



APPROVED

Agenda Item: PACE Loan Request from Ideal Aerosmith, Inc.

Prepared by: Haylie Grasser, Planner

Submitted by: Andy Conlon, Economic Development Manager

Staff Recommended Action:

1. Approve request for PACE loan of \$161,539 to buy down the interest rate on commercial loan;
 2. Hold a public hearing on this request at the JDA meeting on November 3, 2025;
 3. Authorize JDA officials to execute necessary documents.
-

Committee Recommended Action:

JDA Action: Motion by Osowski, second Berg to approve staff recommendation. Motion carried unanimously.

Ideal Aerosmith is a Grand Forks-based, multi-faceted company that provides a wide array of industrial products and services to a global clientele. Headquartered on South Washington Street and with 3 additional sites in Grand Forks, the company currently employs approximately 162 employees. The company is experiencing substantial growth and has outgrown its current spaces.

To accommodate this growth over the long-term, Ideal Aerosmith intends to construct a new manufacturing facility on an approximately 15-acre parcel in the business park; a project that is anticipated to take several years to complete. In the nearer-term however, the company still has space constraints it must address to continue to build on its growth momentum. To do so, the company intends to construct an 80' x 100' addition to its main building on South Washington to create more needed inventory and assembly space.

The \$2.5 million project will be funded in part by a Bank Forward loan on which the JDA is requested to provide a PACE loan to buy down the interest rate.

Job/Compensation Information: The company expects this project will create 18 new FTE's and will help retain 162 FTE's with an average hourly compensation of \$50.00 in wages and benefits over the next two years, with the goal of reaching up to 200 employees over the next five years. Of note, the company has hired 33 full-time employees since its 2024 PACE approval.

Sources:

Owner Equity	\$ 500,000
Bank Forward Loan	<u>\$ 2,000,000</u>
TOTAL:	\$ 2,500,000

Uses:

Machinery/Equipment	\$ 200,000
New Building Construction	<u>\$ 2,300,000</u>
TOTAL:	\$ 2,500,000

PACE Interest Subsidy Loan:	BND Grant	\$ 300,000
	JDA Loan	\$ 161,538.43

Terms: Payment and interest accrual will be deferred for 59 months; thereafter it will be repaid in 12 monthly payments at 2.25%.

Security: Subordinate mortgage and personal guaranties from Greg Owens and Robyn Owens.

ANALYSIS AND FINDINGS OF FACT:

- As proposed, the JDA loan would be subordinate to a Bank Forward loan of \$2,000,000, as well as approx. \$2.42 million of existing debt, putting total loan-to-value at approximately 75.70%.
- Ideal Aerosmith has received a PACE loan and two EDARLF loans in the past from the Growth Fund.
 - 2009 PACE to Ideal Aerosmith, Inc. – \$118,710 (paid in full in 2019)
 - 2010 EDA RLF to Ideal Aerosmith, Inc. - \$408,000 (paid in full in 2017)
 - 2015 EDARLF to Ideal Aerosmith, Inc. - \$163,500 (paid in full in 2021)
 - 2024 PACE - \$269,231 (project in progress)
- The request complies with Growth Fund policies and procedures.
- Confidential financial documents are available to Growth Fund Committee and JDA members upon request.

SUPPORTING MATERIAL:

- Business Financing Application

Program Overview

Completed by swarcup@idealaero.com on 9/18/2025 3:43 PM

Case Id: 30514

Name: Ideal Aerosmith, Inc. - 2025

Address: 3001 South Washington Street, Grand Forks, ND

Program Overview

Please provide the following information.



City of Grand Forks
PACE/Flex PACE
Interest Buy Down
Program Application

Grand Forks Region EDC
120 N. 4th Street
Grand Forks, ND 58203
(701) 746-2724
kevinh@grandforks.org

Program Overview

PACE Loan

Through the Participating in Assisting Community Expansion (PACE) program, the Grand Forks Growth Fund may provide a no-interest, deferred loan up to \$269,000 to leverage a Bank of North Dakota grant up to \$500,000 to collectively reduce the interest paid on a loan used to acquire land or equipment or for working capital. Projects considered for PACE are those that result in the creation of new jobs. Applicants must be primary sector certified through the North Dakota Department of Commerce.

