

REVOLVING LOAN FUND COMMITTEE

July 8, 2014

A. Call to Order & Roll Call

Chairperson Mike Doyle called the meeting to order. Members present at roll call were Mike Doyle, Steve Bechtolt, and Alderperson Reid Stangel. Also present were City Attorney Ewald, Administrator Rath, Curtiss Wiemann from Orchid, and Tere Dunlap from the Monroe Times. Member Ron Georgeson was absent.

B. Correction of Minutes

None

C. Business: Open

1. Discuss & Finalize Terms for Loan to Orchid

City Attorney Ewald had some questions that he needed answers for before he could finish the documents for the loan to Orchid. Curtiss Weimann was present to answer questions for Orchid. Mike Doyle said that the County has approved their share of \$200,000.00 so the City's share is down to \$300,000.00. Orchid will be partnering with the Bank of New Glarus. This program requires matching funds, so Orchid will be responsible for \$4,250,000.00 in addition to the \$500,000.00. The total program would be \$4,750,000.00, according to Mr. Weimann. The City's portion would be all working capital. The interest rate will be 3% with a 7-year amortization. Member Katee Eliasson arrived at this time. The owners would provide personal guarantees. Administrator Rath explained that payments could be deferred for three, six or twelve months. Payments would be deferred for six months, with Orchid making interest-only payments during that time. Attorney Ewald recommended that the City take a second position on both real estate and personal property. Questions and discussion took place. By general agreement of the committee, it was decided to take a second on the real estate only, and not worry about the owners' personal residences. Attorney Ewald said that 15 jobs need to be created and asked about a time frame for that. Administrator Rath said that Orchid has 24 months to create those jobs and that there is a penalty for each job not created. Mr. Weimann said that Orchid would be creating 23 jobs in 24 months. As far as funds disbursement is concerned, Orchid would probably be drawing a lump sum the first of September. Attorney Ewald questioned the existing loan with Bank of New Glarus. Mr. Wiemann said that would be 70% of the appraised value (the appraisal is not complete yet) less the current mortgage of approximately \$1,500,000.00. He will forward the contact information for Tom Stalinowski of the Bank of New Glarus to Attorney Ewald. A motion to approve and recommend to Council was made by Steve Bechtolt, with a second by Alderperson Stangel. Motion carried.

D. Business by Members

None

E. Adjournment

Motion made to adjourn by Steve Bechtolt; seconded by Alderperson Stangel. Motion carried.

Ellen K. Miller, Deputy Clerk