

Sweet Water Organics Development Fund Loan

Loan terms

- Amount: \$250,000
- Interest: 5%
- Terms:
 - Forgivable over four years based on job creation
 - 2011: 10 positions 2012: 21 positions
 - 2013: 35 positions 2014: 45 positions
 - Required \$125,000 investment from other sources by end of year 4
 - Expenditures for capital investments only (no operating expenditures)

Loan agreement

- Prepared by Office of City Attorney
- Funds deposited in control account at US Bank
 - DCD sign-off required on expenditures
- Liens placed on purchased equipment
- Annual employment verification required
 - Employment compliance certificate as of 12/31
 - Wisconsin Unemployment Compensation Q4 contribution report
- City must approve sale, transfer or assignment of ownership of company or facility

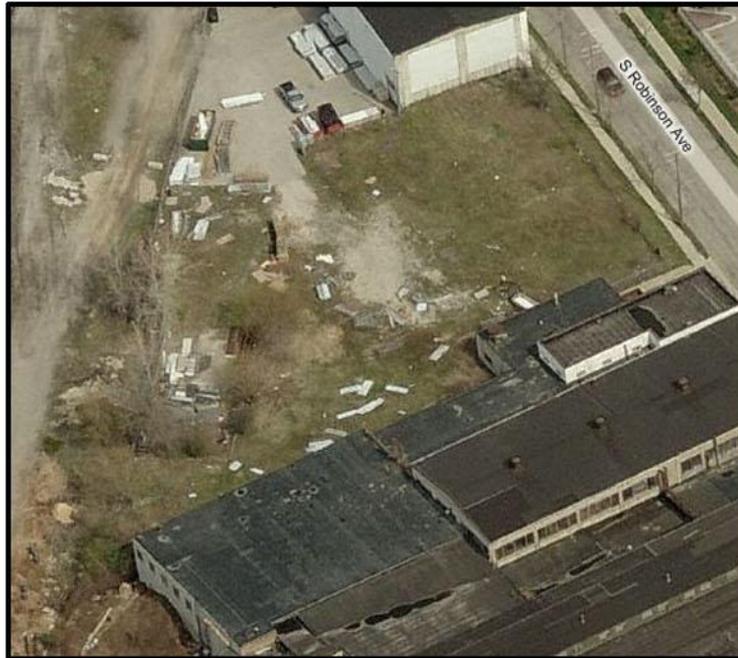
Expenditures (rounded)

- Fish production: \$96,000
- Hoop house construction: \$58,000
- Hoop house materials and soil: \$11,000
- Sprout room construction: \$3,000
- Compost area construction: \$8,500
- Equipment: \$25,000
- Electrical work: \$6,000
- Total expenditures: \$207,000

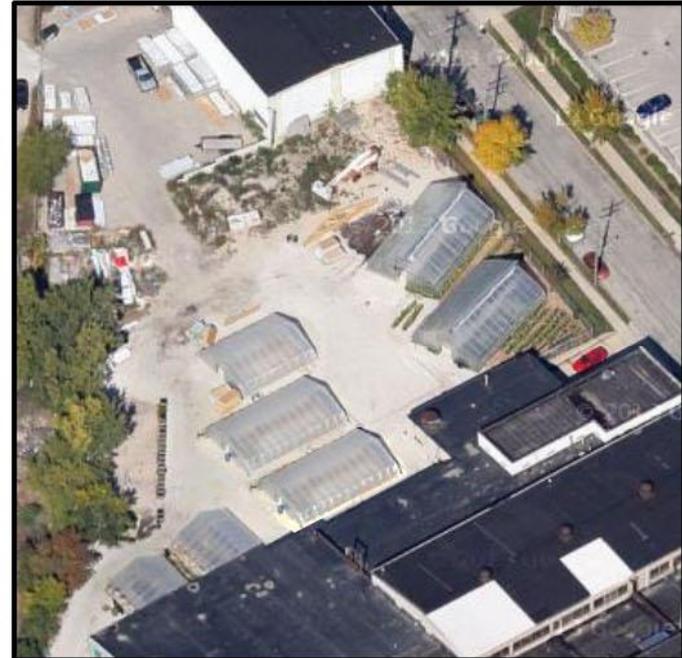
Sweet Water 2.0 (Greenhouse Aquaponics System)



2151 Aerial View (Outdoor Property)



circa spring 2009



circa spring 2011.

Sweet Water 2.0 (Greenhouse Aquaponics System)



Loan performance

- Additional investment requirement met 5/2012
- Employment requirement met for 2011
 - \$62,500 (25%) of loan forgiven
- Employment requirement not met for 2012
 - Requirement: 21 full-time equivalent positions
 - Actual: 2.35 full-time equivalent positions
 - \$8,928 of loan forgiven

Loan status

Expended to date	\$206,700
Forgiven 2/1/2012	62,500
Forgiven 2/1/2013	8,928
Current balance	\$144,199

- As of March 1, 2013:
 - Principal due: \$53,571
 - Interest due: \$ 9,505
- If amount unpaid by March 11, 2013:
 - Current balance becomes due

Recommendation

- Approve transfer of loan and SWO's assets to Sweet Water Organics Foundation.
- Reduce loan amount to current balance.
- Extend loan term to 2015.
- Restructure loan metrics to relate to Foundation's educational activities.
- Return unspent funds (\$43,000) to Development Fund.