



# City of West Allis

Resolution: R-2019-0407

**File Number: R-2019-0407**

**Final Action:**

**Sponsor(s):** Administration & Finance Committee

**JUN 18 2019**

Resolution approving the terms & conditions for an Economic Development Loan to Paulie's Pub and Eatery LLC in an amount of up to \$50,000.

WHEREAS, Paul J. and Kristine M. Budiak, owners of Paulie's Pub and Eatery 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 Fifty Thousand and 00/100 Dollars (\$50,000), under the rehabilitation loan program for projects within a ½ mile of Tax Increment District #11 (84th and Greenfield ) for the installation of a sprinkler system within the established restaurant located at 8301 W. Greenfield Avenue, West Allis; and,

WHEREAS, the Department of Development has reviewed the loan request from Paul J. and Kristine M. Budiak, owners of Paulie's Pub and Eatery LLC, and has determined that the Project is eligible for funding under the National Avenue Commercial Corridor and based on the location of the property being within ½ mile of Tax Increment District #11 (84th and Greenfield); and,

WHEREAS, the Department of Development has recommended approval of an Economic Development Loan for the purpose of completing the Project.

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 Fifty Thousand and 00/100 Dollars (\$50,000) to Paul J. and Kristine M. Budiak, owners of Paulie's Pub and Eatery 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 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 non-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.

BE IT FURTHER RESOLVED that this loan is funded by the Economic Development Loan Program with funds coming from TIF #11 (84th and Greenfield) rehabilitation loan fund for properties that are located within ½ mile of the TIF boundaries.

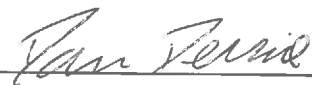
cc: Department of Development  
Department of Finance

DEV-R-972-6-18-19

ADOPTED         JUN 18 2019        

  
\_\_\_\_\_  
Steven A. Braatz, Jr., City Clerk

APPROVED         6/21/19        

  
\_\_\_\_\_  
Dan Devine, Mayor



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

June 18, 2019

Mr. Paul J. and Kristine M. Budiac  
Paulie's Pub and Eatery, LLC  
8031 W. Greenfield Avenue,  
West Allis, WI 53214

Dear Mr. Budiac:

Pursuant to your application and information provided by you regarding the purchase of fire protection system and renovation of a restaurant located at 8031 W. Greenfield Avenue, West Allis, WI. The Common Council of the City of West Allis ("City") hereby agrees to make a loan to you under the following specific terms and conditions:

1. Borrower. The Borrower shall be Paul J. and Kristine M. Budiac, owner of Paulie's Pub and Eatery, LLC, 8031 W. Greenfield Avenue, West Allis, WI.
2. Guarantors. Paul J. and Kristine M. Budiac
3. Project. Loan proceeds are to be used for purchase of a fire protection system and renovation of a restaurant located at 8031 W. Greenfield Avenue, West Allis, WI 53214.
4. Loan Amount. The loan amount shall not exceed Fifty Thousand Dollars (\$50,000). Disbursement of the aggregate principal will be at loan closing with proper paid invoices or purchase orders. 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 five and one-quarter percent (5.25 %) fixed rate. 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 5 years with a 10 year amortization rate.
7. Payments. Payments will be as follows:
  - No interest and principal payments for the first 6 months following the date of closing.
  - Full payments of interest and principal will commence on the seventh month after closing.
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 subordinated real estate Mortgage on 8031 W. Greenfield Avenue and rental properties.



**CITY OF WEST ALLIS**

Date: \_\_\_\_\_

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.

**Paulies Pub and Eatery, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Paul J. Budiak

**Paulies Pub and Eatery, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Kristine M. Budiak

Received Acceptance and Loan Processing Fee:

By: \_\_\_\_\_  
Patrick Schloss, Manager  
Community Development

Date: \_\_\_\_\_

Attachments  
L:\Economic Development\Economic Development Loans\Paulies\Commitment Letter  
(6.18.19).docx

**Exhibit No. 1**  
CITY OF WEST ALLIS  
ECONOMIC DEVELOPMENT LOANS  
GENERAL CONDITIONS  
(EQUIPMENT)

Borrower: Paul J. and Kristine, Owners of Paulie's Pub and Eatery

Commitment: June 18, 2019

Loan Amount: \$50,000

In addition to the other terms and conditions set forth in the Commitment, the Loan is subject to the following general requirements, terms and conditions and borrower representations:

1. Closing. Closing is defined as the execution and delivery of the Note and other required Loan Documents by and between the City and the Borrower. Time is of the essence with respect to the closing date. There can be no extensions of the closing date unless applied for in writing and granted in writing at least ten (10) days prior to the original closing date.
2. Job Creation. Within two years of closing, the Project will create or have created at least the number of permanent, full time jobs for low to moderate income persons indicated in the Commitment Letter. The Borrower will agree that the jobs created will be held by low to moderate income persons and that it will provide training for any of those jobs requiring special skills or education; and, will give to the City, upon demand, such information as the City may deem necessary to document this requirement. A low to moderate income person is defined as a member of a low to moderate income family within the current applicable income limits for the section 8 Rental Assistance Program administered by the City.
3. Need for Assistance. Borrower represents that the Project would not be undertaken unless the public funding on which it is based becomes available, as the Borrower can maximally raise only a portion of the debt and equity funds necessary to complete the Project.
4. Federal Regulations. Throughout the term of the Loan, the Borrower will comply with all applicable federal regulations set forth on Attachment A, Federal Regulations.

