

**BUSINESS LOAN PROGRAM**

**LOAN MODIFICATION MEMORANDUM  
CITY OF LONG BEACH  
ECONOMIC DEVELOPMENT DEPARTMENT  
333 W. OCEAN BOULEVARD, 3<sup>RD</sup> FLOOR  
LONG BEACH, CA 90802**

**JULY 3, 2018 – 10:00 A.M.**

**BORROWER:** **BLANKSPACES LLC**  
309 Pine Ave., Long Beach, CA 90802  
**(Council District 1)**

**BUSINESS:** Coworking space, programming and workshops.

**OWNERSHIP:** The business is a domestic limited liability company owned 54% by the principal, Jerome Chang. Approximately 10 different silent investors whom are family & friends of the principal own the remaining 46% with no one person owning more than 13%. They all represent limited partners with no management capabilities.

**REQUEST:** \$95,000 Revolving Loan

**FUNDING SOURCE:** EDA and CDBG funds are proposed subject to availability.

**TERM & INTEREST:** A 10-year, fully amortized loan with 5 months of interest only payments in the amount of \$455 and starting July 1<sup>st</sup> 2018 monthly principal and interest payments of \$1,088.23. Interest rate will be fixed at 6%, which is the current WSJ prime rate plus 1.50%. Fees total 2% of the loan amount (\$1,900).

**PURPOSE:** To provide funds for furniture, fixtures & equipment and for working capital needs.

**PUBLIC BENEFIT:** Job creation. Three full-time equivalent employees will be hired within 24 months.

**RECOMMENDATION:** Approval is recommended for modification of the loan to Blankspaces LLC to allow extending the interest only payment through March 15, 2019. The existing loan of \$95,000 was funded on March 15, 2018 with a current balance of \$95,000 amortized over 10 years at 6% percent interest.

***Reviewed by:***

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**Seyed Jalali, Economic Development Officer**

***Approved for Loan Committee:***

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***John Keisler, Director of Economic Development***