

MINUTES

RLF/UDAG REVOLVING LOAN FUND
THURSDAY – NOVEMBER 21, 2024 – 4:00 P.M.
PESHTIGO LIBRARY, MUNICIPAL BUILDING

Members present: Chair Deborah Sievert, Thomas Maxwell, Daniel Seymour, and Tim Finger (4:20 p.m.).

Members excused: Thomas Gryzwa.

Others Attending: Mayor Katie Berman, Clerk-Treasurer Tammy Kasal, and Joel Ahrens.

Chair Sievert called the meeting to order at 4:00 p.m.

Motion by Sievert and seconded by Maxwell to approve the agenda as presented. Motion carried 3/0.

Motion by Sievert and seconded by Maxwell to approve the minutes of the August 21, 2024 meeting as amended. Motion carried 2/0. Seymour abstained.

RLF & UDAG loans and payments:
RLF & UDAG loans and payments were reviewed.

Closed Session:

Motion by Sievert and seconded by Seymour to move into Closed Session per WI S.S. 19.85 (1)(e) and (f) to discuss and act on the following:

A. Discuss/consider potential loan.

Motion carried 3/0.

CLOSED SESSION 4:03 p.m. to 4:33 p.m.

Tim Finger arrived at 4:20 p.m.

Motion by Sievert and seconded by Seymour to reconvene into Open Session. Motion carried 4/0.

No action was taken as a result of Closed Session.

Motion by Sievert and seconded by Finger to adjourn at 4:34 p.m. Motion carried 4/0.

Tammy Kasal
Clerk-Treasurer

RLF LOANS

<u>Name</u>	<u>Loan Date</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Next UCC Filing</u>	<u>Current Balance</u>	<u>Status</u>	<u>Months Missed</u>	<u>Payoff Date</u>	<u>Monthly Payment</u>
					\$ -				
Total:					\$ -				
RLF Cash Balance as of 3/13/26:					\$ 358,360.18				
Total:					\$ 358,360.18				
Faucett Forest Products	07/01/15	\$ 90,000.00		N/A	\$ 41,111.70	(uncollected)			

UDAG LOANS

<u>Name</u>	<u>Loan Date</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Next UCC Filing</u>	<u>Current Balance</u>	<u>Status</u>	<u>Months Missed</u>	<u>Payoff Date</u>	<u>Monthly Payment</u>
Besette Properties LLC	08/25/21	\$500,000.00	2%	N/A-mortgage only	\$ 362,790.18	Current	NA	September 2036	\$ 3,217.54
BKAEM LLC	11/01/24	\$ 47,500.00	6%	N/A	\$ 44,677.83	Current	NA	November 2039	\$ 388.11
City of Peshigo-Sewer Utility2/Quarterly	02/07/17	\$300,000.00	1%	N/A	\$ 125,417.65	Current	NA	February 2031	\$ 5,390.61
CRM Components LLC	07/29/22	\$200,000.00	4.02%	2/3/27-8/1/27	\$ 104,639.87	Current	NA	August 2029	\$ 2,727.38
Driven Agriculture	07/15/21	\$ 46,000.00	2.73%	N/A-mortgage only	\$ 33,647.65	Current	NA	July 2036	\$ 311.73
Evergreen Tool	06/19/15	\$467,000.00	2%	N/A-mortgage only	\$ 149,569.55	Current	NA	July 2030	\$ 3,005.19
Evergreen Tool #2	11/02/18	\$400,000.00	2.5%	5/3/28-11/3/28	\$ 225,282.84	Current	NA	December 2033	\$ 2,667.16
Field & Forest	08/01/17	\$500,000.00	3%	N/A-mortgage only	\$ 241,575.62	Current	NA	August 2032	\$ 3,452.91
French St. Floral & Gifts	11/02/18	\$ 20,000.00	3%	N/A-mortgage only	\$ 11,557.08	Past Due	1	December 2033	\$ 138.12
Miller Machine	08/01/13	\$225,000.00	2%	N/A-mortgage only	\$ 49,187.57	Current	NA	February 2029	\$ 1,447.89
Tri-Tec Manufacturing	05/23/22	\$200,000.00	4.13%	N/A-mortgage only	\$ 132,891.29	Current	NA	May 2032	\$ 2,037.28
Total:					\$ 1,481,237.13				
UDAG Cash Balance as of 3/13/26:					\$ 1,178,632.15				
Certificates of Deposit:					\$ 1,100,000.00			Certificates of Deposit	
Total:					\$ 3,759,869.28			\$100,000 Matures 2/18/27	
Total:								\$1,000,000 Matures 3/02/27	

