy of sales contract for purchase of real estate along with appraisal and environmental study;
- Bank letter(s) outlining bank's participation in the project or turning down the project (this requirement may be waived during the Disbursing Phase of the RLF);
- Copy of Articles of Incorporation and Bylaws, if a corporation; Articles of Organization and Operating Agreement, if a limited liability company; or written Partnership Agreement, if a partnership;

- Personal financial statement for each person having an ownership interest of 20% or more in the borrowing entity and all guarantors;

- Personal federal income tax returns for each person having an ownership interest of 20% of more in the borrowing entity and all guarantors;

- Statement of personal history for each person having an ownership interest of 20% or more in the borrowing entity and all guarantors;

- Resumes of all borrowers, guarantors, and key management personnel; and

- $100 non-refundable application fee.

2. Credit and Financial Analysis

The Loan Officer will review all loan applications and supporting documentation submitted to the LDC for completeness. The Loan Officer will also obtain the following documents, as part of the credit and financial analysis:

- credit reports on the applicant and all persons having an ownership interest of 20% or more in the business;

- appraisals on real estate involved in the project, where necessary; and

- letter from bank outlining bank's participation in the project or turning down the project and establishing that credit is not otherwise available on such terms as would allow the project to go forward without RLF assistance, if not submitted by the applicant with loan application. This requirement may be waived during the Disbursing Phase.

After reviewing the materials, the Loan Officer will determine the collateral requirements for the proposed loan, the persons or entities required to guaranty the loan, the amount of equity to be contributed to the project by the borrower, and other loan terms, including interest rate and loan term.

3. Environmental Reviews

The LDC will ensure that all projects financed with RLF funds comply with applicable environmental laws and regulations, including 13 C.F.R. Parts 302 and 314, the National Environmental Policy Act of 1969, and other Federal environmental mandates. No activity will be financed that will result in a significant adverse environmental impact, unless that impact is mitigated to the point of insignificance. Where necessary, any required mitigation will be made part of the conditions for the proposed loan.

The Loan Officer will be responsible for documenting the steps taken to ensure compliance and will conduct the following environmental review process.

Environmental Assessment

The first step in the environmental review is to determine the NAICS code of the business applicant. If the NAICS code associated with that business is included in the list of environmentally sensitive industries (attached hereto as Appendix 1), a Phase 1 environmental report must be provided in connection with the proposed project. If the NAICS code associated with the business does not match an environmentally sensitive industry, an Environmental Questionnaire (attached hereto as Appendix 2) must be completed and signed by both the borrower and the Loan Officer. The Environmental Questionnaire will be used to determine if any additional environmental investigation is needed by obtaining information regarding the following: the historic use of the property; the intended use of the property; whether toxic chemicals will be used in relation to the proposed project; whether toxic chemicals have been used historically at this property; and the prior, current, and planned uses of adjoining properties.

All loan applicants will be required to disclose whether or not there are hazardous materials such as EPA listed hazardous substances (see 40 C.F.R/ 300), leaking underground storage tanks, asbestos, polychlorinated biphenyls ("PCB"), or other hazardous materials present on or adjacent to the affected property that have been improperly handled and have the potential to endanger public health, If deemed necessary, the loan applicant will be required to obtain a Phase I Site Assessment to identify possible sources of contamination, a Phase II Site Assessment to test soil and groundwater samples, and a Phase III Site Remediation involving mitigation of applicable contaminants. No activity will be financed until unresolved site contamination issues have been resolved.

Floodplain Determination

The Loan Officer and the Commercial Loan Processor will be responsible for determining if the project is located within a 100-year floodplain, as required by Executive Order 11988. This determination will be made by reviewing the proposed development against FEMA Flood Insurance Rate Maps. If the property is located within the flood zone, flood insurance will be required and no additional above-ground development will be allowed at that location.

Wetland Area Determination

The Loan Officer will be responsible for determining whether the project will be located within or adjacent to any wetland area. The applicant may be required to provide wetland delineation information, if necessary. No activity will be financed that would result in the alternation of any wetland or in any adverse impact on any wetland without consultation with the U.S. Department of the Interior Fish and Wildlife Service. If applicable, a Section 404 Permit will be required to be obtained from the U.S. Army Corps of Engineers.

Historic Properties Assessment

If the project involves significant new construction or renovation of a property listed on the State or Federal Historic Registry, the Credit Analyst or the Loan Officer will notify the State Historic Preservation Officer ("SHPO") of the proposed loan and will receive comments on the effect of the proposed activity on historic and archaeological resources prior to the closing of the loan.

