



# City of West Allis

7525 W. Greenfield Ave.  
West Allis, WI 53214

## Resolution

**File Number: R-2013-0187**

**Final Action:**

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

**SEP 03 2013**

Resolution approving the terms & conditions for an Economic Development Loan to Commercial Bargains, Inc. under the Department of Housing and Urban Development Community Development Block Grant Program in an amount not to exceed \$50,000.

WHEREAS, John Kenenakhone, President and owner of Commercial Bargains, Inc., has applied for a loan from the City of West Allis in the amount of Fifty Thousand Dollars (\$50,000), under the Department of Housing and Urban Development Community Development Block Grant Program, for the purpose of moving expenses, inventory and preparing the site at 6623 W. Mitchell St.; and,

WHEREAS, the Department of Development has reviewed the loan request from John Kenenakhone, President and owner of Commercial Bargains, Inc., 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 August 26, 2013, to consider this 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 Fifty Thousand Dollars (\$50,000) to John Kenenakhone, President and owner of Commercial Bargains, 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.

cc: Department of Development  
Grants Accounting Specialist

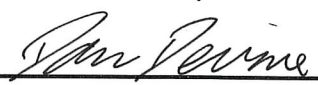
DEV-R-722-9-3-13

ADOPTED SEP 03 2013



Paul M. Ziehler, City Admin. Officer, Clerk/Treas.

APPROVED 9/5/13



Dan Devine, Mayor



## Exhibit A



DEPARTMENT OF DEVELOPMENT  
John F. Stibal

414/302-8460  
414/302-8401 (Fax)

City Hall  
7525 West Greenfield Avenue  
West Allis, Wisconsin 53214

[www.westalliswi.gov](http://www.westalliswi.gov)  
[jstibal@westalliswi.gov](mailto:jstibal@westalliswi.gov)

August 27, 2013

Mr. John Kenenakhone  
Commercial Bargains, Inc.  
2005 S. 54<sup>th</sup> St. Suite A  
West Allis, WI 53219

Dear Mr. Kenenakhone:

Pursuant to your application and information provided by you for the expansion to 6623 W. Mitchell St., the Common Council of the City of West Allis ("City") hereby agrees to make a loan to Commercial Bargains, Inc., in accordance with the federal Community Development Block Grant regulations and the following specific terms and conditions:

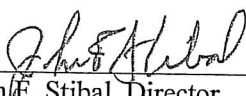
1. Borrower. The Borrower shall be Commercial Bargains, Inc., 2005 S. 54<sup>th</sup> St., Suite A, West Allis, WI 53219
2. Lender. City of West Allis, 7525 W. Greenfield Avenue, West Allis, WI 53214
3. Project/Use of Funds. Loan proceeds are to be used for moving costs, space improvements, signage, etc. at 6623 W. Mitchell St.
4. Loan Amount. The loan amount shall not exceed Fifty Thousand Dollars (\$50,000). Disbursement of the aggregate principal will be upon submittal of invoices and satisfaction of federal provisions. 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-quarter percent (3.25%) 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 20-year amortization. At maturity of the loan, the balance of principal and interest is due in the form of a balloon payment.
7. Payments. The payment is \$454.71. 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.

Mr. John Kenenakhone  
Commercial Bargains, Inc.  
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9. Security. As security for the loan, the Borrower will deliver to the City:
  - A. A second position General Business Security Agreement.
  - B. Unlimited personal Guarantee will be provided by John Kenenakhone.
  - C. A second position mortgage on the property located at 4947 W. Jackson Park Drive.
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 in September, 2023.
12. Closing Date. The loan shall close on or before September 30, 2013.
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 the following:
  - A. To retain six (6) full-time equivalent permanent jobs, of which at least fifty-one percent (51%) are to be held by low-to- moderate income persons or the jobs can reasonably be expected to turn over within two years of loan closing and that steps will be taken to ensure that they will be filled by, or made available to, low- or moderate-income persons upon turnover.
  - B. To create two and a half (2.5) full-time equivalent permanent jobs over the next three (3) years, of which at least fifty-one percent (51%) are to be held by low-to- moderate income persons.
16. General Conditions. All of the terms and 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 September 15, 2013, along with the non-refundable loan processing fee and the written guarantee of the loan by Mr. John Kenenakhone. If not so accepted, the City shall have no further obligation hereunder.

Mr. John Kenenakhone  
Commercial Bargains, Inc.  
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**CITY OF WEST ALLIS**

By:   
John F. Stibal, Director  
Department of Development

**ACCEPTANCE**

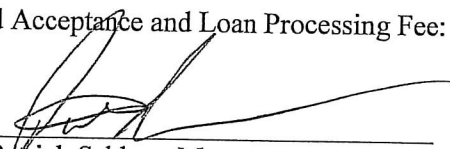
The foregoing Commitment, as well as the terms and conditions referred to therein, are hereby accepted.

**COMMERCIAL BARGAINS, INC.**

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

By: \_\_\_\_\_  
Mr. John Kenenakhone  
President

Received Acceptance and Loan Processing Fee:

By:   
Patrick Schloss, Manager  
Community Development

Date: 9-6-13

Attachments

Mr. John Kenenakhone  
Commercial Bargains, Inc.  
August 27, 2013  
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**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.

**COMMERCIAL BARGAINS, INC.**

Date: 9-6-13

By: \_\_\_\_\_  
Mr. John Kenenakhone  
President

Received Acceptance and Loan Processing Fee:

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

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

Attachments