RLF FAÇADE GRANTS - PAID

Brown's Corner	09/24/21	\$ 6,894.81
Peshigo Apparel	10/01/21	\$ 10,000.00
River Pub	07/29/22	\$ 10,000.00
NMG Properties/Big Woods	01/16/23	\$ 10,000.00
Precision Ice Blast	12/12/22	\$ 10,000.00
Total:		\$ 46,894.81

RLF FAÇADE GRANT - COMMITTED FUNDS

Road King Excavating	04/05/23	\$ 10,000.00
Total:		\$ 10,000.00

CITY OF PESHTIGO

UDAG REVOLVING LOAN FUND MANUAL

**This Manual has been prepared to explain policy and procedures for the City of Peshtigo's
UDAG Revolving Loan Fund Program**

June 7, 1988

Revised October, 1990

Revised December 7, 1993

Revised July 5, 1994

Revised October 6, 2009

Revised March, 2026

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I. Program Intent

In 1986, the City of Peshtigo was successful in obtaining a \$2,000,000 Federal Urban Development Action Grant (UDAG) to be loaned to Badger Paper Mills, Inc. The repayment of that loan provides the City of Peshtigo a pool of money to be used as a revolving loan fund.

This revolving loan fund is to be used to further Peshtigo's economic development by providing financial incentives for business and industry to locate, expand and/or continue operations in the City of Peshtigo.

This fund will be administered through the Peshtigo UDAG Revolving Loan Fund Committee. The Peshtigo City Council will have the final approval or disapproval for all projects recommended to it by the UDAG Revolving Loan Fund Committee.

II. Economic Development Goals and Objectives

The City of Peshtigo has outlined the following economic development goals:

- Keep existing local business and industry and to encourage their expansion in the City
- Recruit additional new business and industry
- Help diversify the industrial, manufacturing and commercial tax base
- Provide suitable space for commercial and industrial development at a reasonable cost
- Help eliminate blighted areas within the City
- Help provide with low cost financing
- Provide the City with necessary and desirable services and maintain Peshtigo as an attractive place for people to live
- Create and retain jobs

III. Administration

The Peshtigo UDAG Revolving Loan Fund Committee has been selected by the Peshtigo City Council to administer the loan fund. This Committee will be authorized to use the loan funds to pay for direct loan administrative costs.

Administrative costs can include such items as legal fees for preparation of loan agreements, legal fees for opinions and advice, copying costs for documents, typing, mailing, telephone calls and other such related costs. In addition, a Financial Advisor can be retained by the UDAG Loan Fund Administrator. The Financial Advisor would be a non-voting member of the UDAG Loan Fund Committee, and need not be a resident of the City of Peshtigo. The Financial Advisor should have the background, training and ability to assist the UDAG Loan Fund Committee by analyzing loan applicants' Financial Statements, Profit & Loss Statements, Proformas, Individual and Corporate Tax Returns, Cash Flow Projections, Debt Service Coverage and any other information that can assist the UDAG Loan Fund Committee in making an informed loan decision. Salaries, if any, would be paid out of UDAG Funds, approved by the City Council.

Small expenditures can be made available to the City of Peshtigo only for projects related development costs. Examples of such would be for the preparation of a development plan, a market study, and/or professional consulting fees. In no case, shall these expenditures exceed \$15,000 for any one project. Approval of any expenditure to the City must be approved by the UDAG Revolving Loan Fund Committee and by the City Council.

The Peshtigo UDAG Revolving Loan Fund Committee is authorized to take whatever emergency action it sees fit, reasonable and necessary to protect the City's interest in any collateral given as security for any UDAG Loan and to use UDAG Administration Funds for such purposes.

