

ENROLLED ORDINANCE 169-92

REAUTHORIZE THE WAUKESHA COUNTY SMALL
BUSINESS LEVERAGE LOAN PROGRAM

WHEREAS, small businesses in the County have the potential to significantly increase employment and the property tax base as they expand their operations or product lines, and

WHEREAS, a major impediment to small business expansion is “gap” funding or capital requirements to access larger loan funding from financial institutions (at least 2x), and

WHEREAS, in 2012 the Waukesha County Board established the Waukesha County Small Business Leverage Loan Program (Enrolled Ordinance 166-57) to provide “gap” loans to Waukesha County small business in high-impact industries, such as manufacturing, technology, distribution and suppliers to larger businesses, in order to add product lines, services and/or build capacity, and

WHEREAS, loans are limited to \$50,000 at an annual interest rate no less than 3% for three- to five-year terms, and

WHEREAS, the program oversight is provided by the Department of Administration and loan applications are reviewed and processed by a contracted loan administrator with final loan approval made by a County representative, and

WHEREAS, since 2012, this program has provided nine loans to businesses, totaling \$440,000, and is estimated by the contract loan administrator to result in the creation of 75 new positions in the next one to two years, in addition to the retention of an estimated 243 full-time and 60 part-time jobs, and

WHEREAS, these loans have leveraged an estimated \$7.8 million in private sector loans since program inception, and

WHEREAS, this program was initially funded with revenues returned to the County following the termination of tax increment districts, but will now be funded with repayments from earlier loans, as planned in the 2015 adopted budget, and


WHEREAS, the County Board stipulated that this program would sunset after the first three years of operation (2012 through 2014), unless the County Board adopts an ordinance for its continuation, and

WHEREAS, a sunset clause three years from now enhances the visibility and review of the program.

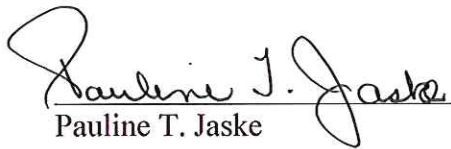
THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA ORDAINS that the Waukesha County Small Business Leverage Loan Program is re-authorized as identified in the 2015 Adopted Non-Departmental Budget and shall be sunset in three years unless the County Board adopts an ordinance for its continuation.

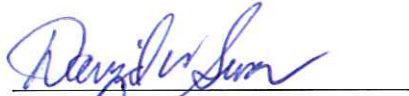
REAUTHORIZE THE WAUKESHA COUNTY SMALL
BUSINESS LEVERAGE LOAN PROGRAM


Presented by:
Executive Committee

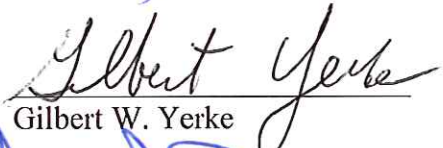

Paul L. Decker, Chair


James A. Heinrich


Pauline T. Jaske

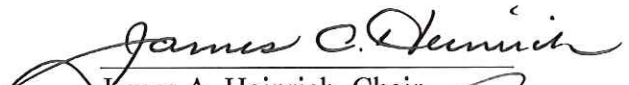

David W. Swan


Peter M. Wolff

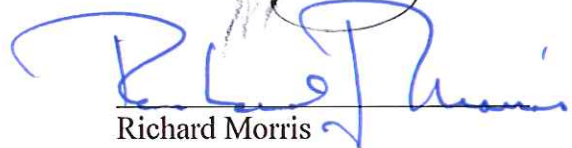

Gilbert W. Yerbe

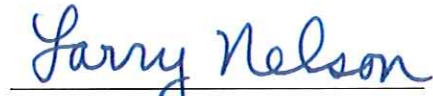

David D. Zimmermann

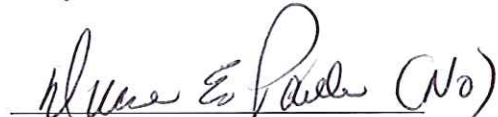
Approved by:
Finance Committee



James A. Heinrich, Chair

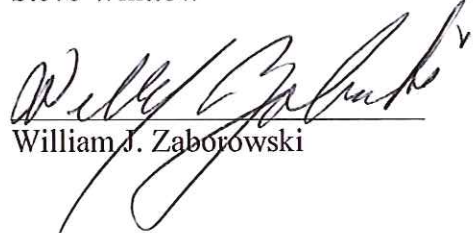

Eric Highum


Richard Morris


Larry Nelson


Duane E. Paulson


Steve Whittow

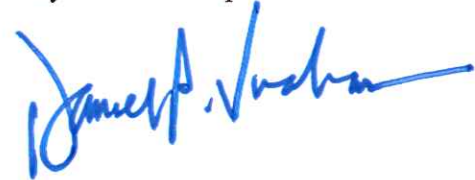

William J. Zaborowski

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: 2/24/15, 
Kathleen Novack, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved: X
Vetoed: _____

Date: 3-2-15, 
Daniel P. Vrakas, County Executive

Quarterly Report to
Waukesha County Leverage Loan Program (WLLP)



Since the beginning of the program, the program administrator has closed nine loans totaling \$440,000. As of December 31, 2014, the principal balance on these loans was \$438,988.

The Waukesha Leveraged Loan Program continues to be very successful. In summary, since the inception of the Waukesha Leveraged Loan Program in June 2012, the program has closed and funded \$440,000 to nine separate businesses. The WLLP has helped these businesses retain 243 full time jobs and 60 part time positions as well as create 75 new positions to be filled within the next 12 – 24 months. All business have paid as agreed (quarterly interest only payments) since their loans have originated. The program administrator has collected \$19,913 in interest payments program to date as per plan. The \$440,000 closed and funded by the WLLP has leveraged 7.8 million in private sector loans since inception.

