

EXHIBIT A
Memorandum of Understanding
Between the City of West Allis and First-Ring Industrial Redevelopment Enterprise, Inc.

THIS Memorandum of Understanding (“MOU”) has been created and entered on this 12th day of December, 2023 by and between the following parties: **CITY OF WEST ALLIS**, a municipal corporation, organized under the law of the State of Wisconsin within Milwaukee County, located at West Allis City Hall, 7525 W. Greenfield Ave., West Allis, WI 53214 (“City”), and **First-Ring Industrial Redevelopment Enterprise, Inc.**, a Wisconsin nonstock corporation and regional Community Development Entity, formed in 2007, located at 119324 W. Hayes Ave., West Allis, WI 53227 (“FIRE”).

1. Background.

In spring of 2023, the City and FIRE, agreed to apply to the Wisconsin Economic Development Corporation (WEDC) for the Capital Catalyst Grant Program (“CCGP”). Together, each party recognized the importance of attracting and providing resources to grow small businesses throughout the community.

The CCGP program is structured by WEDC to deploy capital to spur new business generation, stimulate entrepreneurship, and foster job creation.

WEDC awarded the partnership between City and FIRE, \$300,000 to invest as matching loans, grants, or equity in growing, fast paced, small businesses investments. FIRE has agreed to provide the required 1:1 match for the establishment of the loan fund.

2. Purpose.

The purpose of the MOU is to establish the terms and conditions under which each Party will collaborate to establish and manage the CCGP program to promote economic development and supporting entrepreneurship.

The City recognizes that collaboration with and support of FIRE is in line with its strategic goals for Economic Development and the City. The support of Capital Catalyst Grant program at the full discretion of the Common Council and the FIRE Board.

3. Roles and Responsibilities.

The City and FIRE desire to clarify by this MOU, the scope and extent of responsibilities associated with the loan fund. Both Parties have agreed on the following terms and conditions with respect to the services to be provided:

- A. **Statement of Cooperation.** The City and FIRE agree to mutually work together to support the economic mission of the City of West Allis and to partner with the City on the goals of the Capital Catalyst Grant fund.

B. City Responsibilities.

- i. The City, through the Economic Development Program, will process the loan intake process, screen loan applicants and conduct all marketing, underwriting, reporting, and administration of the CCGP.
- ii. The City will be responsible for all accounting, payment tracking, communications with applicants or future borrowers.
- iii. Throughout the course of the grant from WEDC, the City's Economic Development Program will consult and share information about potential applicants or borrowers. This may include reviewing financial accounting statements, audits, and balance sheets.
- iv. If possible, the City may provide portions of the required match utilizing other City lending programs.
- v. City Finance staff will work with the appropriate representatives on FIRE regarding the required match investment.
- vi. The City shall be contracted entity with WEDC responsible for the CCGP program and all necessary reporting requirements.
- vii. The City shall provide copies of reports to FIRE that include leverage investment, job creation, demographics, other community growth metrics, etc.
- viii. The City will utilize the financial resources provided by FIRE for economic development projects that promote job creation, business development and neighborhood revitalization.

C. FIRE Responsibilities.

- i. FIRE will provide the required \$300,000 match to support the CCGP Program.
- ii. FIRE will assist in promoting the CCGP program.
- iii. FIRE will provide insight or comment relative to applications received and to loan packets presented to the City on prepared

4. Loan, Grant or Investment Terms.

A. Loans:

- i. The CCGP program will offer loans to eligible individuals/businesses at a below market interest rate to captivate growth and expedite deployment of funds.
- ii. The interest rate will be Effective federal funds rate as published by the federal reserve bank of New York. Published as 5.50% as of December 5, 2023.
- iii. The Loan Committee may change the interest rate subject to credit worthy underwriting, overall feasibility of the project, industry trends, and available market information.
- iv. The maximum loan amount per applicant is \$150,000
- v. Repayments terms will be up to 20 years with amortization up to 25 years.

