

FEATHER RIVER RAIL SOCIETY

DATE: June 2020
ITEM: New Business Item 2
FROM: Eugene Vicknair

SBA DISASTER ASSISTANCE LOAN for COVID-19 IMPACT

I received notification last Thursday that the SBA has approved our application for a COVID-19 Disaster Assistance Loan.

The amount we are approved for is \$107,300. We have already received \$3,000 as an emergency advance.

The terms of the loan are as follows:

- Term - 30 Years
- Interest Rate - 2.75%
- Payment Amount - \$459.00
- Payment Frequency - Monthly
- Repayment starts 12 Months after closing
- Third Party Filing Fee - \$100.00

We can request a lower amount below the \$107,300, but that will require a review of the application and delay the process.

In light of the excellent terms on this loan and the still uncertain future with the COVID-19 tourism situation, I recommend that we accept the full approved amount.

I also recommend that we take the following steps with this loan:

1. Repay the Plumas Bank loan in full using the remaining money approved in the 2020 budget for the loan and an additional \$7,850 from the SBA loan proceeds to complete the payoff. As of Friday, June 5, payoff amount for the Plumas loan was \$12,637.00.
2. Place \$45,000 from the loan proceeds into an interest bearing account and reserve for loan repayment once the payment period opens in July 2021.
3. Take the remaining \$54,450 and use it for improvement programs to be outlined and approved at the July Board Meeting. It is suggested that these programs include improvements to the Museum Store, Display Room, Fencing and Security, COVID-19 preparedness and to the rolling stock fleet, to include acquiring needed batteries for the RAL locomotives.

REQUESTED ACTION: Approve acceptance of full \$107,300 loan amount and program funds as outlined in the report.