(g) Before disbursement of loan funds, the City must obtain a copy of the proper certification obtained that permits that business to commence brewing (i.e. federal brewers permit.)

7. Legal Matters. The Borrower's counsel shall furnish opinions satisfactory to the City that the Borrower is legally existing and is in good standing in all jurisdictions where it transact business; that the Loan Documents are legal, binding and enforceable in accordance with their terms; that the Loan Documents, and the Borrower's obligations thereunder, do not contravene the terms and conditions of any agreement to which the Borrower is a party or by which the Borrower is bound; and that there are no judicial or administrative actions, suits or proceedings pending or threatened against or affecting the Borrower or the Project. The Borrower shall cause counsel for the guarantors to deliver to the City legal opinions covering the same matter for the Guarantors. Such opinions shall be dated as of closing.

8. Costs. All costs and expenses incidental to the making, administration and enforcement of the Loan, including fees and expenses of the City's counsel, if any, shall be paid by the Borrower, whether or not the Loan closes.

9. Adverse Change. The City shall not be obligated to close the Loan if, as of the closing date, there shall be a material adverse change in the value of the business or financial condition of the Borrower or of any guarantor.

10. Bankruptcy. The City shall not be obligated to close the Loan if prior to closing the Borrower or any guarantor or any party who has a financial or business interest in or relationship with the Borrower becomes insolvent or the subject of state insolvency proceedings or a receiver, trustee or custodian or other similar official is appointed for, or takes possession of any part of the property of such party or any such party takes any action to become, or is named, the subject of proceedings under the federal bankruptcy code or state receivership statutes.

11. Transfer Restriction. Except as otherwise provided in the Commitment, the Loan documents shall provide that, during the term of the Loan, or any extension thereof, no sale, conveyance, mortgage, transfer or grant of any interest in encumbered real estate, if any, or any part thereof, nor any

Borrower, any principal of the Borrower or any guarantor to the City shall be deemed to have been made to induce the City to make the Loan. No modification or waiver of any provision of the Commitment shall be effective unless it is in writing signed by the City.

19. Compliance with Laws. The Borrower shall comply fully with all applicable local, state and federal laws, ordinances, rules and regulations relating to the operation and management of its business, including, without limitation, all such legal matters relating to zoning, subdivision, safety of construction, building codes, land use, environmental protection and conservation. The Borrower shall immediately notify the lender in writing of any notice received from any governmental entity indicating that the Borrower is, or may be in violation of such laws, ordinances, rules or regulations.

20. Complete Performance and Waiver. If the Borrower fails to comply fully with the provisions of this Commitment, the City shall be under no obligation to close the Loan. The waiver by the City of any of the conditions contained herein shall be in writing.

21. Duration of Commitment. If timely accepted, the Commitment shall remain in full force and effect until the closing date as originally scheduled in the Commitment. If the closing does not occur by the closing date or is not extended in accordance with the terms of the Commitment, the City shall have no further obligation under the Commitment.

22. Wisconsin Law. The subject Loan is to be governed by and shall be construed according to the laws of the State of Wisconsin. Any action regarding the subject loan shall be brought and maintained in the federal or state courts in Milwaukee County, Wisconsin.

23. Financial and Other Data. Prior to closing, the Borrower and each guarantor shall furnish to the City:

(a) Organizational Documents. If a corporation, its articles of incorporation, by-laws, certificate of good standing and a list of current officers and directors; if a partnership, its partnership agreement and certificate of limited partnership (if a limited partnership) and a list of current partners; and

(b) Financial Statements. Current statements of financial condition and earnings.

# ATTACHMENT A City of West Allis

## Economic Development Loan Program - Project Beneficiary Profile

West Allis is able to offer this service/program through a grant from the federal government. One requirement of this grant is that the City keeps track of all the individuals this program assists by family size and income level. To help with this requirement, we ask for your assistance. Please complete the information required below so that we may track the individuals we are assisting through this program. Please be aware the information is completely confidential and will not be released but is for record keeping and required federal reporting purposes only.

Thank you for your cooperation.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

**RACE:** (Please mark one)

- |  |   |
|--|---|
| <input type="checkbox"/> White                                     | <input type="checkbox"/> Black/African American                   |
| <input type="checkbox"/> Asian                                     | <input type="checkbox"/> American Indian/Alaskan Native           |
| <input type="checkbox"/> Native Hawaiian/Other Pacific Islander    | <input type="checkbox"/> American Indian/Alaskan Native and White |
| <input type="checkbox"/> Asian & White                             | <input type="checkbox"/> Black/African American and White         |
| <input type="checkbox"/> American Indian/Alaskan and Black/African |   |
| <input type="checkbox"/> Other Multi-Racial                        |   |

**ETHNICITY:** (Please mark one)       Hispanic       Non-Hispanic

**Family Size and Income Levels:** (Please mark one)

Below you will find a chart listing the various income levels. Find your family\* size along the top of each column. Then circle the lowest income \*\* amount which exceeds your family income.

