

RESOLUTION NO. 2011-17

**RESOLUTION BY THE FINANCE AND HUMAN RESOURCES COMMITTEE
AUTHORIZING SUBMISSION OF A COMMUNITY DEVELOPMENT BLOCK GRANT
FOR ECONOMIC DEVELOPMENT APPLICATION**

To the Honorable members of the Racine County Board of Supervisors:

BE IT RESOLVED by the Racine County Board of Supervisors that the application for and acceptance of a CDBG-ED Grant in the amount of \$1,506,000.00 to be used by Racine County to establish a \$1,500,000 low interest loan to American Metal Technologies, LLC to be used to purchase equipment and to be used by Racine County to pay \$6,000.00 for expenses incurred in the administration of the CDBG-ED grant is authorized and approved.

BE IT FURTHER RESOLVED by the Racine County Board of Supervisors that a contract between the State of Wisconsin, Racine County and American Metal Technologies, LLC in regard to said CDBG-ED funds is authorized and approved pursuant to the terms set forth in Exhibit "A" which is attached hereto and incorporated herein.

BE IT FURTHER RESOLVED by the Racine County Board of Supervisors that the transfer of funds as required under the CDBG-ED program is authorized and approved.

BE IT FURTHER RESOLVED by the Racine County Board of Supervisors that a contract between Racine County and Racine County Economic Development Corporation to provide support staff for administration of said grant award is authorized and approved in an amount not to exceed \$6,000.00 pursuant to such terms and conditions as the Finance Director and the Corporation Counsel deem necessary and appropriate.

BE IT FURTHER RESOLVED by the Racine County Board of Supervisors that the County Finance Director is authorized, on behalf of Racine County, to establish a separate non-interest bearing checking account in the name of Racine County to receive and disburse funds from the Wisconsin Department of Commerce for said grant award.

BE IT FURTHER RESOLVED by the Racine County Board of Supervisors that, in the future, all repayments on said CDBG-ED loan which Racine County is authorized to retain will be placed in a separate Racine County CDBG Revolving Loan fund account and will be administered by the Racine County Economic Development Corporation.

5 **BE IT FURTHER RESOLVED** by the Racine County Board of Supervisors that
6 any two of the County Clerk, the county Executive and/or the County Board Chairman
7 are authorized to execute any agreements, contracts or other documents necessary to
8 carry out the intent of this resolution.
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11
12 Respectfully submitted,

13
14 1st Reading _____

**FINANCE AND HUMAN RESOURCES
COMMITTEE**

15
16 2nd Reading _____

17
18 **BOARD ACTION**

Robert N. Miller, Chairman

19 Adopted _____

20 For _____

21 Against _____

22 Absent _____

Mark M. Gleason, Vice-Chairman

23
24 **VOTE REQUIRED:** 2/3's M.E.

Thomas Pringle, Secretary

25
26 Prepared by:
27 Corporation Counsel

Gilbert Bakke

28
29
30
31
32
33 _____
Q. A. Shakoor, II

34
35
36 _____
John A. Wisch

37
38 **The foregoing legislation adopted by the County Board of Supervisors of**
39 **Racine County, Wisconsin, is hereby:**

40 **Approved:** _____

41 **Vetoed:** _____

42
43 **Date:** _____,

44
45 _____
46 **James A. Ladwig, County Executive**

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5
6 **INFORMATION ONLY**
7

8 **WHEREAS**, Federal monies are available under the Community Development
9 Block Grant Program, administered by the State of Wisconsin, Department of
10 Commerce, for the purpose of economic development; and

11
12 **WHEREAS**, after public meeting and due consideration, the Racine County
13 Finance Committee has recommended that an application be submitted to the State of
14 Wisconsin for the following project:

15
16 A CDBG grant in an amount not to exceed \$1,506,000. The grant would be used
17 by Racine County to establish a \$1,500,000 low interest loan to American Metal
18 Technologies, LLC to be used to purchase equipment and to be used by Racine
19 County to pay \$6,000.00 for expenses incurred in the administration of the
20 CDBG-ED award. In consideration of this request, the Company has agreed to
21 create up to 109 full-time positions in Sturtevant, Wisconsin; match the CDBG-
22 ED funds with a total \$2,437,000 from American Metal Technologies, LLC to be
23 used for equipment purchases.

24
25 **WHEREAS**, it is necessary for the Racine County Board of Supervisors to prove
26 the preparation and filing of an application for the County to receive funds from this
27 program, to authorize the acceptance of said funds, and to authorize the execution of
28 various contracts and the transfer of various funds; and

29
30 **WHEREAS**, the County Board has reviewed the need for the proposed project and
31 the benefits to be gained therefrom.
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3 **EXHIBIT A**
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6 **TERMS OF THE CDBG-ED AGREEMENT WITH AMERICAN METAL TECHNOLOGIES, LLC**
7

8 Borrower: American Metal Technologies, LLC
9
10 Loan Amount: \$1,506,000
11
12 Use of Funds; \$1.5M for equipment purchases
13 \$6,000 to Racine County for project administration
14
15 Interest Rate: 2%
16
17 Deferral: Principal payments will be deferred for two years.
18
19 Collateral: 1st lien on project equipment financed with CDBG-ED funds.
20
21 Term/Repayment: Term ends 12/31/18; Loan payments shall be deferred until the
22 forgiveness measurement date of 12/31/16. Unless the loan is forgiven,
23 the balance of principal and accrued interest shall be amortized over two
24 years.
25
26 Forgiveness: Five year term following deferral period.
27
28 Deliverables: Borrower will be required to create at least 109 jobs by 12/31/13 and
29 maintain them through 12/31/15. Current employment of 170 must also
30 be maintained.
31
32 Borrower is required to make at least 51% of the newly created jobs
33 available to persons with low to moderate income (LMI).
34
35 Job penalties: \$500 for each full time job not created.
36 \$1,000 for each newly created job (of the 51%) not made available to LMI
37 persons.
38
39
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