IV. Project and Applicant Eligibility

- A. Available funds will be used to provide interest bearing loans for the purposes of business expansion, renovation, retail revitalization, and public facility improvements that directly and specifically create economic development opportunities. Examples of eligible projects include purchase of land and buildings, construction costs for new or expanding businesses, purchase of fixed equipment, furniture and fixtures, renovation of existing buildings, public facility improvements such as sewer, water, existing storm sewers, drainage, site improvements and electrical and natural gas service extensions.
- B. No loans for working capital will be allowed. No loans will be granted for the refinance of existing debt. No new loans will be considered if existing UDAG Loans are past due/not current.
- C. Municipal loans may be granted interest free. However, all municipal loans that are made for the purchase of property shall require two-thirds (2/3) vote approval of both the UDAG Committee and the City Council.
- D. Minimum requirements for program eligibility include the following criteria:
 - 1) Proposed projects shall be located within the City of Peshtigo:
 - 2) Completion schedules shall be specifically made by the UDAG Revolving Loan Fund Committee:

3) Proposed projects shall comply with all applicable zoning and development requirements:

4) Proposed projects shall evidence an acceptable business plan and economic justification for the proposed assistance loan.

E. For proposed commercial and industrial projects, *target* requirements for program eligibility include the following criteria:

1) First position on collateral (whether sole or shared) required: The minimum provision of \$1.00 in private funds for each \$1.00 of loan assistance (50%). Private funds are defined as those assets which are not City of Peshtigo UDAG Revolving Loan Funds.

2) Second position on collateral allowed: The minimum provision of \$3.00 in private funds for each \$1.00 of loan assistance (25%). Private funds are defined as those assets which are not City of Peshtigo UDAG Revolving Loan Funds.

NO LOAN SHALL BE APPROVED UNLESS UDAG HAS SUFFICIENT FUNDS ON DEPOSIT

F. Financial Information requirements are as follows:

1) Financial Statements showing profit and loss, Balance sheet and/or Tax Returns for the last two Fiscal Years.

2) If Personal guarantees are required, a recent (within last 3 months) signed and dated Personal Financial Statement from all Guarantors.

- 3) If applicants are using a Commercial Bank for part of their financing package, the UDAG Revolving Loan Fund committee reserves the right, and borrower explicitly grants permission to the committee, to contact their bank Loan Officer to obtain details of their loan commitment to the applicants within the boundaries allowed by applicable law(s).
- 4) Every effort will be made to insure that financial information provided by applicant will be kept confidential. The applicant's financial information will be retained by the City Attorney and/or City Clerk and is to be reviewed only by members of the UDAG Revolving Loan Fund Committee.

G. Total loan(s) to any one applicant including and related entities or guarantors shall not exceed \$1,000,000.00 at any time.

V. Financing of the Loan

Only interest bearing loans will be made, excluding any loans made directly to the City. The rate of interest, term and security requirements shall be determined as follows:

INTEREST

- 125 basis points (1.25%) above the daily ten (10) year treasury yield rate as published from time to time by the U.S. Dept. of the Treasury as of the date the application for the funds is signed by the Applicant.

TERM

- The length of the loan, and the terms of repayment will also be recommended by the UDAG Revolving Loan Fund Committee. The length of the loan shall not exceed fifteen (15) years.

SECURITY

- All loans shall be secured by real estate or personal property collateral before being approved. In addition personal guarantees, life insurance assignments, and other security may be required.

The Peshtigo UDAG Revolving Loan Fund Committee has the right, with the approval of the Council, to waive or modify the above thresholds when such modifications or waivers are deemed to be in the best interest of the City's economic development efforts and result in overwhelming public good.

VI. Application Processing Procedure

Applications for the UDAG Revolving Loan Fund are to be submitted to the City of Peshtigo Revolving Loan Fund Committee, 331 French St., Peshtigo, WI 54157 at any time of the year. The application will be evaluated by the Loan Committee based on the proposed project's merits, with final approval granted by the City Council. If the application is refused by either the UDAG Loan Committee or the Council, the application shall be considered terminated.

The application process and timetable for the Business/Industrial loan is as follows:

1) Initial Contact:

This first contact involves discussion between the UDAG Revolving Loan Fund Committee and the applicant regarding the goals of the revolving loan fund program and the process involved in applying for the loan. The UDAG Revolving Loan Fund Committee will also assist the applicant in preparing the appropriate application forms and explain what additional information, if any, is needed from the applicant.

2) Verification of Information and Initial Review:

The UDAG Revolving Loan Fund Committee will use its best efforts to verify and review the application and financial information within 60 days of receipt of the necessary information as required by the UDAG Revolving Loan Fund Committee, and will thereafter make an initial recommendation to the Council regarding the application's status (approval or disapproval) at the next available City council meeting.

3) Final Decision on Application:

The City Council shall have a maximum of 60 days to make the final determination on the status of the application and hold the necessary public hearings. Notification of the City Council's decision shall be made by the UDAG Revolving Loan Fund Committee to the applicant with 15 days of the Council's decision.