B. Grants:

- i. The CCGP program may provide small business grants with the goal of no more than 15% of the overall fund.
- ii. The grant size shall not exceed \$30,000.
- iii. The CCGP grants will be underwritten similar to a loan and conditioned as a loans.
- iv. Grants are based on the availability of funds.

C. Equity Investments.

- i. The CCGP has the option to make equity investments in either start-up or early start-up businesses.
- ii. The size of equity investment may be between \$50,000 to \$150,000.

5. Investment Criteria for Loans, Grants, and Equity.

A. Loan Eligibility.

- i. Applicants must meet the following eligibility to qualify for a loan:
 - i. Creditworthiness
 - ii. Business viability
 - iii. Market conditions
 - iv. Overall business strategy

B. Grant Eligibility.

- i. Applicants must meet the following eligibility to quality for a grant:
- ii. Meet the criteria for a loan
- iii. Demonstrate challenges to raise equity
- iv. Ability to advance “but for” the availability of a grant
- v. Grants are available for 1. start-up food production enterprises with limited access to private lending, 2. start-up software businesses, and 3. advanced manufacturing.
- vi. Businesses that create jobs at above the local median household income.

C. Equity Eligibility.

- i. Applicants must meet the following for an equity investment:
- ii. Meet the criteria for a loan.
- iii. Demonstrate ability to raise equity.
- iv. Ability to advance “but for” the availability of a grant.
- v. Grants are available for 1. start-up food production enterprises with limited access to private lending, 2. start-up software businesses, and 3. advanced manufacturing
 - i. Businesses that create jobs at above the local median household income.
 - ii. Project must demonstrate a 10% return year over year.

6. Fund Income.

- A. All loan repayments or profit from equity will be returned to the fund until all obligation are satisfied with WEDC.
- B. Upon the fund having a balance of \$150,000 of interest income the City shall make annual installment payments of \$25,000 to FIRE for the original \$300,000 match investment.

7. **Bank Account.**

- A. The City will administer all collection and loan funding activities from a CCGP Fund Banking Account.
- B. The City will create a CCGP Fund Banking Account to manage the overall fund.
- C. FIRE will provide \$300,000 to the CCGP Fund Banking Account to demonstrate to the WEDC that the required match is available.
- D. The City's finance team shall administer the CCGP Fund Banking Account and shall seek the WEDC repayments as part of each funded activity.
- E. The City's Economic Development Team shall be signature party for the CCGP Fund Banking Account.
- F. If the Fund is dissolved by each Party, the CCGP Fund Banking Account shall be closed and all funds disbursed 50/50.
- G. If proceeds are not disbursed within the timeframe of the MOU, FIRE proceeds will be returned.

8. **Report and Monitoring.**

- A. Parties agree to provide regular reports on the status of the RLF, including the number of loans disbursed, repayments received, etc.
- B. FIRE has the right to conduct periodic audits or reviews of the RLF operations.

9. **Timeframe:** Program will commence in 2023 and extend until both parties dissolve the CCGP fund. The MOU will be effective as of the date stated above written and shall be automatically renewed and annually unless terminated by either party.

10. **Amendments:** Amendments to this Agreement shall be signed and approved by each party.

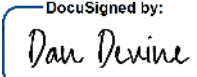
11. **Governing Law:** The MOU shall be governed by and construed in accordance with the laws of Wisconsin.

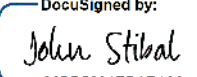
Signatures on the next page

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date, month, and year first above written.


CITY OF WEST ALLIS

**FIRST-RING INDUSTRIAL
REDEVELOPMENT
ENTERPRISE, INC.**

BY: 
C584EDC132FA46F...
Dan Devine, Mayor

BY: 
C8BB5221ED6E4C8...
John F. Stibal, President

Approved as to form:

BY: 
D4E70EA874634AB...
Kai Decker, City of West Allis Attorney