Income Level	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Extremely Low	14,750	16,850	18,950	21,050	22,750	24,450	26,150	27,800
Low	24,600	28,100	31,600	35,100	37,950	40,750	43,550	46,350
Moderate	39,350	44,950	50,550	56,150	60,650	65,150	69,650	74,150
Non-Low/Moderate	39,351+	44,951+	50,551+	56,151+	60,651+	65,151+	69,651+	74,151+

Female Head of Household – (please circle) Yes      or      NO

\* "Family" means all persons residing in the same household.

\*\* "Income" means that of all members of the family over 18 years of age. However, unearned income (such as income from trust funds or investments) must be included regardless of the age of the beneficiary. Income includes wages, pensions, social security benefits, rents, and interest from any asset.

I understand that the information provided in this certification is subject to verification by the City of West Allis and/or HUD.

Signature \_\_\_\_\_



Attachment "B" - GENERAL CONDITIONS  
CITY OF WEST ALLIS  
ECONOMIC DEVELOPMENT LOAN  
FEDERAL REQUIREMENTS

BORROWERS: Paul J. and Kristine M. Budiak, owners of Paulie's Pub and Eatery LLC  
COMMITMENT: June 18, 2019  
LOAN AMOUNT: \$50,000

This Loan is funded with Federal Community Development Block Grant Funds. Borrowers will fully comply with the following statutes, laws, rules, regulations and other requirements during the term of the Loan.

I. Non-Discrimination.

A. Title VI of the Civil Rights Act of 1964 (Pub. L. 86-352), and implementing regulations issued at 24 CFR Part 1, which provide that no person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, denied the benefits of or otherwise subjected to discrimination under any program or activity for which the person receives federal financial assistance and will immediately take measures necessary to effectuate this assurance.

B. Section 109 of the Housing and Community Development Act of 1969, as amended, and the regulations issued at 24 CFR 570.601, which provide that no person in the United States shall, on the grounds of race, color, national origin or sex, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity funded in whole or in part with funds provided under 24 CFR PART 570.

C. Section 504 of the Rehabilitation Act of 1973, as amended (Pub. L. 93-112), and implementing regulations when published for effect. Section 504 provides that no qualified handicapped person shall, on the basis of handicap, be excluded from participation in, denied the benefits of or otherwise subjected to discrimination under any program or activity which received or benefits from federal financial assistance.

D. Title I of the Americans with Disabilities Act of 1990, as amended (Pub. L. 101-336), and implementing regulations. The Act prohibits discrimination against any qualified individual with a disability because of his or her disability in regard to job application procedures, the hiring, advancement, or discharge of employees, employee compensation, job training, and other terms, conditions, and privileges of employment.

II. Equal Employment Opportunity. (All Loans Exceeding \$10,000). Executive Order 11246, as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (41 CFR Part 60).

A. The Borrowers will not, in carrying out the Project, discriminate against any employee because of race, color, religion, sex, handicap or national origin. It will take affirmative action to insure that applicants for employment are employed, and that employees are treated during employment without regard to their race, color, religion, sex, handicap or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. The Borrowers shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this non-discrimination clause.

B. The Borrowers will, in all solicitations or advertisements for employees placed by or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, handicap or national origin.

communication from the Director of the EPA Office of Federal Activities, indicating that a facility to be used in the Project is under consideration for listing by the EPA.

XIII. Davis-Bacon. The Project may be subject, in whole or in part, to Federal Fair Labor Standards provisions in accordance with the Davis-Bacon Act, as amended (40 U.S.C. section 276a-276a-5), and implementing regulations issued at 24 CFR 570.603; and, the Borrowers will agree that any such work will be done in accordance with such laws and regulations.

XIV. Fraud. The Borrowers have not knowingly and willingly made or used a document or writing containing any false, fictitious or fraudulent statement or entry. It is provided in 18 U.S.C. 1001 that whoever does so within the jurisdiction of any department or agency of the United States shall be fined not more than Ten Thousand Dollars (\$10,000) or imprisoned for not more than five (5) years, or both.

XV. Remedies for Noncompliance. In the event of Borrowers' noncompliance with any of the provisions of these FEDERAL REQUIREMENTS, the City shall impose such sanctions as it may determine to be appropriate, including, but not limited to:

- A. Withholding of payments under the Loan Agreement until Borrowers comply; and/or
- B. Immediate cancellation, termination or suspension of the Loan Agreement, in whole or in part.
- C. Other remedies that may be legally available.

\_\_\_\_\_  
City

\_\_\_\_\_  
Borrower