4) Loan Closing:

The City Clerk and the City Attorney will close the loan with the applicant and release the funds for the project as deemed appropriate by the Committee, whether disbursed in one sum, by a title company to disburse draws as the project is completed, or otherwise. If a title company is used, the borrower agrees to pay any fee directly out of the loan proceeds.

5) Project Criteria:

The Committee may use criteria for selection of a proposed project for an interest bearing loan to include, without limitation; number of new jobs to be created, number of jobs to be retained by the project, the ratio of private funds to loan funds, additional tax base created and the wage scale to be paid. A scoring system has been established to help determine eligibility for the loan programs, and priority, should requests exceed available funds. This ranking criteria is as follows:

Ranking Criteria

Jobs Created/Retained
(100 Points Maximum)

INDUSTRIAL		COMMERCIAL
50 – 100 jobs	100 points	25 – 50 jobs
25 – 49 jobs	75 points	10 – 24 jobs
10 – 24 jobs	50 points	5 – 9 jobs
1 – 9 jobs	25 points	1 – 5 jobs

Outside Financing
(Other than Loan Fund)

\$3 private to \$1 loan fund	100 points
\$2 private to \$1 loan fund	75 points
\$1 private to \$1 loan fund	50 points

Financial Need

(Compared to	High	50 points
Other	Medium	24 points
Projects)	Low	10 Points

Business Plan

(Compared to	Excellent	50 points
Other	Average	30 points
Projects)	Fair	10 points

Repayment ability

(Compared to	Excellent	50 points
Other	Average	30 points
Projects)	Fair	10 points

VII. Loan Terms and Conditions

The Loan applicant shall agree that he/she will NOT move or cause to be moved, any encumbered property from the project location. If any encumbered property is moved, or if the borrower ceases business operations in the City of Peshtigo, then the entire loan balance remaining will become due and payable immediately. The terms of the interest bearing loans will be negotiated between the UDAG Revolving Loan Fund Committee and the successful applicant, with final approval by the City Council. The payback period of the loan for the project shall not be longer than 15 years on Real Estate. The interest shall accrue from the date on which the funds are transferred to the applicant.

The initial loan payment will be due on the first day of the month following the drawdown date of the loan funds. This first payment, and the monthly payments thereafter, will be paid in an amount and manner necessary to fully amortize the principal and accrued interest over the life of the loan.

The UDAG Revolving Loan Fund Committee may, at its discretion, defer payments and establish balloon payments or other rate modifications with the agreement of the applicants.

The funds received from the repayment of the loan shall be kept in the revolving fund account and reinvested on an interim basis, until approved for another economic development project.

The Mayor and the City Attorney are authorized to jointly represent the City of Peshtigo in any negotiations which are required concerning collateral given for UDAG loans. Final authority concerning such collateral is, however, reserved to the City Council.
(Revised December 7, 1993)

Prior to the distribution of loan funds to the approved applicant, there is required to be:

- 1) A signed revolving loan fund agreement;
- 2) A firm commitment of private financing to be disbursed prior to or at the same time as loan funds;
- 3) Documentation of obligated funds;
- 4) A signed promissory note;
- 5) A signed security instrument on the assets involved in the project;
- 6) A signed UCC-2 (Universal Commercial Code) Form when equipment purchase is involved.
- 7) Personal guarantees(s) if required;
- 8) Proof of insurance assigned to the City of Peshtigo as loss payee;
- 9) Assignment of Life Insurance if applicable;
- 10) Corporation Borrowing Resolution if applicable.

In addition to the above mentioned terms and conditions, all applicants shall agree to comply with the following terms and conditions:

- 1) The applicant shall not discriminate upon the basis of sex, race, creed, color, class, national origin or ancestry in any employment activity related to use of the loan funds.
- 2) The applicant shall use the loan funds only to pay the cost of services and materials necessary to complete the economic development activities for which the loan funds were awarded.

- 3) The applicant shall permit inspections by persons authorized by the City Council or the UDAG Revolving Loan Fund Committee of all projects and properties assisted with the loan funds. Related project materials shall also be open to inspection, which shall include such items as contracts, materials, equipment, payrolls, etc. Requests for inspection shall be complied with by the applicant within 48 hours of the initial request.
- 4) The applicant shall keep such records as may be required by the UDAG Revolving Loan Fund Committee.
- 5) The applicant shall maintain fire and extended insurance on the project property, as required, during the term of the loan. The City shall be listed as an “other insured” on the policy.
- 6) Security for the business loan shall be provided by the applicant in the form of a lien on real or personal property.

