

FEATURE 504:

Mr. Liquor Rapid City, SD



Taking advantage of the SBA 504 program's current record-low interest rates is Mr. Liquor in Rapid City, South Dakota. First District Development Company and Black Hills Federal Credit Union, Rapid City, paired up to offer Jason Dvorak an attractive commercial loan package for his latest business venture — the purchase and remodel of an existing building, and the purchase and installation of new furniture, fixtures, and equipment to open the doors to Mr. Liquor.

Jason Dvorak is no stranger to the world of retail business, as he has been involved in management and ownership of three convenience store / gas stations in the Rapid City area for almost 15 years. In recent years a liquor store on the West side of Rapid City had closed its doors in conjunction with a grocery store closing. Seeing the need and opportunity for a successful liquor store, Jason found a vacant building listed for sale in a perfect location at the intersection of Sturgis Road and West Chicago Street (Highway 231) in Rapid City. Another important item for this venture was a name for the business. The business formerly operating out of the building was Mr. Movies—so naturally, for internal purposes Jason called his new project Mr. Liquor and it stuck! This name is not only catchy and nostalgic for the locals, but by naming the business Mr. Liquor, Jason saved money on signage by putting a type of signage sticker LIQUOR over the former “movies”.

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Mr. Liquor

Continued



After the renovations were completed to the building, there is no resemblance remaining of a movie rental store. The floors in Mr. Liquor have been redone and are now sealed concrete and kept impeccably clean. There were a number of other improvements made to the building from new plumbing, electrical, cabinetry, window tinting, and signage—to one of the most appealing features for its patrons—the massive beer cave. Mr. Liquor's Facebook page boasts the store has the “most complete beer selection in Western South Dakota in the largest beer cooler in the Black Hills”.

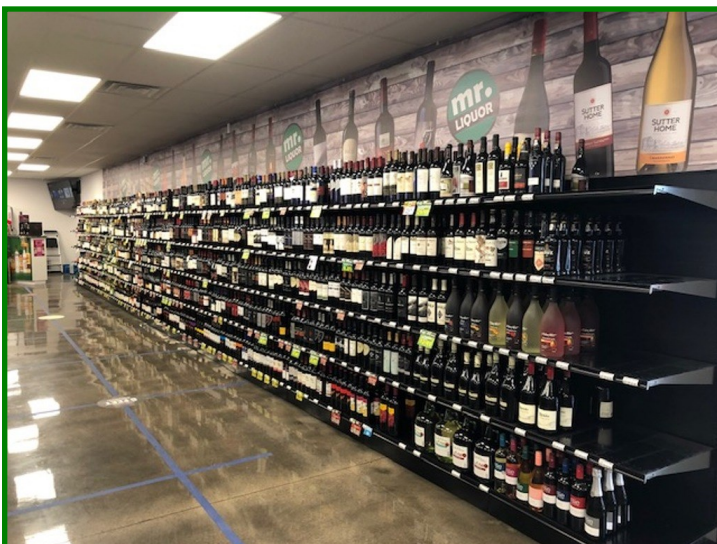
In the beer cave customers revel in the huge selection of cold beer, including craft beers and hard seltzers. In addition to beer, Mr. Liquor's customers enjoy browsing the 28 coolers and over 200 feet of shelving to find their old favorite wine and liquor or to find a new one they've never seen or tried before, all sold at competitive prices.

Mr. Liquor is open seven days a week. The business features a wide variety of fun extras for its customers, such as: beverage tastings, drawings for prizes, monthly, weekly, and daily special pricing, and Mr. Liquor always seems to have the newest released beer, wine, and liquor products on their shelves. In fact, in early July they had a line of customers forming to purchase a highly sought after product that doesn't stay in stock for long—

Crown Royal Peach. Of course the friendly staff at Mr. Liquor implemented social distancing practices at this time to keep their customers and themselves safe! Mr. Liquor offers a Loyalty Program to its patrons so they can get in on special drawings and perks.

As one can imagine, the COVID-19 pandemic has not adversely impacted the liquor store industry. Through research Jason obtained, he learned South Dakotans are consuming the same amount of alcohol as they always have. Instead of the pre-COVID-19 quantity consumed at bars and restaurants, that same amount is being consumed at home.

As shown in the photos, Mr. Liquor is a clean and very well stocked liquor store. This was a fun project for FDDC and Black Hills Federal Credit Union to partner on. Both lenders wish Jason and his Mr. Liquor team continued success!