4. Loan Write-up

The LDC staff will prepare and submit a proposed board resolution and loan package to the Loan Review Committee and the LDC Board for their review and consideration. The loan package will include a detailed loan write-up or credit memorandum prepared by the Loan Officer, copies of commitment letters from other lenders, if applicable, financial statements, and other information pertinent to the proposed loan. The credit memorandum will include the following information:

- **Proposed loan terms and conditions:** A statement of the proposed loan amount, loan term, interest rate, collateral to be pledged in connection with the loan, loan guarantors, and any contingencies for loan closing;

- **Sources and Uses of Funds:** An outline of the sources of funding for the proposed project and how those funds will be spent;

- **Project Overview:** An explanation of the project to be undertaken, the project location, and the history and description of the business;

- **Jobs Anticipated in Connection with the Project:** A discussion of the jobs to be created or retained or other public benefits expected in connection with the project;

- **Project Feasibility and Repayment Ability Analysis:** An examination of the project's financial feasibility and the applicant's ability to repay the loan. The analysis will include an evaluation of the applicant's historical financial statements, (balance sheets, income and cash flow statements), in the case of an existing business, or business plan, in the case of a start-up business, other debt, and the applicant's projections for the business. This analysis will also include a review of the credit reports and scores obtained on the guarantors and their ability to repay the loan in the event of default;

- **Collateral Analysis:** A discussion of the value of the collateral to be pledged to secure the loan and identification of all liens existing or to be placed on the property. The LDC will generally be in a subordinated lien position on the property securing the loan;

- **Management Analysis:** An evaluation of the business and its management and the experience and expertise of key management personnel;

- **LDC Participation:** A discussion of the circumstances warranting LDC participation in the project, including a finding that credit is not otherwise available to the borrower on terms and conditions that would permit the successful completion of the proposed project without RLF assistance; and

- **Environmental Analysis:** A discussion of the project's impact on the physical environment and whether any environmental issues exist with respect to the project.

- **Economic Impact Analysis:** A discussion of the project's economic impact using the RLF Loan Selection Criteria set forth in Part I, Section F.

5. Procedures for Loan Approvals

Prior to submission to the LDC Board, the loan packet will be submitted to a Loan Review Committee. The LDC has two separate loan review committees that take turns meeting on the first Thursday of each month to review and discuss loan applications. Each loan review committee is comprised of two to three board members, at least one of whom has banking experience. The Loan Review Committee meets in person (or by Zoom or telephone) with representatives of the loan applicants to review the loan application and the proposed project. The Loan Review Committee then makes recommendations about the loan applications reviewed to the full LDC Board at the LDC board meeting, which is held on the following Thursday. A proposed board resolution is submitted along with the loan package to the LDC Board. Persons representing the applicant attend the board meeting to answer any questions the board members may have regarding the proposed project and loan. The loan must be approved by a majority of the directors present at the board meeting. If the loan is approved by the LDC Board, a loan commitment letter is sent to the applicant outlining the terms and conditions of the loan. A copy of the signed board resolution and the signed minutes from the board meeting are retained in the loan file. If a loan is not approved, the applicant is informed in writing of the board's decision.

The LDC staff will ensure that RLF loans are reviewed and approved in accordance with the LDC's approved financing policies, targeting criteria, and other loan selection criteria by thoroughly reviewing all loan applications for program compliance prior to submitting the application to the LDC Board and by providing the LDC Board with copies of the RLF Plan and the pertinent EDA regulations so that the Board is informed of all requirements associated with the RLF.

C. LOAN CLOSING AND DISBURSEMENT PROCEDURES

1. Loan Closing Documents

Once a loan has been approved by the LDC Board and the signed Loan Commitment Letter returned by the Applicant, the following loan closing documents will be prepared and executed in connection with the loan:

- Promissory note;
- Loan agreement;
- Security agreement(s), if applicable;
- Deed of trust, if applicable;
- Notice to and consent of senior lender, if applicable;
- Guaranty(s);
- Corporate Borrowing Resolution; and
- SLATE First Source Employment Agreement.

The borrower will be given a copy of the loan documents and the loan amortization schedule.

2. Loan Agreement Provisions

The Loan Agreement must clearly state the purpose of the loan. The Loan Agreement must also contain a provision to protect and hold the Federal government harmless from and against all liabilities that the Federal government may incur as a result of providing the RLF funds to assist directly or indirectly in site preparation or construction, as well as the direct or indirect renovation or repair of any facility or site.

