

**GARDINER CITY COUNCIL MEETING
AGENDA SUPPLEMENT**

Item Number: 5.4
Agenda Topic: Isamax Snacks Loan
For Agenda of: January 5, 2006
Date Submitted: December 29, 2005
City Dept.: Planning and Development
Authorized By: Jason Simcock

Expenditure Required: \$124,000 loan
Terms: 20 Year Amortization with a balloon payment in 5 years, 4% fixed rate
Available Appropriation: \$
Amount to be Budgeted: \$

Background:

Isamax Snacks has requested this loan for the purpose of expanding their current whoopee pie making business by moving from Richmond to Gardiner to a larger and more efficient operation. Loan funds will be used to purchase and install new equipment, including a 28'X52' walk-in freezer and an 80 pan revolving oven. They plan to lease 7,500 square feet at the former Commonwealth Shoe Factory building.

The Planning Board granted Minor Site Plan approval including approval to renovate approximately 7,500 square feet for a Change of Use (Bakery) where Isamax Snacks intends to lease space (Map 28, Lot 68---Planned Development Zone).

Currently, Isamax Snacks has 13 full-time (FT) employees at the bakery and plans to create 6 FT jobs once in the new location (up 12 new FT jobs within the first year).

The loan will be secured by real estate (4th mortgage on 27 Spring Street, Gardiner and 3rd mortgage on 1079 Brunswick Rd., Richmond), and personal guarantees.

The Economic Development Committee fully and unanimously supported the loan application, as it was presented to them at their 12/14/05 meeting.

Note: As of 12/29/05 we have just learned that Isamax Snacks is forming a Corporation and that their Business Consultant is buying 25% of the Company for \$70,000. The Economic Development Committee will discuss how this may affect the terms of the loan before the Council votes on this matter. We will update the Council on this issue and make a recommendation before a Vote is scheduled.

