



# City of West Allis

## Matter Summary

7525 W. Greenfield Ave.  
West Allis, WI 53214

File Number

Title

Status

R-2004-0155

Resolution

In Committee

Resolution approving refinancing terms of the Economic Development Loans with Quest Corporation, d/b/a Graphic Impressions, Inc., located at 7328 W. Greenfield Ave.

Introduced: 5/4/2004

Controlling Body: Administration & Finance Committee

### COMMITTEE RECOMMENDATION

*Adopted*  
*Recommended for Approval*

ACTION

DATE:

5/10/04

MOVER

SECONDER

Barczak  
Czaplewski  
Dobrowski  
Kopplin  
Lajsic  
Narlock  
Reinke  
Sengstock  
Vitale  
Weigel

AYE

NO

PRESENT

EXCUSED

TOTAL

SIGNATURE OF COMMITTEE MEMBER

Chair

Vice-Chair

Member

COMMON COUNCIL ACTION

**ADOPT**

ACTION

DATE:

MOVER

SECONDER

Barczak  
Czaplewski  
Dobrowski  
Kopplin  
Lajsic  
Narlock  
Reinke  
Sengstock  
Vitale  
Weigel

AYE

NO

PRESENT

EXCUSED

TOTAL



Dev.  
Chris Phinney  
P. Schloss

## STANDING COMMITTEES OF THE CITY OF WEST ALLIS COMMON COUNCIL 2004

### ADMINISTRATION & FINANCE

Chair: Michael J. Czaplewski  
Vice-Chair: Martin J. Weigel  
Gary T. Barczak  
Thomas G. Lajsic  
Rosalie L. Reinke

### PUBLIC WORKS

Chair: Richard F. Narlock  
Vice-Chair: Linda A. Dobrowski  
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James W. Sengstock

### SAFETY & DEVELOPMENT

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Vice-Chair: Vincent Vitale  
Gary T. Barczak  
Martin J. Weigel  
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### ADVISORY

Chair: Rosalie L. Reinke  
Vice-Chair: Gary T. Barczak  
Linda A. Dobrowski  
Vincent Vitale  
Martin J. Weigel



# City of West Allis

7525 W. Greenfield Ave.  
West Allis, WI 53214

## Resolution

**File Number: R-2004-0155**

**Final Action:**  
**MAY 18 2004**

Resolution approving refinancing terms of the Economic Development Loans with Quest Corporation, d/b/a Graphic Impressions, Inc., located at 7328 W. Greenfield Ave.

WHEREAS, Quest Corporation, d/b/a Graphic Impressions, Inc., a corporation created under the laws of Wisconsin, operating at 7328 W. Greenfield Avenue, West Allis, WI, received Common Council approval on February 6, 2001, for an Economic Development Loan in the sum \$50,000 and Common Council approval on February 6, 2001, for an Economic Development Loan in the sum of \$25,000; and,

WHEREAS, since the tragic events of September 11, 2001, and the subsequent downturn in the economy that resulted in slow sales within the printing industry, Quest Corporation, d/b/a Graphic Impressions, Inc., in September of 2002, reduced its workforce, streamlined expenses, and requested a forbearance on loan payments for three to six months or until March, 2003; and,

WHEREAS, the Common Council approved a communication from the Department of Development on September 11, 2002, recommending a forbearance on loan payments and refinancing terms with an effective date of December 31, 2002, for Quest Corporation, d/b/a Graphic Impressions, Inc.'s economic loans, attached and incorporated herein as Exhibit A; and,

WHEREAS, the terms approved by the Common Council on October 1, 2002, were not incorporated into a new promissory note and mortgage; and,

WHEREAS, the Department of Development recommends the following refinancing terms and conditions to the Economic Development Loans with Quest Corporation, d/b/a Graphic Impressions, Inc.:

1. Interest to be recalculated at 7.5 % using the date of September, 2002, for both loans. One-third of the interest accrued will be waived as an incentive to Quest Corporation, d/b/a Graphic Impressions, Inc.
2. In May, 2004, the balance (including accrued interest from December, 2002) on the \$50,000 second mortgage Economic Development Loan to be refinanced at 7.5% interest for a term of 10 years with a 20-year amortization and a balloon payment in 120 months.
3. In May, 2004, the balance (including accrued interest from December, 2002) on the \$25,000 loan, originally made for equipment purchases, to be refinanced at 7.5% interest for a term of 10 years with a 20-year amortization and a balloon payment in 120 months.

WHEREAS, the refinancing will maintain the City's current positions and security of the economic

development loans; and,

NOW, THEREFORE, BE IT RESOLVED that the Common Council approves the refinancing terms of the Economic Development Loans with Quest Corporation, d/b/a Graphic Impressions, Inc.

