



CITY OF PORT WASHINGTON, OZAUKEE COUNTY, WI
COMMUNITY DEVELOPMENT AUTHORITY
MONDAY, AUGUST 19, 2024 AT 6:00 P.M.
Port Washington City Hall, 100 W. Grand Avenue
Port Washington, WI 53074
Lower Level Conference Room

AGENDA

1. Introductions and Roll Call
2. Minutes of Previous Meeting
3. Public Appearances or Comments
4. **Revolving Loan Fund Request** – Consideration and Possible Action on a Request for a Revolving Loan Fund Loan; Aathira Foods LLC; 1590 Harris Drive
5. Adjournment

COMMUNITY DEVELOPMENT AUTHORITY MEMBERS:

Mayor Theodore Neitzke IV 262-284-5585
Ald. John Sigwart
Bill Prince
Missy Larson
Rory Palubiski
Rick Sternhagen
Bob Harris, Director of Planning 262-284-2600

ADVISORS:

Jason Wittek

Persons with disabilities requiring special accommodations for attendance at the meeting should contact the City Clerk at least one (1) business day prior to the meeting. **Notice is hereby given that Common Council members or members of other governmental bodies who are not members of this board, commission or committee may be present at this meeting to gather information about a subject over which they have decision-making authority. In that event this meeting may also constitute a simultaneous meeting of the Council or of such other governmental bodies. Whether a simultaneous meeting is occurring depends on whether the presence of one or more Council members or members of such other governmental bodies results in a quorum of the Council or of such other governmental bodies and, if there is a quorum, whether any agenda items listed above involve matters within the Council's or the other governmental bodies' jurisdiction. If a simultaneous meeting is occurring, no action other than information gathering will be taken at the simultaneous meeting. [State ex rel. Badke vs. Greendale Village Board, 173 Wis. 2d 553 (1993).]**

Persons with disabilities requiring special accommodations for attendance at the meeting should contact the City Clerk at least one (1) business day prior to the meeting.

NOTE: To help protect public health, persons desiring to monitor this meeting remotely by telephone conference, rather than in person, may call (262) 268-4270, and then dial the Pass/Access Code of 9801 when prompted to do so.

**MINUTES OF THE CITY OF PORT WASHINGTON
COMMUNITY DEVELOPMENT AUTHORITY
January 22, 2024**

Present: Bill Prince, Ald. Sigwart, Missy Larson, Rick Sternhagen, Mary Becker; Rory Palubisky
Excused: Mayor Neitzke

Also Present: Bob Harris, Director of Planning & Development

1. **Roll call:** The meeting was called to order by Bill Prince at 6:05 pm and a quorum was present.
2. **Minutes of Previous Meeting:** On a motion by Rick Sternhagen and Seconded by Rory Palubiski, the October 24, 2024 meeting minutes were unanimously approved.
3. **Public Appearances and Comments:** (None)
4. **Revolving Loan Fund Request** – Consideration and Possible Action on a Request for a Revolving Loan Fund Loan; Cavalier Wine Bar LLC; 324 N. Lake Street

A Motion was made by Mary Becker and Seconded by Missy Larson to approve the Revolving Loan Fund request with the following conditions:

1. That a \$25,000 RLF loan is provided to Cavalier Wine Bar, LLC (“Company”). The loan would be used for leasehold improvements.
2. That a loan of \$25,000 is provided to the Company by two private investors.
3. That the RLF loan is provided with a five-year term and amortization and an interest rate of 4.25 percent.
4. That the RLF loan has a six-month deferral of principal payments.
5. A personal guaranty of Kelly Brown, principal Cavalier Wine Bar, LLC

All voting aye, the Motion passed.

5. **Adjournment:** Motion by Mary Becker and seconded by Rick Sternhagen to adjourn. All voting aye, the meeting adjourned at 6:33 pm.

COMMUNITY DEVELOPMENT AUTHORITY

City of Port Washington

TO: Community Development Authority

FROM: Bob Harris, Director of Planning

DATE: August 19, 2024

AGENDA ITEM: REVOLVING LOAN FUND - Consideration and Possible Action on an Application for a City of Port Washington Revolving Loan Fund Loan for a Proposed Retail Grocery Store; 1590 Harris Drive; Aathira Foods LLC, Applicant

PROJECT:

The CDA is being asked to review an application for a \$25,000 Revolving Loan Fund Request and provide a recommendation to the Common Council.

BACKGROUND:

The Subject site was constructed in 2008 and developed as a commercial condominium format in which each business owns its individual units. The space in question was originally a BMO bank branch with a drive thru teller service. The bank vacated the space in 2017 and it has remained vacant since.

The site was originally envisioned with an additional gas station and convenience store on the open space between the existing parking lot and Hwy 32. The applicants are Port Washington residents and have purchased this open space but currently have no plans for that land and is not part of this application.

