



City of West Allis

Resolution: R-2016-0245

7525 W. Greenfield Ave.
West Allis, WI 53214

File Number: R-2016-0245

Final Action:

Sponsor(s): Administration & Finance Committee

OCT 04 2016

Resolution approving the terms and conditions for an Economic Development Loan to MPP Enterprises LLC under the Department of Housing and Urban Development Community Development Block Grant Program in an amount not to exceed \$100,000.

WHEREAS, MPP Enterprises LLC, a limited liability corporation created under the laws of Wisconsin, has applied for a loan from the City of West Allis in the amount of One Hundred Thousand Dollars (\$100,000), under the Department of Housing and Urban Development Community Development Block Grant Program, for the purpose of purchasing real estate for the property located at 11800 W. Greenfield Ave.; and,

WHEREAS, the Department of Development has reviewed the loan request from MPP Enterprises LLC and has determined that the Project is eligible for funding under the Community Development Block Grant guidelines; and,

WHEREAS, the Department of Development has recommended approval of a Community Development Block Grant funded loan for the purpose of completing the Project; and,

WHEREAS, the Economic Development Loan Task Force met on October 3, 2016, to consider this loan application and recommended approval of this Economic Development loan application; and,

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of West Allis that it hereby approves the terms and conditions of the Loan in an amount not to exceed One Hundred Thousand and 00/100 Dollars (\$100,000) to MPP Enterprises LLC, in accordance with the terms and conditions outlined in the Commitment Letter attached as Exhibit A, hereto and incorporated herein by reference.

BE IT FURTHER RESOLVED that Five Thousand and 00/100 Dollars (\$5,000) also be provided for the delivery of the loan from the Community Development Block Grant Program.

BE IT FURTHER RESOLVED that the City Attorney is hereby authorized to prepare loan documents required by the aforesaid commitment.

BE IT FURTHER RESOLVED that the City Attorney be and is hereby authorized to make such substantive changes, modifications, additions and deletions to and from the loan documents, 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.

BE IT FURTHER RESOLVED that the proper City Officers, or any of their authorized deputies, as

necessary, are authorized on behalf of the City to execute the aforesaid loan documents.

BE IT FURTHER RESOLVED that the Director of Development is authorized to modify the terms of the loan agreement or documents if within the original intent of the loan or will help the business to achieve the goals of the loan.

cc: Department of Development
Grants Accounting Specialist

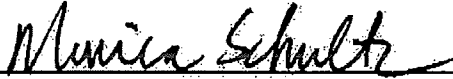
DEV-R-857-10-4-16

ADOPTED

October 4, 2016

APPROVED

10/5/16



Monica Schultz, City Clerk



Dan Devine, Mayor



John F. Stibal
Director
Department of Development
414.302.8460
jstibal@westalliswi.gov

October 3, 2016

Exhibit A

Mr. Alfred G. Holtz
Milwaukee Plumbing & Piping, Inc.
c/o MPP Enterprises LLC
11300 W. Greenfield Ave.
West Allis, WI 53214


Dear Mr. Holtz:

Pursuant to your application and information provided by you, the Common Council of the City of West Allis ("City") hereby agrees to make a loan to you, in accordance with the federal Community Development Block Grant regulations and the following specific terms and conditions:

1. Borrower. The Borrower shall be MPP Enterprises LLC, a Wisconsin limited liability corporation, whose business office is at 11300 W. Greenfield Avenue, West Allis, WI.
2. Guarantors. Alfred G. Holtz and Edward D. Prusak, Jr., members of MPP Enterprises, LLC.
3. Project. Loan proceeds are to be used for purchase of real estate and establishment of Milwaukee Plumbing & Piping, Inc. at 11800 W. Greenfield Ave.
4. Loan Amount. The loan amount shall not exceed One Hundred Thousand Dollars (\$100,000.00). Disbursement of the aggregate principal will be at loan closing per a closing statement. The loan will be evidenced by a note payable by the Borrower to the City.
5. Interest Rate. (To be computed on basis of 360-day year.) The interest rate shall be three and one-half percent (3.50%) per annum. In the event of default, all unpaid principal and interest shall bear interest at the rate of eighteen percent (18.0 %) per annum until paid.
6. Term. The term of this loan shall be Ten (10) years/120 months with a 25-year amortization.
7. Payments. Payments are due on the first day of each month commencing with calendar month following that month in which the initial disbursement of loan proceeds is made.
8. Late Charge. A late charge not to exceed one percent (1%) on each dollar of each payment, which is more than ten (10) days in arrears may be collected provided that no such charge shall exceed the maximum amount which may be charged according to law.

9. Security. As security for the loan, the Borrower will deliver to the City:
 - A. A second mortgage on the real estate of 11800 W. Greenfield Ave., West Allis, WI subordinated only to the security interest of First Business Bank Financial Center.
 - B. Unlimited Personal Guarantee of payment and performance from Alfred G. Holtz and spouse & Edward D. Prusak, Jr. and spouse.
10. Loan Processing Fee. A non-refundable fee of One Thousand Dollars (\$1,000.00) to be paid upon acceptance and delivery of this Commitment. (Borrower may elect to include this fee in the terms of the note). The fee is compensation to the City for making the loan and shall be fully and completely earned upon acceptance of this Commitment by the Borrower.
11. Maturity Date. This loan shall mature on October 2026.
12. Closing Date. The loan shall close on or before October 30, 2016.
13. Prepayment Privilege. The loan may be prepaid, in whole or in part, at any time without penalty or restriction.
14. Duns Number. Borrower must provide a Dun and Bradstreet number as proof of application by closing and provide a Federal Identification number to the City.
15. Job Creation/Retention. Borrower agrees to add ten (10) full-time equivalent positions over the next three years. At least fifty-one percent (51%) of these employees shall be low-to- moderate income persons.
16. General Conditions. All of the terms conditions contained in the attached "General Conditions" (Exhibit No. 1) for economic development loans and "Federal Requirements" (Attachment A) are incorporated into this Commitment.
17. Acceptance. Except as provided in the General Conditions, this Commitment shall be deemed binding upon the City if the City receives an unqualified acceptance by the Borrower of the terms and provisions contained herein, evidenced by the Borrower properly executing this document below and delivering it to the office of the undersigned on or before October 30, 2016, along with the non-refundable loan processing fee and the written guarantee of the loan by Alfred G. Holtz. If not so accepted, the City shall have no further obligation hereunder.

CITY OF WEST ALLIS

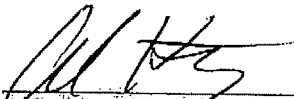
By: 
John F. Stibal, Director
Department of Development

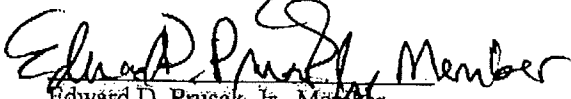
ACCEPTANCE

The foregoing Commitment, as well as the terms and conditions referred to therein, are hereby accepted.

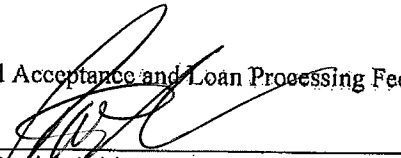
MPP Enterprises LLC

Date: 10-6-16

By: 
Alfred G. Holtz, Member

By: 
Edward D. Prusak, Jr., Member

Received Acceptance and Loan Processing Fee:

By: 
Patrick Schloss, Manager
Community Development

Date: 10-7-16

Attachments

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