



CITY OF SARATOGA SPRINGS

PLANNING & ECONOMIC DEVELOPMENT

City Hall - 474 Broadway
Saratoga Springs, New York 12866
Tel: 518-587-3550 fax: 518-580-9480
www.saratoga-springs.org

Bradley Birge
Administrator
Kate Maynard
Principal Planner
Susan Barden
Senior Planner
Cindy Phillips
CD Coordinator
Deborah Wertheim
Secretary

SARATOGA SPRINGS

ECONOMIC DEVELOPMENT REVOLVING LOAN PROGRAM

Loan Application Profile:

Date Filed: 02.21.2014

Applicant Name: KTMS, Inc.

Address: 44 Lake Avenue
Saratoga Springs, New York 12866

E-Mail Address: galleryatscallions@yahoo.com

Telephone: 518.584.0192

TIN: 14-1821571

NASIC Code: 722511.

Legal Formation: Sub-Chapter S Corporation.

Attorney: None.

Accountants: Fredette & Sankowski, CPA.
25 Walton Street
Saratoga Springs, New York 12866

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**Bank of Account: First Niagara Bank
 Route 50
 Wilton, New York 12866**

I. Project Economics Summary:

<u>Uses of Funds:</u>	<u>Amount:</u>
Leasehold Improvements:	\$ 5,000.
Furniture & Equipment:	17,000.
Inventory:	25,000.
Marketing Programs:	8,000.

Total Uses of Fund:	\$55,000.
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<u>Sources of Funds:</u>	<u>Amount:</u>
Loan Program:	\$50,000.
Equity:	5,000.

Total Sources of Funds:	\$55,000.
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Attachment A: Project Economics Summary Reference Points.

II. Industry Overview: Subject Applicant:

KTMS, Inc. is an independent retail business enterprise serving both the immediate Saratoga Springs and Capital Region markets. Scallions is an upscale casual dining restaurant with an adjoining Gallery that offers distinctive furnishings and American crafts.

III. Business Location:

Subject Applicant, KTMS, Inc. rents 2,800 Sq. Ft. of ground level space at 44 Lake Avenue in Saratoga Springs, New York.

IV. Employment Impact:

A. Present Full-Time Equivalents or FTEs: 14.

B. Projected New FTES: 2.

The Projected New FTEs will be as Follows;

- Assistant Manager - Day Shift.
- Assistant Manager - Evening Shift.

V. Three Major Vendors: KTMS, Inc.

<u>Vendor Profile:</u>	<u>Payment Terms:</u>	<u>Account History:</u>
1. Sysco Foods, Inc.	Net 14 days.	1999 – Present. Paid within Terms.
2. D. Brickman.	Net 14 Days.	1999 – Present. Paid within Terms.
3. Southern Wines & Spirits of NY, Inc.	Net 7 Days.	1999 – Present. Paid within Terms.

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VI. Collateral Assignment Review:

KTMS, Inc. is offering a UCC Filed, Second Security Interest in all Business Assets, now or hereafter owned to the City of Saratoga Springs RLF.

UCC Filed, First Security Interest, as referenced above, has been assigned and Perfected by First Niagara Bank.

VII: Debt Schedule:

<u>Creditor:</u>	<u>Present Balance:</u>	<u>Maturity Date:</u>	<u>Annual D/S:</u>
First Niagara Bank.	\$120,000.	FY 2017.	\$44,100. P & I.
City of SS.	\$22,623.	FY 2017.	\$6,372. P & I.

VIII. Has any of Funds of the Borrower been expended to date for the Subject Application?

No Funds have been expended to date by KTMS, Inc. for the Borrowing Proposal as submitted.

IX. Is, has KTMS, Inc. ever been involved in any litigation, which would have a material effect on its solvency?

No.

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X. Is, has the Applicant Company or its Stockholders ever been involved in Creditors Rights, Bankruptcy, ore Receivership Proceedings?

No.

XI. Have any of the Principals of KTMS, Inc. ever been charged with or convicted of any felonies or misdemeanors?

No.

XII. Please identify all Principals who have a 20% or more interest in KTMS, Inc.:

Name: Michele M. Morris

**Address: 12 Dyer Switch Road
Saratoga Springs, New York 12866**

The Applicant and its Principal Stockholder certifies that all the referenced Data and Information provided with this City of Saratoga Springs RLF Application is true and complete. Moreover, the Applicant and its Principal Stockholder, Michele M. Morris grants permission to the City of Saratoga Springs Revolving Loan Fund, to request further data, check references, make inquiries, and inspect the Applicant Company's premises, in the course of the Subject Application's review.

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Name of Applicant Company:

KTMS, Inc.

By:

Michelle My.

Title:

President

Date:

2/14/14.

ATTACHMENT A:

The following are Key Assumptions and Reference Points to the Project Economics Summary delineated on Page Two of this RLF Application.

1. Leasehold Improvements:

Projected over the next 1-3 Years, Scallions Restaurant and Gallery will require \$5,000 in both structural and cosmetic Leasehold Improvements to the 44 lake Avenue venue.

2. Equipment Requirements:

The following are the projected equipment purchases over the next 12-18 Months for Scallions Restaurant:

Kitchen Range:	\$5,000
Ice Machine:	\$9,000
Refrigerator:	\$3,000
Total New Equipment:	\$17,000.

3. Gallery New Inventory:

Ms. Morris is projecting new inventory requirements for Galleria franchise will be \$25,000 over the next 12-18 months.

4. Marketing Plan Requirements:

The following are the four new Marketing Programs that require funding and implementation over the next 1-2 Years.

Social Media Campaign:

Securing services of a local media company to initiate a coordinated Facebook and E-Mail effort to increase daily exposure to local customers.

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New Website Development:

Enlisting help from a Saratoga firm to recreate our website and implement an on-line ordering page for takeout orders.

Print Ad Campaign:

**Focusing on enticing new customers to both dine and shop.
Emphasis to be placed on private parties for wedding and baby showers.**

5. SS RLF Loan Program:

- A. KTMS, Inc. is seeking a \$50,000 Term Loan from the City of Saratoga Springs Revolving Loan Fund.**
- B. KTMS, Inc. is requesting a 10-Year Amortization for the referenced City of Saratoga Springs RLF.**
- C. KTMS, Inc. requesting a 5-Year Term.**
- D. KTMS, Inc. is requesting a 3% Fixed Rate on the stated RLF Loan, structured as a 10-Year Amortization / 5-Year Term.**

6. KTMS, Inc. Equity:

The Equity as delineated \$5.5m or 10% of the Total project Economics, will be derived from the existing capital of KTMS, Inc. and / or the principal stockholder, Michele M. Morris, personal funds.