ISSUES:

Zoning:

- The proposed use is designated as a “retail store and shop” and is therefore a Permitted Use by Right in the B-2 zoning district subject to review and approval by the Plan Commission.

Use and Operations:

- Proposed use is a grocery store specializing in Asian Indian groceries.
- A ‘grab and go’ carryout option will also be provided.
- The existing bank drive-thru lane and structure will not be used and will remain in place.
- Hours of operation will be M-F: 9:00 a.m. to 8:00 p.m. | Weekend Hours: 9:30 a.m. to 7:30 p.m.
- Staffing: One FT employee will staff the store. Depending on success / sales of the operation the applicants are planning for one or two additional FT employees within 12 months.
- Parking: The Port Washington zoning code requires 3 spaces for every 1,000 sq feet of gross floor area or three spaces.
- The on-site surface parking contains 38 spaces. It is estimated there are a minimum of 13 surplus parking stalls after accounting for the proposed use and the existing tenants.

Revolving Loan Fund Specifics: (See attached memo from Ozaukee Economic Development)

ATTACHMENTS:

- 1) Ozaukee Economic Development Memorandum



MEMORANDUM

TO: City of Port Washington – Community Development Authority
City of Port Washington – Common Council

FROM: Kathleen Cady Schilling, Executive Director
Ozaukee Economic Development

DATE: August 7, 2024

SUBJECT: REVOLVING LOAN FUND LOAN: Aathira Foods, LLC

The purpose of this memorandum is to provide a summary and staff analysis of the request from Aathira Foods, LLC for a Revolving Loan Fund (RLF) loan for start-up costs related to their Asian Indian grocery store and takeout. Aathira Foods will be located at 1590 Harris Drive, Unit One in the former Grafton State Bank/BMO Harris building. The business has requested a \$25,000 loan. This loan will be one of the simplified micro loans within the Revolving Loan Fund Program. The simplified loan program limits new loans to \$25,000, but allows for reduced loan fees and utilizes simplified loan documents.

Background

Aathira Foods will be an Indian grocery store and take-out food business. It will be focusing on the unique market of individuals that look to make food with traditional processes that need specific ingredients that are not found in local grocery stores in the Ozaukee market. Additionally, the store will sell take-out Indian food. Merchandise sold at the site will include Indian grocery and vegetables, pre-packed snacks and food items, frozen food and household products. The business will be owned by Rajeswari Thavasi and Thavasi Renga Thavasi (husband and wife). The two owners were originally born and raised in India and have a detailed knowledge of Indian culture and cuisine. They are current US citizens and live in Grafton.

Currently, there are no Asian Indian grocery stores in Ozaukee or Sheboygan counties. This provides a large potential pool of customers. There are over 400 families in Ozaukee and Sheboygan who are currently going into Milwaukee County to fulfill their grocery needs. Additionally, some northern Milwaukee County residents may prefer to travel north rather than south for these items once an

alternative is available. Being near to Costco and other retail establishments will help draw some of these residents north. Additionally, the store also hopes to attract other county residents showing off the variety of Asian Indian ingredients and take-out items.

The company will be run by Rajeswari Thavasi, with a plan to hire another full-time employee within 3 months, based on the sales and profit numbers. The owners are currently working with the area's Indian communities and promoting the store to build up excitement for the new store. The owners are purchasing the site and the vacant land next to the site.

Aathira Foods, LLC has provided detailed projected financials for the next three years, showing that the store will should begin to show a profit within its first year and show stable but slow growth over the following three years.

Funding Request

The Company is requesting that the \$25,000 RLF loan be provided with a term of five years and an interest rate of 4.25 percent, with a six month deferral of principal to ease the original start-up costs. Projected costs for this project are \$230,000. Costs for the project include purchase of the unit at 1550 Harris Drive, purchase of the vacant lot and money for capital improvements at the site. The company is receiving three loans totaling \$205,000 from Port Washington State Bank.

Since this loan is utilizing the simplified loan program, collateral for this loan will be a personal guaranty by the owners. This loan program only allows loans up to \$25,000.

Contingencies

If the City approves the loan request, it is recommended that the following conditions accompany the approval:

1. That a \$25,000 RLF loan is provided to Aathira Foods, LLC. The loan would be used purchase of the property at 1550 Harris Drive, capital improvements or working capital.
2. That a loan of \$205,000 is provided by Port Washington State Bank.
3. That the RLF loan is provided with a five-year term and amortization and an interest rate of 4.25 percent.
4. That the RLF loan have a six month deferral of principal payments.
5. A personal guaranty of Rajesari Thavasi and Thavasi Renga Thavasi, principals in Aathria Foods, LLC

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