BE IT FURTHER RESOLVED, that the Common Council authorizes the Director of Development, or his designee, to develop and enter into a new promissory note and mortgage with Quest Corporation, d/b/a Graphic Impressions, Inc.

BE IT FURTHER RESOLVED that the City Attorney be and is hereby authorized to make such non-substantive changes, modifications, additions and deletions to and from the various provisions of the promissory note and mortgage, including any and all attachments, exhibits, addendums and amendments, as may be necessary and proper to correct inconsistencies, eliminate ambiguity and otherwise clarify and supplement said provisions to preserve and maintain the general intent thereof, and to prepare and deliver such other and further documents as may be reasonably necessary to complete the transactions contemplated therein.

cc: Development Department  
Chris Phinney, Grant Accounting Specialist

Dev-R345\jmg\5-4-04

**ADOPTED** May 18 2004  
Paul M. Ziehler  
Paul M. Ziehler, City Admin. Officer, Clerk/Treas.

**APPROVED** May 24 2004  
Jeannette Bell  
Mayor





# CITY OF WEST ALLIS

WISCONSIN



Department of Development

**JAMES E. HERBST**  
*Manager,  
 Economic Development  
 Division*

September 11, 2002

*APPROVED*

The Honorable Jeannette Bell and  
 Members of the Common Council  
 City Hall  
 West Allis, Wisconsin

RE: Economic Development Loans – Quest Corporation

Dear Mayor Bell and Common Council Members:

The Department of Development has recently received a request from Quest Corporation relative to its two outstanding Economic Development Loans. The following is a summary of the Department's findings and recommendations relative to this request.

Quest Corporation, d/b/a Graphic Impressions/Classic Impressions received two Economic Development Loans in March, 2001 to assist with the financing of a major expansion. The City made a \$50,000 loan to Quest to purchase fixtures and equipment for the company's newly constructed headquarters building at 7328 West Greenfield Avenue. To secure this loan, the City took a second mortgage on the building behind the purchase money mortgage of Tri City Bank.

The City also made a \$25,000 Economic Development Loan to Quest Corporation to purchase the assets of Sycamore Press, Ltd., a defunct Elm Grove-based printing firm. This loan was secured with a lien on these purchased assets.

The \$50,000 Economic Development Loan was for a term of 10 years at 9.5% interest. Payments were based on a 20-year amortization. Payments are \$631.00 per month.

The \$25,000 Economic Development Loan was for a term of four years at 9.5% interest. Payments are \$468.00 per month.

Since the tragic events of September 11, 2001, the printing industry has experienced a severe economic slump (see attached Milwaukee Journal Sentinel article). Quest also suffered a decline in sales during the first six months of 2002. More recent sales figures appear to be increasing but it is difficult to determine at this point if this is a trend.

In order to weather the current economic slump, Quest has undertaken a number of steps to reduce expenses. Workforce has been reduced approximately forty-seven percent. The company's officers have invested approximately \$300,000 in additional stockholder equity to pay down short-term debt, thereby keeping in good standing with suppliers. Last month the company successfully refinanced its first mortgage from Tri City

The Honorable Jeannette Bell and  
Members of the Common Council  
September 11, 2002  
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Bank with a new \$575,000 mortgage loan from Anchor Bank. This refinancing resulted in a three percent reduction in the interest rate, saving the company approximately \$1,000 in monthly payments.

In line with these cost reduction efforts, Quest has recently submitted a request for a three to six month forbearance on payments for its two Economic Development loans. Additionally, the company has requested that the two Economic Development loans be refinanced based upon a twenty-year amortization and at the same interest rate as the refinanced first mortgage loan from Anchor Bank (7.5%). This proposal would further reduce the company's monthly expenses by approximately \$530.00.

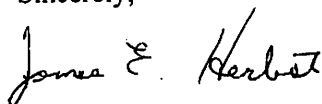
### RECOMMENDATION

The Department has reviewed Quest Corporation's request, along with the supporting financial documentation submitted by the company. Based upon our review, the Department makes the following recommendations:

- Payments on Quest's Economic Development Loans be deferred through December, 2002 (interest to continue to accrue on the unpaid balance)
- In December, the balance (including accrued interest through December 31, 2002) on the \$50,000 second mortgage Economic Development loan be refinanced at 7.5% interest for a term of 10 years. Payments will be based upon a 20-year amortization, with a balloon payment due in the 120th month.
- In December, the balance (including accrued interest through December 31, 2002) on the \$25,000 Economic Development loan originally made for equipment purchases be refinanced at 7.5% interest for a term of 5 years. Payments will be based upon a 20-year amortization with a balloon payment due in the 60th month.

We respectfully submit this report and recommendation for the Common Council's consideration.

Sincerely,



James E. Herbst  
Manager, Economic Development Division

JEH:bjb

h\lq-c-c

cc: John F. Stibal, Director, Department of Development