

Adventures in McCloudland

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Chapter 11

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We've now gone beyond what Ron had estimated we could handle without a loan. We are going to need more money.

Money has become a central force in our lives, not just this project. I worry about it a lot. Barry put us touch with a loan broker friend of his. We didn't know there was such a profession. "He will review projects and shop the loan for you," Barry said. "He'll take all the work out of it and relieve you of all the tedious negotiating with banks."

"You'll need a business plan right away," the broker said. And don't spend down your own funds; you'll need it as collateral for the loan."

"Okay."

I call Gerry, the former owner living in Southern California, to ask about old pictures and documents so we can verify the window placement and porch treatment. I can feel her grief. She had dreams and plans for this place too. And she'd invested time, energy and of course money in trying to make those work. I feel profoundly sorry they hadn't worked out.

If it hadn't been for her efforts, though, the building wouldn't have been saved for us to buy it. She was instrumental in pushing for historical landmark designation for the building and business district. Although several people in town went through the tedious application process that took countless hours, Gerry's plans for the hotel were the impetus. I'm forever grateful to her and Annette and everyone who worked to preserve this place.

"Yes," is Gerry's reply, "I have lots of old pictures, plans, and newspaper articles about the hotel. I'll send them up to you right away." She seems genuinely pleased that we feel we can go ahead with it. I assure her that she would always have a special place here. But I have never met her.

We're often asked why the previous owners couldn't put this together. I'm not sure I know the answer. I suspect because they were a bit more cautious. Gerry never sold her house and moved here. She remained grounded with her job and residence and tried to find financing through government grants and private funders. We, however,

are acting on blind faith and trust in our ability to pull it off. We've committed everything we have without the anguish and soul searching that one might expect. We just keep moving ahead believing that it will all work out. Why won't it?

I've managed non-profit associations for over 10 years and I know there is no more free government money out there. We're going to have to go at this ourselves. And that will require a total commitment on-site, full-time, hands-on management.

So we begin making arrangements for me to move into the hotel, in the manager's unit, just as soon as escrow closes. I'll set up an office and deal with the planning commission, the building department, and contractors. I'll oversee the day to day construction, and deal with the dozens of decisions that will have to be made quickly. Lee will be only a phone call away, and he would walk me through the process. He'll come up on weekends and return to the house during the week until it sold. It'll work.

We had a brief meeting with the loan broker Barry had suggested. We had determined we'd need to borrow about \$300,000 to complete the project and provide some working capital. The broker had contacted a bank in Sacramento which is interested in the project. I put the finishing touches on the 10 page business plan and we are off for our first bank meeting. Lee, the broker and I sit in a conference room around a huge mahogany table and present our ideas to three officers. We show them pictures of the hotel, letters and documents about the expected growth in McCloud and, of course, our projections. They seem interested.

Two weeks later the broker calls and says for us not to worry, "the money will be there when you need it." "First," he says "you have to spend down all the money you have before you can get the loan. The bank needs to know you have your own financial investment in the project."

All right. It's a go. We need to get moving quickly. You see, it is September 1993, and if we do it right we can open in May. May, 1994.