The Loan Agreement will also require that the Borrower and any persons retained by the borrower in connection with the project will comply with all applicable federal, state, and local laws and regulations associated with the RLF, including, Section 601 of Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000(d) *et seq*.) (proscribing discrimination of the basis of race, color, or national origin); 42 U.S.C. § 3123 (proscribing discrimination on the basis of sex in investment assistance under PWEDA) and 42 U.S.C. § 6709 proscribing discrimination on the basis of sex under the Local Public Works Program); Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794) (proscribing discrimination of the basis of disabilities); The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 *et seq*.) proscribing discrimination on the basis of age); the Wage Rate Requirements of the Davis-Bacon Act, requiring that all laborers and mechanics employed by contractors or subcontractors on construction-related projects receiving RLF assistance be paid wages not less than those prevailing on similar construction projects in the locality as determined by the U.S. Secretary of Labor; and all applicable environmental laws.

If the borrower fails to comply with the terms of the Loan Agreement, the LDC may call the note for non-compliance.

3. Loan Disbursement

Borrowers will either be given a check for the loan amount, minus the 1% loan origination fee, at the time of loan closing, or will be required to sign a Credit Authorization Agreement allowing the loan proceeds to be electronically deposited into the Borrower's bank account.

D. LOAN SERVICING PROCEDURES

1. Repayment

Borrowers will be required to sign a Debit Authorization Agreement allowing the LDC to debit the Borrower's monthly loan payment from a designated bank account on the first business day of each month.

If a debit is rejected by the bank, the Borrower will be notified and asked to submit the payment by check, by either delivering the check in person to the LDC office or mailing the check to the LDC's office. Any checks received will be promptly deposited in the RLF bank account.

In accordance with prudent lending practices and for good cause shown, the LDC may defer borrowers' payment of principal and interest, extend the maturity date of the loan, or adjust the interest rate of the loan.

2. Monitoring

The Portfolio Manager will enter information about the RLF loans into a loan management system which will assist the Portfolio Manager in monitoring the loans to ensure compliance with all loan terms and conditions. The Portfolio Manager will be responsible for collecting annual financial statements, renewing UCC filings, collecting job creation and retention information, conducting site visits with borrowers, handling servicing requests, and releasing collateral after the loan is paid in full.

3. Loan Files

The LDC will collect and maintain all documentation necessary to demonstrate the borrower's compliance with all requirements associated with each loan. In addition to the items required at the time of application and the bank letter demonstrating that credit is not otherwise available (if applicable), the file will include a copy of the private lender's loan documents (if applicable), financial statements, annual insurance certifications, site visit reports, general correspondence, and job reports.

The LDC will maintain loan files and all related documentation over the term of the closed loan and for a minimum period of three years from the date of the final disposition of the loan. The date of the final disposition of the closed loan is the date all principal, interest, fees, penalties, and other costs associated with the closed loan have been paid in full, or the date of any final settlement, or discharge and cessation of collection efforts to recover unpaid amounts associated with the loan.

The LDC will also retain incomplete or rejected loan applications and related documents and files on loans that were approved, but not funded, for a period of three years after the loan application was received.

The loan agreement, personal guarantees, security agreements and other pertinent legal documents will be kept in a physical file and the original promissory note will be stored in a fire-proof filing cabinet. The documents will also be scanned and an electronic version kept for easy access and redundancy.

4. Job Creation

Borrowers will be asked to complete and return on a semi-annual basis a signed Job Report indicating the number of new full-time equivalent jobs created or retained as a result of the RLF assistance. The number of jobs created or retained by the assisted project will be tracked for a period of five years from the date of loan closing. A job must be in existence for a minimum of 18 months to be counted as saved or created.

5. Defaulted Loans

If a payment is not received on the due date or a debit is rejected by the bank, the borrower will be notified of the problem and will be asked to submit a check for the loan payment amount. If the payment is not received within 15 days of the due date, a late fee of 5% of the monthly loan payment amount, or $60.00, whichever is greater, may be assessed. If a payment is not received within 30 days of the due date, the borrower will be sent a letter reminding the borrower of the delinquency and requesting payment. If payment is not received within 60 days from the date payment is due and no other arrangements satisfactory to the LDC have been made regarding the delinquency, the borrower will be sent another letter demanding payment. If payment is not received within 90 days from the date the payment is due and no other arrangements satisfactory to the LDC have been made regarding the delinquency, the loan file may be turned over to the LDC's attorney for appropriate collection action.

When payment is received on a defaulted loan, the proceeds shall be applied in the following order of priority: (1) first, toward the costs of collection; (2) second, toward outstanding penalties and fees; (3) third, toward any accrued interest, to the extent such accrued interest is due and payable; and (4) fourth, toward any outstanding principal.

The LDC Board will be informed of delinquent and defaulted loans at its monthly board meeting and the actions taken to address the problem.

6. Write-Offs

The LDC Board will be asked to write-off loans that are non-performing and that have been deemed non-collectable on an annual basis, generally at the end of the LDC's fiscal year. A loan will not be written off until all efforts to collect on the loan have been exhausted. A loan may be written off where the borrower or guarantors have received a discharge of the debt in bankruptcy or where a determination has been made that the cost of pursuing legal or other action to collect the debt exceeds the amount that is likely to be recovered.