Failure of an applicant to comply with the terms and conditions of the loan agreement will be reviewed on an individual case by case basis by the UDAG Revolving Loan Fund Committee. Appeals of the decisions made by the UDAG Revolving Loan Fund Committee shall be reviewed and final decisions made by the City Council.

VIII. Loan Application Fee

- A. There shall be a \$500.00 loan application fee to be paid by the loan applicant to cover anticipated legal expenses. This fee must accompany the loan application. No application will be accepted or processed until this fee has been paid.

- B. In the event that the loan applicant submits a letter requesting his application be withdrawn, prior to the loan committee acting on it, then the loan applicant will be charged only the actual costs incurred by the City, and a refund of the difference will be given to the loan applicant.

IX. Grants

Grants of available funds may be made for public facility improvements within the City of Peshtigo such as sewer, water, storm sewer, and drainage improvements. The total amount of such grants shall not exceed the sum of \$1,000,000.00. Grants for public facility improvements shall require a two-thirds (2/3) vote approval of both the UDAG Revolving Loan Fund Committee and the City Council.

MEMORANDUM

To: City of Peshtigo

From: Logan Seipel, PG

Date: March 3, 2023

Project No.: 52-0866.00

Re: Landmark Property Redevelopment - SAG Grant Activities Status and Next Steps

Personnel and Roles

- Katie Berman – Mayor, City of Peshtigo
- Matt Decur – Director of Public Works, City of Peshtigo
- Amanda Arnold – Ayres, Redevelopment Planning
- Logan Seipel, PG – Ayres, Project Manager (SAG-funded activities)
- Ramona Fan, PE – Ayres, Project Engineer / Abatement Spec Development Lead
- Tom Coogan – WDNR, TAG Grant Contact, Brownfields Policy Coordinator
- Jim Rosenberg – WEDC, SAG Grant Contact, Regional Economic Development Director

Introduction

This memo summarizes the current status of SAG-funded tasks, outlines upcoming tasks such as demolition and site restoration.

1. Asbestos Abatement

- Status: Abatement efforts are mostly complete. Site restoration activities under CO1 (roof tarping) have yet to be completed.

2. Environmental Assessments

- Pre-Demolition Inspection: Asbestos, Lead-based Paint & Restricted Waste: Complete (November 7, 2023)
- Phase I ESA: Complete (July 1, 2024); four RECs identified
- Phase II ESA: Complete (January 2026)
 - Next Steps: Submit final report to DNR
 - LGU Clarification Letter: Prepared
 - Next Steps: Submit to DNR with \$700 fee
 - Site Investigation?

- DNR may require additional soil and/or groundwater investigation

3. **Demolition**

Balistreiri has provided two updated demolition estimates depending on scope of work requested. Demolition is not currently externally funded. Does not include asbestos soil removal and disposal, if needed. Estimates and scope include:

Above-grade demolition and removal – \$117,640

- Foundations retained, basement slab cracked for drainage
- Restoration to match existing grades
- Removal of restricted waste (e.g., mercury thermostats, PCB ballasts, chemical containers)

Partial below-grade demolition and removal - \$93,640

- Foundations removed to 2-feet below grade, basement slab cracked for drainage
- Restoration to match existing grades
- Removal of restricted waste (e.g., mercury thermostats, PCB ballasts, chemical containers)

Ayres bid-package and contract administration - \$19,000

- Project bid specifications
- Bid administration
- Construction oversight

Scheduling (approximate)

- Project Bid Specifications – 60 days after authorization
- Bid administration – 90 days after authorization
- Construction oversight – 120 days after authorization

Brownfield Consulting Services -\$5,000

- DNR meetings
- WEDC meetings
- Submit LGU clarification letter (includes \$700 DNR fee)
- Grant performance reporting

4. **SAG Budget Summary**

Description	SAG Funds	Match Funds	Total Grant Budget	Actual Cost	Grant Dollars Remaining
Asbestos Abatement	\$97,577	\$23,303	\$120,880	\$90,390	\$30,490
Phase II ESA	\$18,933	\$0	\$18,933	\$18,664.80	\$0
Total	\$116,510	\$23,303	\$139,813	\$109,054.80	\$30,490