



**REQUEST TO CARLISLE BOROUGH COUNCIL** Kirk Ream’s business is called Transformation Training & Fitness, but its impact doesn’t end with fit-as-a-fiddle physical-fitness buffs. The project at 117 N. Hanover St.—the one-time farmers market unit, and since January 2009 vacant—will add new life to the block lifting more than weights. **It’s what we call a downtown asset**—an entity that attracts a lot of people, again and again. With classes of up to 30 clients 23 times a week, that’s a lot of work-out working for this trending block of that “other street” that’s boasting lots of new businesses with more additions on the way.

This request for a \$35,000 Carlisle Borough CDBG shopsteading loan will provide equipment, fixtures, furnishings, inventory, supplies and working capital enabling the business established in 2007 to relocate and expand in Downtown.



Transformation Training & Fitness offers 30-minute classes, up to six classes a day five days a week—and pumping up, may add to that schedule in the new location with room to grow. There are 23 classes a week offering full-body workouts, circuit training and individualized group or personal training. Each group has its own coach, and workouts change daily to maximize interest and keep clients moving and motivated. Many have been Transformation clients for years—it’s not a typical gym but rather a lifestyle, methodology, approach to a better you. Workouts can be designed, customized, for any fitness level or age—why, there are people in this very room who will tell you they’ve indeed experienced the Transformation. Ream, also an adjunct professor at Shippensburg University where he teaches classes as part of the Exercise Science Department, manages operations and coaches at the business.

The open-space unit will remain so but locker rooms added along with a healthy cafe and beverage bar. He’s talking with Starbucks to boast one of their model beverage centers—Starbucks On the Go—for what would be the first of its kind in the region.



**THE HISTORIC DISTRICT, PROPERTY/CULTURAL RESOURCES** The last use of this space at the rear of the property (photo, left) was as a farmers market. Built about 1950, the property is located in the Historic District. The business will relocate from 290 E. Pomfret St. to expand their offerings, services, classes and instruction doubling their capacity. 3T Investors, owner of the property, will design and build all agreed-to renovations.

**ENVIRONMENTAL REVIEW** The environmental review required to utilize CDBG funds to finance the business has been submitted.

**POWER EQUIPMENT NEEDS** Transformation Fitness & Training requests \$35,000 from existing 2015 Carlisle Borough CDBG funds for a shopsteading loan to purchase equipment, fixtures and furnishings, fund inventory and supplies, and provide working capital to relocate and expand the business at 117 N. Hanover St. in spring 2020. The financing would be used for the following.

- floor mats
- weight plates
- benches
- barbells
- weights and weight racks
- resistance bands
- foam rollers
- bars and jungle gyms
- steps, ropes and rings



**PROJECT FINANCIALS** Transformation will be a business tenant. CDBG financing will be utilized. Ream will put \$20,000 into the project which includes the relocation of some equipment and other assets from the E. Pomfret St. location. The business will share in the cost of renovations via monthly lease payments. The five-year lease includes three, five-year, options Proposed financing includes:

<b>\$ 35,000</b>	Carlisle Borough CDBG Commercial Revitalization Shopsteading Loan
<b>\$ 20,000</b>	Kirk Ream, owner equity (19% of the project value); also, renovation share
<b><u>\$128,000</u></b>	property owner investment
<b>\$183,000</b>	<b>TOTAL PROJECT COST</b>

Carlisle Borough would provide a loan of \$35,000 at an interest rate of 2% on a 25-year term with a balloon payment at seven years. The loan collateral would be a third lien position, mortgage, behind Northwest Bank (first) and Community First Fund (second) on real estate at 210 Rgeal View, Carlisle PA 17013, in North Middleton Township. This is the residential real estate owned by Kirk T. and wife Trinette J. Ream. This property was purchased in October 2012 for \$192,900 and appraised in October 2016 for \$276,900; the county assessed valuation is \$268,000. With refinancing in 2016, the three mortgage balances would total \$267,389. The loan to value rate with a third mortgage is 96.5%. *Note: It will take one year, 12 (minimum) payments, to bring the loan to value down to 90%.* There is no penalty for pre-payments or additional principle payments. The Reams will each provide personal guarantees for the loan; all equipment, fixtures and furnishings will be liened. The loan will be administered by the Cumberland County Redevelopment Authority.

**JOB CREATION** As a condition of the loan, the borrowers will within two years of the loan closing create one full-time position or part-time equivalents and offer it to persons from households with incomes not exceeding 80% of the area median income. It is anticipated that the business will hire two to four part-time employees.



*(photo left-most) the N. Hanover St. entrance—with client doors in the recessed area—and the rear "triple-double" doors off of the steps and ADA-accessible ramp to the private parking area*

This project puts one of the largest units in Downtown back into use, and for a highly-trafficked and especially timely—health and fitness—enterprise that adds to the business mix on this trending corridor...**truly, what will be a downtown asset.**