We continue to provide business technical assistance to borrowers in the loan fund through one-on-one counseling and training classes.

Activity for 2014

We continue to work with potential Waukesha County Leverage Loan Program borrowers.

In the second quarter of 2014, one loan totaling \$50,000 (project cost: \$275,000) was closed to Mitchell Technical, Inc. in Muskego.

Mitchell Technical, Inc., Muskego

Prototype stamping manufacturing company

Loan size: \$50,000 Total Project: \$275,000

Purpose: Hydraulic press purchase to increase efficiencies for their business

Business owner(s): Michael Mitchell

Existing business: 4 FT jobs retained, 2 FT jobs expected to be created

Leverage/Lending partner: Marine Bank, \$115,000; Racine Economic Development

Corporation, \$110,000; WLLP \$50,000

Approved: May 21, 2014

Closed and funded: June 18, 2014

Activity for 2013

Fourth Quarter, 2013

Central Office Systems Corp., Waukesha

Central Office Systems, Inc provides customized office systems to clients throughout WI/IL.

Loan size: \$50,000 Total Project: \$410,000

Purpose: Entrance into the 3D printer market for WI and Illinois.

Business owner(s): Christopher Rosecky and Arthur Flater
Existing business: 27.5 FT jobs retained, 6 FT jobs expected to be created within the year
Leverage/Lending partner: Park Bank, \$160,000; WCEDC, \$200,000; WLLP \$50,000
Approved: Sept 11, 2013
Closed and funded: October 31, 2013

United Tool, Inc, Pewaukee

United Tool, Inc provides tooling and machined parts and fabricates made to order parts.
Loan size: \$50,000 Total Project: \$2,442,012
Purpose: Equipment installation and moving expenses associated with moving the equipment from Milwaukee to Waukesha.
Business owner: Ron Kelnhofer
Existing business: 30 FT jobs retained, 9 FT jobs expected to be created within the year
Leverage/Lending partner: Foundations Bank, \$1,046,000 (7a) Foundations Bank \$836,000 (504); WCEDC, \$300,000; Borrower, \$210,000; WLLP, \$50,000.
Approved: June 12, 2013
Closed and funded: November 26, 2013

Third Quarter, 2013

Quality Calibration Service, Inc., Waukesha

Quality Calibration Service, Inc provides full service Hard gage Calibration, CMM dimensional and Non-Contact Inspections Services.
Loan size: \$50,000 Total Project: \$1,400,000
Purpose: Consolidation of two existing locations into one new building in New Berlin, renevation of the new building, and improvement of operation efficiencies.
Business owner: William L. Hangartner
Existing business: 45 FT jobs retained, 10 FT jobs expected to be created within the year
Leverage/Lending partner: TCF Bank, \$700,000; WBD \$560,000; Borrower, \$90,000; WLLP \$50,000.
Approved: June 12, 2013
Closed and funded: August 28, 2013

Second Quarter, 2013

iNet Computers Inc. Waukesha

iNet Computers, Inc. operates as a complete technology company providing computer based services to customers.
Loan size: \$50,000 Total Project: \$385,000
Purpose: Building improvements to commercial building located at 1430 E. Moreland Blvd., Waukesha, WI 53186.
Business owner: Kurt Sonnenburg
Existing business: 30 FT jobs retained, 10 FT jobs expected to be created within the year
Leverage/Lending partner: BMO Bank, \$150,000; WCEDC, \$120,000; Borrower, \$65,000; WLLP, \$50,000
Closed and funded: May 10, 2013

Activity for 2012

Logical Green Solutions, Waukesha

Company provides economical, high quality eco-friendly LED retrofit lighting for businesses

Loan size: \$40,000 Total Project: \$120,000

Purpose: Business technology development for commercial lighting

Business owner: William Fuchs, Paul Ramstack

Existing business: 4 FT jobs retained, 2 FT jobs expected to be created within the year

Leverage/Lending partner: Waukesha State Bank, \$80,000; WLLP, \$40,000

Closed and funded: fall 2012

Z2 Marketing, Pewaukee

Company provides full service media production services for commercial customers

Loan size: \$50,000 Total Project: \$1,200,000

Purpose: Assist in gap equity for commercial building acquisition & expansion

Business owners: Debra Zindler, Cory Zimmerman

Existing business: 10 full-time jobs retained, 10 full-time jobs expected to be created within the year

Leverage/Lending partners: Equitable Bank, \$600,000; Wis. Bus. Dev. Finance Corp, \$480,000;

Borrower, \$70,000; WLLP, \$50,000.

Closed and funded: November 2012

Create-A-Pack Foods, Inc., Oconomowoc

Company provides packaging and packages product for the food industry

Loan size: \$50,000 Total Project: \$405,000

Purpose: Expand additional packaging line

Business owners: Glenn & Patty Cochrane

Existing business; 86 full time jobs retained, 60 part time jobs retained; 6 full-time jobs to be created immediately, 10-14 additional full-time jobs to be created within the year

Leverage/Lending Partners: AIL Equip Finance Co, 239,000; WCEDC/RLF, \$116,000; WLLP, \$50,000

Closed and funded December 2012

Tundra Management/WI International Logistics, LLC, New Berlin

Company provides full service shipping logistic services; domestic and international

Loan size: \$50,000 Total Project: \$1,270,000

Purpose: Assist in gap equity for commercial building acquisition & expansion

Business owners: Jonathan and Mari Teraoka

Existing business; 7 full-time jobs retained, 10 full-time jobs to be created within the year

Leverage/Lending partners: Marine Bank, \$635,000; Wis. Bus. Dev. Finance Corp., \$465,000;

Borrower, \$120,000; WLLP, \$50,000

Closed and funded: December 2012