Flex PACE

For companies that do not fit the traditional definition for the PACE program, FlexPACE may be an option. The Grand Forks Growth Fund may provide a loan up to \$107,000 to leverage Bank of North Dakota support up to \$200,000. The FlexPACE program is used for a variety of project types including childcare centers and quality of life investments.

A. Contact Information

Completed by kevinh@grandforks.org on 9/23/2025 8:26 AM

Case Id: 30514

Name: Ideal Aerosmith, Inc. - 2025

Address: 3001 South Washington Street, Grand Forks, ND

A. Contact Information

Please provide the following information.

A.1. Business Name

Ideal Aerosmith, Inc.

A.2. Federal Tax Identification Number

A.3. Primary Contact Name

Stacy Warcup

A.4. Title

VP of Finance & Corporate Services

A.5. Phone

A.6. Email

A.7. Date Business Established

1938

A.8. Legal Structure

Corporation

A.9. Business Address

3301 South Washington Street Grand Forks, ND 58201

A.10. Company Description

Ideal Aerosmith is a long standing test and motion equipment manufacturer. Ideal designs and manufactures test equipment for navigation equipment and other industries. Ideal's serves customers across the nation and the world.

A.11. What loan type are you applying for?

PACE

B. Project Information

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Case Id: 30514

Name: Ideal Aerosmith, Inc. - 2025

Address: 3001 South Washington Street, Grand Forks, ND

B. Project Information

Please provide the following information.

B.1. Project Description

We are adding an 80 x 100 extension to our current building as we are in need of more inventory storage and assembly space due to the growth we've experienced.

B.2. Project Address

3001 South Washington Street Grand Forks, ND 58201

B.3. Current Number of Employees

162

B.4. Projected Number of Employees (within 24 months)

180

B.5. Current Average Hourly Wage Plus Benefits

\$47.88

B.6. Projected Average Hourly Wage Plus Benefits

\$50.00

B.7. Describe the benefits that will be offered.

Medical, Dental, Vision, 401K, HSA, FSA, Dependent Care Flex, Bonding & Maternity Leave, Education Assistance, Paid Volunteer time, Employer provided Life, ADD, LTD, EAP programs, Leadership Development Training, PTO, Personal Days

LENDER INFORMATION

B.8. Primary Lender

Bank Forward

B.9. Lender Contact Person

Jon Sandvik

B.10. Lender Phone

B.11. Lender Email

C. Sources & Uses

Case Id: 30514

Name: Ideal Aerosmith, Inc. - 2025

Address: 3001 South Washington Street, Grand Forks, ND

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C. Sources & Uses

Please provide the following information.

C.1. Sources

	Lender/Source Name	Rate	Months Amortized	Term Months	Amount
Equity	Cash	0.00%			\$500,000.00
Source A	Bank Forward	7.25%	240	60	\$2,000,000.00
Source B		0.00%			\$0.00
Source C		0.00%			\$0.00
Source D		0.00%			\$0.00
Source E		0.00%			\$0.00
Source F		0.00%			\$0.00
	Debt Financing Total				\$2,500,000.00

C.2. Uses

Use of Funds	Equity	Source A	Source B	Source C	Source D	Source E	Source F	Total Uses
Working Capital	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Inventory	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Machinery/Equipment	\$0.00	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00
Building Fit-Up	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Acquistion/Land	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
New Bldg.Construction	\$0.00	\$2,300,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,300,000.00
Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Sources	\$0.00	\$2,300,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,500,000.00

NOTE: Include a detailed explanation of uses of funds, including specific equipment (if applicable), on a separate page.

C.3. PACE Buydown Information

Lending Entity	Term Months	Amortization Months	Rate	Amount
Bank of North Dakota (Rate: 0% - Months Amortized: 0)				\$300,000.00

Grand Forks Growth Fund (Rate: 1% - Months Amortized: 12)	59	71	2.25	\$161,538.43
Bank of North Dakota				\$0.00
Grand Forks Growth Fund				\$0.00

D. Valuation & Security

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Case Id: 30514

Name: Ideal Aerosmith, Inc. - 2025

Address: 3001 South Washington Street, Grand Forks, ND

D. Valuation & Security

Please provide the following information.