CARES Act Provides RLF Funds

First District was recently notified of an approval of \$1,560,000 to capitalize a Revolving Loan Fund (RLF) through the Department of Commerce's Economic Development Administration (EDA) as a Coronavirus Aid, Relief, and Economic Security (CARES) Act Disaster Recovery and Resiliency Award. EDA's overall mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.

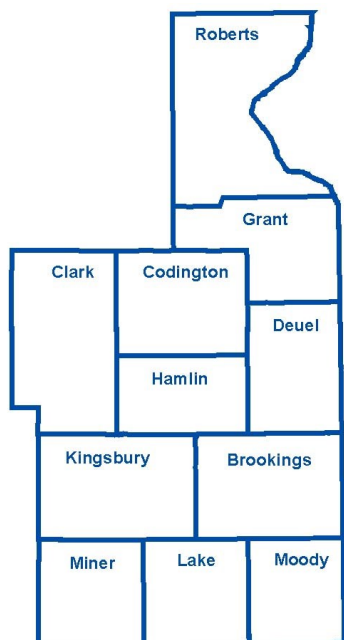


With that mission in mind, the particular scope for this RLF award is three-fold:

- ▶ To alleviate sudden and severe economic dislocation caused by the coronavirus (COVID-19) pandemic,
- ▶ To provide permanent resources to support economic resiliency, and
- ▶ To further the long-term economic adjustment objectives of the region served by this award.

This Revolving Loan Fund will assist borrowers in the following geographic region: Brookings, Codington, Clark, Deuel, Grant, Hamlin, Kingsbury, Lake, Miner, Moody, and Roberts Counties in South Dakota. First District will have 24 months to disburse the funds to small businesses.

Loan terms will depend on use of funds, with an interest rate of no more than 2.5%. More details will be provided on the use of these funds once requirements have been set. We look forward to having another financial resource to offer businesses during these unprecedented economic times.



Reminder: 504 Payment Forgiveness

Under the CARES Act, SBA 504 loan payments are being made for existing 504 borrowers for six months from April 1st to September 1st of 2020. This information refers to 504 borrowers whose loan closed in or prior to March of 2020. Just a reminder to these borrowers, your regular payments will begin again on October 1, 2020.

For 504 loans closed after April 1, 2020, your Payment Forgiveness dates will be slightly different. You will receive notices from FDDC when your payment status changes.

We have received many calls about new projects that wish to qualify for a 504 loan and receive Payment Forgiveness. While the date listed in the CARES Act states loans must fund prior to September 27, 2020, this deadline is no longer attainable. SBA 504 loans have to be submitted for closing by August 7, 2020, to make the September funding date. One week is not enough time to approve and close an SBA 504 loan.

If any additional assistance becomes available or previous deadlines change in a new stimulus package, FDDC will notify borrowers and lenders immediately.

10-Year Debentures

Jul	2019	3.937
Sep	2019	3.563
Nov	2019	3.933
Jan	2020	3.804
Mar	2020	2.847
May	2020	2.654
Jul	2020	2.400

25-Year Debentures

Oct	2019	3.540
Nov	2019	3.800
Dec	2019	3.643
Jan	2020	3.714
Feb	2020	3.463
Mar	2020	2.881
Apr	2020	3.032
May	2020	2.761
Jun	2020	2.602
Jul	2020	2.410

504 Funding Summary

July 2019 — July 2020

For July, 2020, a total of \$18,005,000 ten-year debentures (or 29 loans), a total of \$121,029,000 twenty-year debentures (or 130 loans), and a total of \$258,237,000 twenty-five year debentures (or 311 loans), were funded through the sale of certificates guaranteed by SBA.

Rates shown are full term effective rates, which include all monthly service fees. 10-Year Debentures are sold every other month and generally the proceeds are used for equipment purchases. 20-Year and 25-Year Debentures are sold monthly and the proceeds are used for real estate acquisition and/or construction.

20-Year Debentures

Jul	2019	3.914
Aug	2019	3.531
Sep	2019	3.359
Oct	2019	3.462
Nov	2019	3.742
Dec	2019	3.582
Jan	2020	3.644
Feb	2020	3.392
Mar	2020	2.808
Apr	2020	2.960
May	2020	2.688
Jun	2020	2.528
Jul	2020	2.346

Be FIRST to get it FIXED!

