

SBA 504 Loan Requests

I. Big Sky EDC is requesting approval to submit to the US Small Business Administration the following SBA 504 loan requests. The Big Sky EDC Loan Committee has reviewed the requests and recommends approval to the full EDC Board for submission to the SBA for final approval. The requests meet all the underwriting and eligibility requirements of the EDC.

1. **Montana Linen Supply LLC – Real Estate note** – Request is for the purchase of land and new construction for Montana Linen Supply LLC’s new operating facility. The project is located in Belgrade, MT on Yukon Lane (street address not yet determined). This will be a relocation and expansion of the current facility they lease in Belgrade. Montana Linen Supply is a commercial laundry and linen supply business currently located in Belgrade. The business services the Gallatin Valley, Big Sky, Yellowstone Club and other businesses throughout central and south east Montana, including some Billings businesses. Due to the growth they have realized and are projecting going forward, they have outgrown their current facility. This new facility will be a state of the art, 41,400 s.f. commercial laundry operation. The Bozeman/Belgrade operation was started by Steve Stith, Sr. in 2010. They also have a location in Las Vegas, NV, which is where the business was first started in 1986.

This loan request is being made in conjunction with the request for equipment financing below. This request is for the real estate portion of the overall project. The total SBA debenture for this real estate portion will be \$2,327,000 on a 25-year note comprising 27.25% of the total project. There are projected to be 15 jobs created as a result of this project. They currently employ 60. A Public Policy goal for Rural Development will be achieved. Big Sky EDC and the SBA will be in a 2nd lien position behind American Bank of Montana located in Bozeman on the real property.

2. **Montana Linen Supply LLC – Equipment note** – This request is for the acquisition of equipment for Montana Linen Supply LLC’s new commercial laundry facility. This request for equipment financing coincides with the previous request for the real estate financing for Montana Linen Supply LLC. The equipment is new equipment needed as a result of the expansion. For the most part, this equipment will not be replacing their current equipment, which will also be moved to the new facility. All equipment has a useful life of at least 10-years. This will be commercial laundry equipment (washers, dryers, press/ironers). This operation provides no dry-cleaning services – strictly commercial laundry.

The total SBA debenture related to the equipment financing package will be \$1,954,000 on a projected 10-year note comprising 40% of the total project. Big Sky EDC may request a 20-year note from SBA as the overall weighted useful life of the equipment is closer to 20 year. Big Sky EDC and the SBA will be in a 2nd lien position being American Bank of Montana (same lender as for the real estate) on the personal property. A Public Policy goal for Rural Development will be achieved.