D.1. How will the loan be secured?

- Mortgage
- UCC Equipment Lien
- Corporate Guaranty
- Personal Guaranty
- Other

VALUE OF COLLATERAL

D.2. Value

\$6,050,000.00

D.3. Proposed Growth Fund Security Position

3rd

D.4. Address of Secured Property

3001 South Washington Street Grand Forks, ND 58201

D.5. Private Debt Secured by Property (include existing & proposed private debt) - Select "Add a Row" to complete the table

Creditor	Amount
Bank Forward new debt	\$2,000,000.00
Bank Forward previous debt	\$2,420,000.00
Total Private Debt Secured by Property	\$4,420,000.00

D.6. Proposed Growth Fund PACE/FlexPACE Loan

\$161,539.00

D.7. Total Proposed Debt Secured by Property

\$4,581,539.00

D.8. Proposed Growth Fund Loan-to-Value

75.70%

EQUITY

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D.9. Describe equity sources and how they will be obtained and appraised.

Cash on hand. Current building was appraised in 2018 and recently appraised under represented valuation in Oct 2025

GUARANTY

D.10. List all guarantors in the table below. Select "Add a Row" to complete the table below.

Name	Amount
Greg Owens	\$4,581,539.00
Robyn Owens	\$4,581,539.00

E. Additional Company Information

Case Id: 30514

Name: Ideal Aerosmith, Inc. - 2025

Address: 3001 South Washington Street, Grand Forks, ND

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E. Additional Company Information

Please provide the following information.

E.1. Company Ownership

Name	% Ownership	Address	Phone
Greg Owens	45.26%		
Owens Family Trust	11.96%		
Robyn Owens	42.77%		

E.2. Company Management

Name	Title	Address	Phone
Greg Owens	CEO		
Robyn Owens	Director/Secretary		
Justin Flack	President		

E.3. Key Advisors

	Name	Firm/Company	Email	Phone
Attorney	Jenny Altendorf	In house counsel		
Accountant	Patrick Kautzman	Eide Bailley		
Insurance Agent	Craig O' Connor	Hub International		

NOTE: All persons for whom contact information has been provided may be contacted as part of the Grand Forks Growth Fund's review and evaluation of this application.

F. Required Documents

Completed by swarcup@idealaero.com on 9/20/2025 10:39 AM

Case Id: 30514

Name: Ideal Aerosmith, Inc. - 2025

Address: 3001 South Washington Street, Grand Forks, ND

F. Required Documents

Please provide the following information.

Documentation

Business Plan / Business Opportunity Summary *Required

Ideal Presentation 3001 Building Expansion.pptx

Commitment Letter from your bank relating to financing project *Required

EDC Letter 9.19.25.pdf

Commitment Letter from your bank relating to working capital line of credit *Required

EDC Letter 9.19.25.pdf

Federal Tax Returns for previous 3 years for all entities on application *Required

2022 Federal Tax Return.pdf

2023 Federal Tax Return.pdf

2024 Federal Tax Return.pdf

Interim Financial Statements (Balance sheet & income statement) *Required

2025 Ideal Balance Sheet.xlsx

2025 Ideal Income Statement.xlsx

2026 YTD Ideal Balance Sheet.xlsx

2026 YTD Ideal Income Statement.xlsx

Key Person Insurance *Required

Lincoln Financial T201238829.pdf

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Lincoln Financial T201238837.pdf

Personal Financial Statement (for all guarantors) *Required

2025 Ideal Income Statement.xlsx

Pro Forma *Required

Not Applicable.docx

G. Company Disclosures

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Case Id: 30514

Name: Ideal Aerosmith, Inc. - 2025

Address: 3001 South Washington Street, Grand Forks, ND

G. Company Disclosures

Please provide the following information.

G.1. Will the loan be secured by equipment/business assets?

Yes

If yes, provide detailed descriptions of said equipment/assets.

3001 South Washington existing building.

G.2. Has the company or any of its principals ever been involved in bankruptcy or insolvency proceedings?

