



Bayfield County Administrator

117 E 5th Street, PO Box 878, Washburn, WI 54891

Ph: 715-373-6181 Fx: 715-373-6153

Mark Abeles-Allison, *County Administrator*

Kristine Kavajecz, *Assistant*

BAYFIELD COUNTY Industrial Development Agency

Daniel Anderson
Brett T. Rondeau
Cole Rabska
Rick Geisen

Marty Milanowski
Jack Carlson
Scott Kluver

Dear Committee Members:

This letter is written to inform you of the Bayfield County Industrial Development Agency Meeting scheduled for **Thursday, April 11, 2019 at 3:00pm**, at the **Emergency Operations Center (EOC)**, Bayfield County Annex Building, Washburn, WI. Please note the agenda for the meeting is as follows:

AGENDA

1. Call to Order.
2. Election of Officers
3. Discussion and Possible Action Regarding Minutes of the December 7, 2017 Industrial Development Agency meeting.
4. Industrial Development Agency Purpose
5. Updated and Amended Promissory Note for Bayfield Business Park
6. Next Meeting Date and Topics of Discussion
7. Adjournment

Should you have any questions in the meantime, please contact my office.

Sincerely,

Mark Abeles-Allison
Bayfield County Administrator

MAA/kak

Any person planning to attend a Bayfield County meeting that has a disability requiring special accommodations should contact 373-6100, 24-hours before the scheduled meeting, so appropriate arrangements can be made.

Enc.

cc: Mr. Scott Fibert, Bayfield County Clerk The Daily Press, via email
Bayfield County Board of Supervisors

BAYFIELD COUNTY INDUSTRIAL DEVELOPMENT AGENCY NARRATIVE

April 11, 2019

Item 2: We have not met since 2017. The then chair was Brett Rondeau.

Item 3: Minutes of the December 7, 2017.

Item 4: The Bayfield County IDA was established in 2007 to provide a mechanism to loan funds to Impact Seven, a regional economic development organization for World Class Manufacturing. The company continues to operate in the Town of Bayfield Business Park.

Our IDA was established specifically for World Class but statutes (attached) allow for a broader role for an IDA. Original funds for the World Class were a loan from the county.

Our IDA is made up for seven members, four county and three public representatives as shown on the top of the agenda.

The purpose of the agency is to improve the economic climate of the county.

In 2007 Bayfield County Loaned \$250,000 for a term of 20 years. They are up to date with payments. The Treasurer's Office reports a balance of \$166,037 on the note with the last payment made in February 2019.

Item 5: Attached is the existing promissory note for World Class Manufacturing. We need to consider approval of an amended promissory note as this document specifies a payment in full by June 2017. There is still a substantial balance on the account.

**Minutes of the
Bayfield County Industrial Development Agency Meeting
3:30pm, December 7, 2017
Emergency Operations Center, Bayfield County Annex, Washburn, WI**

Members Present: Brett Rondeau, Scottie Sandstrom, John Carlson, Scott Kluver, Dan Anderson, Dennis Pocernich (4:00pm), Rick Geisen (4:03pm)

Others Present: Mark Abeles-Allison, Bayfield County Administrator; Kristine Kavajecz, Assistant

Meeting called to order at 3:30pm by Rondeau.

Minutes of the May 27, 2015: Motion Kluver, Anderson to approve minutes of the May 27, 2015 Industrial Development Agency meeting. Motion Carried (5-0, 1 absent)

Industrial Development Agency Purpose: A brief review of the state statute related to Industrial Development Agencies took place. The primary purpose is to improve the industrial climate of the county.

Industrial Development Agency Financial Report, World Class Manufacturing: Anderson reported that the outstanding balance on the loan related to World Class Manufacturing is \$179,000. Discussion took place regarding the history of the financing arrangements for this endeavor and the roles that the Bayfield County Industrial Development Agency, Town of Bayfield, and Impact Seven have.

Industrial Development Agency Topics of Discussion: The members were asked for input on potential investments/direction the agency can take to be more active. Suggestion was made to set up the Industrial Development Agency loans to be a revolving loan fund, so that funds can continue to be reinvested. Discussion also took place regarding the status of the Iron River Business Incubator, which is currently full. The Bayfield County Business Park on State Farm Road is working on a road project for potential new businesses. It was suggested that the Town of Eilleen TIF District option be revisited.

