

SHEBOYGAN COUNTY RESOLUTION NO. 10 (2011/12)

Re: **Authorizing Sheboygan County's Participation in the Wisconsin Community Development Block Grant for Economic Development (CDBG-ED) Program and Accepting CDBG-ED Funding for Morgan Aircraft, LLC**

WHEREAS, by the adoption of Resolution No. 13 (2001/02), Sheboygan County agreed to participate with the Wisconsin Department of Commerce in the Community Development Block Grant Program for Economic Development (CDBG-ED) which provides local units of government with money that can be used to provide revolving loans to start new businesses and/or expand current operations, and

WHEREAS, by the adoption of Resolution No. 13 (2001/02), Sheboygan County facilitated a loan through the U.S. Department of Housing and Urban Development and the Wisconsin Department of Commerce to the KW Muth Company, Inc., in the amount of \$1,000,000.00, which loan was to be repaid to Sheboygan County to be lent to other businesses provided Sheboygan County established a revolving loan fund program, and

WHEREAS, as a consequence of adopting Resolution No. 13 (2001/02), Sheboygan County established a revolving loan fund program and received the Muth Company loan repayments and has been lending those proceeds to other businesses pursuant to the terms of the Revolving Loan Fund Manual approved by the Executive Committee on November 29, 2001, and

WHEREAS, the State of Wisconsin through the Community Development Block Grant Program for Economic Development (CDBG-ED) as administered by the Wisconsin Economic Development Corporation (WEDC) is now proposing to lend the sum of \$1,000,000.00 to Morgan Aircraft, LLC of Oostburg, Wisconsin, through the Sheboygan County revolving loan fund to be used by Morgan Aircraft, LLC for working capital with an interest rate of two percent (2%), deferred and potentially forgiven, along with principal as determined on December 31, 2017; the loan will be eligible for forgiveness provided Morgan Aircraft, LLC makes capital investment for phase 1 aircraft development of at least \$105,000,000.00 by December 31, 2015, and creates and maintains at least three hundred forty (340) new full-time positions in the Town of Sheboygan Falls, Wisconsin, by December 31, 2017, forgiveness being provided at a rate of \$2,941.00 per job created and maintained up to a maximum amount of \$1,000,000.00 plus accrued interest, and

WHEREAS, the proposal also contemplates that additional funds would be available to reimburse Sheboygan County for the administrative expenses related to this additional loan, and

WHEREAS, Sheboygan County has no liability if a borrower fails to make payments on this grant, and

WHEREAS, the County Board has reviewed the need for the above-named project and the benefits to be gained therefrom and believes it to be in the best interest of Sheboygan County for an application to be prepared and filed with the WEDC on behalf of Sheboygan County for this funding, and

WHEREAS, a required public hearing with respect to Sheboygan County's potential filing of the application for the above-named project has been scheduled for August 23, 2011, in conjunction with a meeting of the County's Revolving Loan Fund Committee and the Executive Committee is scheduled to review the matter later that date;

NOW, THEREFORE, BE IT RESOLVED, that the Sheboygan County Board of Supervisors does approve and authorize the preparation and filing of an application for the above-named project.

BE IT FURTHER RESOLVED that pursuant to Section 53.04 of the Sheboygan County Code, the County Board Administrator is authorized on behalf of the County Board to sign all necessary documents on behalf of the County to apply for and receive these monies, provided that no such document obligates Sheboygan County for the expenditure of County funds or exposes Sheboygan County to a potential liability not covered by County insurance, and that authority is hereby granted to the County and on its behalf the Sheboygan County Economic Development Corporation to take the necessary steps to prepare and file the appropriate application for funds under this program in accordance with this Resolution.

BE IT FURTHER RESOLVED that in the event this Resolution is adopted prior to the August 23, 2011, public hearing previously referred to, the foregoing approvals and authorizations are subject to the Executive Committee concluding that no information was provided at the public hearing which put into question the proposition that participation in this project is in the best interest of Sheboygan County.

Respectfully submitted this 16th day of August, 2011.

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ADOPTED 08.16.2011

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