E. ADMINISTRATIVE PROCEDURES

1. Accounting

The RLF will be operated in accordance with Generally Accepted Accounting Principles ("GAAP"). All RLF funds will be kept in the LDC's interest-bearing bank account. Loan management software will be used to process and track loan payments and to allocate payments received between principal repaid and interest paid.

The Accounting Manager will keep track of cash available for lending and the amount of all loan commitments outstanding and will report to the LDC Board each month on the status of the RLF and the RLF Loan Portfolio, noting any loan payments that are more than 30 days past due.

2. Administrative Costs

The LDC will incur a number of costs in connection with the administration of the RLF, including expenses for staff support, loan management software, and auditing and other professional services. During the Disbursing Phase of the RLF, the LDC will draw down administrative funds from EDA in accordance with the line item budget approved by EDA in connection with the creation of the RLF. Thereafter, the LDC may use up to 50% of RLF Income (income derived from loan fees, interest earned on loans, and interest earned on the RLF bank account) received during any six-month reporting period for the payment of administrative costs. Any administrative costs that exceed the amount covered by RLF income will be covered by fee income generated by the LDC's other loan programs and by support provided to LDC by SLDC.

LDC will maintain accounting records and other documentation to substantiate all RLF Income expenditures for eligible administrative costs. Such records will be retained for a minimum of three years from the date of submission of the LDC's last Semi-Annual Report to EDA covering the reporting period in which such costs were claimed.

3. Capital Utilization & Sequestration

The LDC will ensure that the RLF Portfolio is in compliance with applicable capital utilizations standards and sequestration requirements established by EDA to the extent possible. The LDC will do this by monitoring the amount of cash available for lending and will make every effort to lend the RLF funds to qualified borrowers in a timely fashion so that the amount of cash available for lending, and not otherwise committed to borrowers, does not exceed the Annual Cash Percentage for its EDA region, as determined by EDA.

4. EDA Reporting

The LDC will submit reports to EDA on a semi-annual, or other such basis, as required by EDA, and will comply with all other reporting requirements established by EDA. If 50% or more of the RLF's Income is used for administrative costs during the six-month reporting period, the LDC will file an Income and Expense Statement along with its semi-annual report. The semi-annual reports must be received by EDA by January 30th and July 30th of each year.

5. Audits

The RLF is audited annually by an auditing firm hired by SLDC, which performs the audit in accordance with required federal audit procedures. The results of the audit are included in the SLDC's audit, and the full value of the RLF, consisting of outstanding loans and available cash, is included in the SLDC's Schedule of Federal Expenditures.

RESOLUTION NO. 26-LDC-11
PRESENTED TO THE BOARD – 08/13/2026

TO: THE ST. LOUIS LOCAL DEVELOPMENT COMPANY BOARD OF DIRECTORS AND STEPHEN WESTBROOKS, EXECUTIVE DIRECTOR

FROM: CHRIS MAGUIRE

RE: RESOLUTION APPROVING LOAN WRITE-OFFS

EXECUTIVE SUMMARY:

This Resolution seeks Board approval to write off certain loans made by The St. Louis Local Development Company to businesses that are in default in their loan payments in accordance with the LDC's loan servicing policy.

BACKGROUND:

The loans listed in Exhibit A attached to this resolution are in default. Staff recommends that these loans be re-classified as non-performing assets for accounting purposes, as of June 30, 2026, and be written off.

While the loans will be re-classified as non-performing assets, collection efforts will continue to be made, and the LDC expects to receive at least partial payment on some of these loans once all collection efforts have been exhausted.

Board approval is requested to write off the loans listed in Exhibit A, attached to this Resolution.

REQUESTED ACTION:

Approval of this Resolution is requested.

NOW, THEREFORE, be it resolved by The Board of Directors of The St. Louis Local Development Company, that:

1. The request to write off the loans listed in Exhibit A, attached to this Resolution, is hereby approved.

2. The proper officers and agents of LDC are hereby authorized to take all action, including but not limited to, execution of all documents, as may be necessary or convenient to carry out the provisions of this Resolution.

3. This Resolution shall take effect and be in full force immediately after its passage and approval by the Board.

ADOPTED this 13th day of August, 2026.

THE ST. LOUIS LOCAL DEVELOPMENT COMPANY

By: ____
Rodney Crim, Vice President

ATTEST:

____
Zachary Folk, Assistant Secretary

EXHIBIT A

Better Weekdays, Inc.

CMT, LLC

Earthbound Brewing, LLC

City Design Group, Inc.