



City of West Allis

Resolution: R-2018-0803

File Number: R-2018-0803

Final Action:

Sponsor(s): Administration & Finance Committee

DEC 18 2018

Resolution approving the terms & conditions for an Economic Development Loan to Blast Cleaning Technologies, Inc. in the amount of up to \$200,000.

WHEREAS, Carl P. Panzenhagen, Owner and President of Blast Cleaning Technologies, Inc., an S-type Corporation created under the laws of Wisconsin, has applied for a loan from the City of West Allis in the amount of Two Hundred Thousand and 00/100 Dollars (\$200,000), for the purpose of purchasing operating equipment such as cranes, for the establishment of a manufacturing business located at 6682 W. Greenfield Ave., West Allis; and,

WHEREAS, the Department of Development has reviewed the loan request from Carl P. Panzenhagen, Owner and President of Blast Cleaning Technologies, Inc., and has determined that the Project would be eligible for assistance under the Economic Assistance Program of Tax Increment Finance District (TIF) Number Seven -Summit Place because the applicants business is located within the TIF District and will significantly improve the industrial space with private resources; and,

WHEREAS, the Department of Development has recommended approval of a TIF-funded loan for the purpose of completing the Project; and,

WHEREAS, the Economic Development Loan Task Force met on December 12, 2018, to consider the Loan application and recommended approval of this Economic Development Loan application.

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 Two Hundred Thousand and 00/100 Dollars (\$200,000) to Blast Cleaning Technologies, Inc. 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 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 \$200,000 be allocated from Tax Increment District Number Seven-Summit Place.

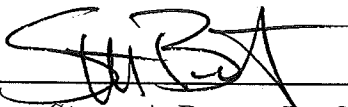
BE IT FURTHER RESOLVED that the Director of Development is authorized to modify the terms of the loan agreement or documents if within the original intent of the loan or will help the business to achieve the goals of the loan.

cc: Department of Development
Kris Moen, Deputy Finance Director

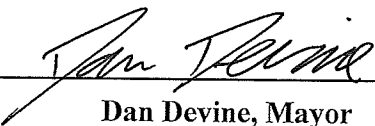
DEV-R-951-12-18-18

ADOPTED DEC 18 2018

APPROVED 12/20/18



Steven A. Braatz, Jr., City Clerk



Dan Devine, Mayor



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

December 18, 2018

Exhibit A

Mr. Carl Panzenhagen
Blast Cleaning Technologies, Inc.
6682 W. Greenfield Avenue
West Allis, WI 53214

Dear Mr. Panzenhagen:

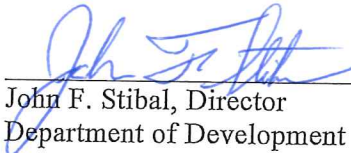
Pursuant to your application and information provided by you, the Common Council of the City of West Allis ("City") hereby agrees to make a loan to Blast Cleaning Technologies, Inc., in accordance with the following specific terms and conditions:

1. Borrower. The Borrower shall be Blast Cleaning Technologies, Inc. with business office at 6682 W. Greenfield Avenue, West Allis, WI 53214.
2. Guarantor. Unlimited Personal Guarantee from Carl Panzenhagen.
3. Project. Loan proceeds are to be used for the purpose of equipment purchases, such as cranes, to assist with the improvement of manufacturing space at 6682 W. Greenfield Avenue.
4. Loan Amount. The loan amount shall not exceed Two Hundred Thousand Dollars (\$200,000). Disbursement of the aggregate principal will be at loan closing. 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 three quarters percent (3.75%) 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 120 months with a 15-year amortization.
7. Payments. The loan will not have principal and interest payments the first year with full principal and interest payments commencing from the 13th month following closing. Payments are due on the first day of each month commencing with the calendar month following the disbursement of the loan proceeds.
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. Priority lien on the cranes purchased with loan proceeds
 - B. Unlimited Personal Guaranty



- 10. Loan Processing Fee. A non-refundable fee of Five Hundred Dollars (\$500.00) 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 120th month following closing.
- 12. Closing Date. The loan shall close on or before December 31, 2018.
- 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 Duns number as proof of application, by closing, and provide a federal identification number to the City.
- 15. Job Creation/Retention. Borrower agrees to add twenty (20) full-time equivalent positions over the next three years. Job growth will be reported on an agreed to and reasonable format between parties.
- 16. Insurance. Borrower agrees to provide proof of hazard insurance on the business equipment.

CITY OF WEST ALLIS

Date: 12-20-18 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.

BLAST CLEANING TECHNOLOGIES, INC.

Date: _____ By: _____
 Carl P. Panzenhagen, President

Received Acceptance and Loan Processing Fee:

By: _____
 Patrick Schloss, Manager
 Community Development

Date: _____