Yes

If yes provide explain.

Bankruptcy in 1994 under previous ownership.

G.3. Is the company or any of its principals involved in any pending lawsuits?

No

G.4. Does the company buy from, sell to, or use the services of any company in which someone in the company has a significant financial interest?

No

G.5. Are any of the company's existing loans delinquent?

No

G.6. Are there any judgments against the company or any of its principals?

No

Submit

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Case Id: 30514

Name: Ideal Aerosmith, Inc. - 2025

Address: 3001 South Washington Street, Grand Forks, ND

Submit

Please provide the following information.

The undersigned specifically acknowledge(s) that: (1) verification or re-verification of any information contained in the application may be made at any time by the Grand Forks Growth Fund, a Jobs Development Authority (Growth Fund), its agents, successors, and assigns; either directly or through a credit reporting agency from any source named in this application and the original copy of this application will be retained by the Growth Fund, even if the request is not approved; (2) the Growth Fund, its agents, successors, and assigns will rely on the information provided in this application and I/We, the undersigned, have a continuing obligation to amend and/or supplement the information provided in this application if any of the materials facts which I/We have represented herein should change prior to closing; and (3) in the event my/our payments indicated in this application become delinquent, the Growth Fund, its agents and assigns may, in addition to all their other rights and remedies, report my/our name(s) and account information to a credit reporting agency.

I/We, the undersigned, understand and acknowledge that this application is considered public record and the information contained herein may be discussed at public meetings. Conditions limiting public disclosure of certain proprietary and/or confidential information are outlined and governed by North Dakota Century Code Sections 44-04-17 through 44-04-20

I/We, the undersigned, authorize the Growth Fund, its agents, successors, or assigns, to make all inquiries it deems necessary to verify the accuracy of the information contained herein and to determine the credit worthiness of the undersigned.

I/We, the undersigned, authorize all lenders named herein, and their agents, successors, and assigns, to release information relevant to this application to the Grand Forks Growth Fund and the Grand Forks Region EDC. I/We further authorize the Grand Forks Growth Fund and Grand Forks Region EDC, and their agents, successors, and assigns, to release information regarding this application to those lenders named herein.

I/We, the undersigned, certify that the information provided in this application is true and correct as of this date and that I/We am/are duly authorized to submit this application and understand the conditions set forth herein.

Signature

Stacy Warcup

Electronically signed by swarcup@idealaero.com on 9/20/2025 10:40 AM

Date

09/20/2025

Printed By: Andrew Conlon on 10/22/2025

Equal Opportunity Lender. The Grand Forks Growth Fund, a Jobs Development Authority, does not discriminate against credit applicants on the basis of race, color, religion, national origin, sex, gender, sexual orientation, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Checklist

No data saved

Case Id: 30514

Name: Ideal Aerosmith, Inc. - 2025

Address: 3001 South Washington Street, Grand Forks, ND

Checklist

Please review and confirm the following items.

Application Review	Date Completed	Notes
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Threshold Review Complete

Threshold Approval Email Sent

Status Updated

Approved Applications	Date Completed	Notes
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Environmental Review Completed

Agreement Full Executed

Purchase Order Received

Monitoring	Date Completed	Notes
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Risk Assessment Completed

Monitoring Completed

Monitoring Follow-up (if applicable)

Admin Documents

No data saved

Case Id: 30514

Name: Ideal Aerosmith, Inc. - 2025

Address: 3001 South Washington Street, Grand Forks, ND

Admin Documents

Please provide the following information.

Documentation

ACH Transfer Confirmation

**No files uploaded

Approved Staff Report/Minutes

**No files uploaded

Corporate Guaranty

**No files uploaded

Key Person Insurance

Lincoln Financial T201238829.pdf

Lincoln Financial T201238837.pdf

Ledger Entry

**No files uploaded

Loan Agreement

**No files uploaded

Mortgage

**No files uploaded

Personal Guaranty

**No files uploaded

Promissory Note ***Required**

**No files uploaded

Security Agreement *Required

***No files uploaded*

Signed Term Sheet *Required

***No files uploaded*

UCC Filing

***No files uploaded*