

City of Manitowoc
Manitowoc Industrial Development Corporation
Thursday, November 17, 2016 – 3:30 PM
Planning / Engineering Conference Room
City Hall, 900 Quay Street

Meeting Summary

- I. CALL TO ORDER
The Meeting of the Industrial Development Corporation (IDC) was called to order by J. Hamann at 3:30 PM.
- II. ROLL CALL
N. Sparacio recorded the attendance.
- III. APPROVAL OF MINUTES of the Regular August 3rd, 2016 Meeting
Motion by Ald. Brey, second by R. Kaufman to approve the minutes. The motion was approved unanimously.
- IV. ACCEPTANCE OF RESIGNATIONS and ELECTION OF DIRECTORS
N. Sparacio noted that resignations do not have to be accepted per the by-laws, but recent changes presented an opportunity to review the roster. Discussion ensued regarding potential nominees for the open seat on the Board. Several potential names were provided, and N. Sparacio will follow up with these individuals to gauge their interest and availability. The by-laws of the IDC state that nominations to fill open Director seats are to be confirmed by the Mayor and Common Council.

A motion was made by P. Hansen and seconded by J. Hamann to forward to the Mayor and Common Council any of the following individuals that will accept a nomination to the IDC Board of Directors: Greg Jagemann, Ben Harrison, Mike Jagemann, and Scott Jagemann. The motion carried unanimously.
- V. ELECTION OF OFFICERS
Discussion ensued regarding the duties of the annual meeting, and that it had been a long period of time since election of officers had been conducted. This agenda has been noticed as a special (annual) meeting so that this item can be addressed.
 - A. President
J. Zimmer nominated James Hamann for the office of President. There were no further nominations. J. Brey moved to close nominations and elect James Hamman as President. J. Zimmer seconded the motion. A voice vote was taken and the motion was unanimously approved.
 - B. Vice President.
T. Giesen nominated Ted Vallis for the office of Vice President. There were no further

nominations. J. Brey moved to close nominations and elect Ted Vallis as Vice President. J. Zimmer seconded the motion. A voice vote was taken and the motion was unanimously approved.

C. Secretary.

T. Giesen nominated Nic Sparacio for the office of Secretary. There were no further nominations. T. Giesen moved to close nominations and elect Nic Sparacio as Secretary. R. Kaufman seconded the motion. A voice vote was taken and the motion was unanimously approved.

D. Treasurer.

J. Hamann nominated Dennis Tienor for the office of Treasurer. There were no further nominations. J. Hamann moved to close nominations and elect Dennis Tienor as Treasurer. P. Hansen seconded the motion. A voice vote was taken and the motion was unanimously approved.

VI. NEW BUSINESS

E. Discussion and Possible Action on an Amendment to the Loan Agreement with R2H Flavor Technology LLC (IREV 2016-01).

N. Sparacio introduced the loan amendment request. The proposed amendment provides a six month interest only payment period. The project is moving forward, but certain elements are taking longer than expected. This is fairly customary for a project of this cost and complexity, and it would have been acceptable to include such a provision in the original loan agreement.

T. Giesen stated that his firm is doing accounting work for this company, so that is why he will be abstaining from the vote. D. Tienor asked whether we had received a written legal opinion on matters of patents and non-competition. N. Sparacio stated that we did receive such a written statement from Michael Best and Friedrich on these matters.

A motion was made by J. Zimmer, seconded by D. Tienor to approve the First Amendment to the Loan Agreement as presented. The motion carried with J. Hamann and T. Giesen abstaining.

F. Financial Report for the Industrial Revolving Loan Fund

N. Sparacio provided an updated financial report in addition to the meeting packet. The updated report provides a summary and status of each active loan file. It was noted that the report shows an incorrect end date for the R2H loan. This will be corrected. The amount of funds currently available for new loans is \$183,398. The current amount of loan repayment is about \$200,000 per year in total, so this is the pace at which the funds are being replenished.

Discussion ensued regarding the original sources of the funds, sources for additional

funds if needed, and recourse options on the defaulted loan. It was requested that this status report be updated monthly for the IDC Treasurer.

VII. OLD BUSINESS

G. Update on Incorporation of the IDC

N. Sparacio reported that this is now complete. The IDC has been reinstated as a non-stock corporation.

H. Update on Revolving Loan Fund Administration

N. Sparacio reported that an agreement has been executed with Progress Lakeshore for revolving loan administration. Progress Lakeshore will take on responsibilities not only with new loans, but also with credit administration for existing loans. Discussion ensued regarding the local economic conditions and the potential for additional manufacturing expansions.

VIII. NEXT MEETING

The next meeting will be set as needed.

IX. ADJOURNMENT

J. Hamann adjourned the meeting at 4:15 PM.

Attendance

Members Present

James Hamann, President
Dennis Tienor, Treasurer
Ald. Jim Brey
John Zimmer
Paul Hansen
Tom Giesen
Ted Vallis
Robert Kaufman
Myron Halla
Nicolas Sparacio, Secretary

Members Excused

Ald. Dave Soeldner

Others Present

Paul Braun
Peter Wills

Respectfully Submitted,

Nicolas Sparacio
Community Development Director