Pocernich arrived at 4:00pm.

The Iron River Incubator has about \$90,000 loan outstanding. This goes through Northwest Regional Planning Commission at 2.5% interest. NWRPC is willing to expedite repayment of the loan. The site is maintaining about 10 jobs.

Geisen arrived at 4:03pm

Suggestion was made that Carlson research the standing of Bayfield County with regard to the World Class site. What happens if World Class does not renew the lease?

A statement was made that the Cable/Telemark redevelopment project continues to progress.

Sandstrom reported that the WEDC Certified Sites Program checklist could be used to ensure that sites are business ready, and would then be promoted by WEDC.

Abeles-Allison reported that energy costs in Wisconsin are higher than other states. He also reported on a future energy project for Xcel Energy being sited in Ashland County.

Next Meeting Date and Topics of Discussion: Review of the outstanding loan statuses. Next meeting tentatively planned for February, 2018.

Meeting adjourned at 4:16pm.



Office of the
Bayfield County Administrator

Mark Abeles-Allison
Administrator

Kristine Kavajecz
Confidential Secretary

November 19, 2009

Scott Fibert
County Clerk

Dear Scott:

The Bayfield County Industrial Development Organization met today and approved the attached loan participation agreement and promissory note.

This updated agreement, based on action taken by the County Board provides for a payment of \$240,019.64.

Could you provide us with an account number to pay this out of?

Thank you.

Sincerely,

Mark Abeles-Allison
Bayfield County Administrator

Vendor 58408
100-17202
\$ 240,019.64

LOAN PARTICIPATION CERTIFICATE AND AGREEMENT

Not Negotiable

Lender: Impact Seven, Inc.
Participant: Bayfield County Industrial Development Agency, Inc.
Borrower: Town of Bayfield

Table with 6 columns: Date of Note(s) or Agreement, Original Principal Amount, Participant's Commitment, Due Date, Stated Interest Rate (Note Rate), and Participant's Interest Rate. Includes entries for April 1, 2009 and November 18, 2009.

1. SALE

Single Advance. If checked here, Lender agrees to sell and assign, and Participant agrees to purchase, for the amount of Participant's Commitment shown above...

Multiple advances. If checked here, Lender agrees to sell and assign, and Participant agrees to purchase at par, up to an aggregate amount outstanding not to exceed Participant's Commitment shown above...

2. COLLECTION AND EXPENSES

Lender shall receive all Collections, as defined on the reverse side, and apply them on the day of receipt as follows: Collections shall be applied first to interest which is due on the Note and the Note Rate...

Participant's Percentage of Principal Collected is:

Prorata, 20.83 % of Principle collected.

OR

Participant First Out. Prior to maturity of the Note (whether by acceleration upon default or otherwise), 100% of the Principal Collected until Participant has been paid an amount equal to Participant's a Commitment...

OR

Participant Last Out. Prior to maturity of the Note (whether by acceleration upon default or otherwise), but only after lender has collected and retained \$... 100% of Principal Collected until Participant has been paid an amount equal to Participant's Commitment...

Shared Fees. In addition to Participant's share of Interest Collected and Principal Collected, Lender shall remit to Participant, upon receipt by Lender, % of all fee income received by Lender from Borrower, including commitment fees, prepayment fees, servicing fees, late charges and other similar fees.

Participant shall pay to Lender on demand that percentage of Expenses, as defined on the reverse side, which Participant's paid-in and unreimbursed Commitment is of the principal amount of the Note outstanding on the date the Expenses are incurred...

3. COLLATERAL

Collections include proceeds of only the collateral, including guaranties, and any substitutions for it, evidenced by the following executed security agreements, guaranties, assignments, mortgages, and/or financial statements in favor of Lender...

- List of collateral items with checkboxes: General Business Security Agreement, Selective Business Security Agreement, Chattel Security Agreement, Collateral Pledge Agreement, Securities Account Security Agreement, Control agreement, Mortgage on real estate, Real Estate Security Agreement, Guaranty executed by, Other (specify): Lease from World Class Parts to the Town of Bayfield.

COLLATERAL FOR THE NOTE IS LIMITED TO ONLY THAT WHICH IS LISTED ABOVE, AND IF LEFT BLANK THERE IS NO COLLATERAL FOR THE NOTE.

4. TOTAL CREDIT

If checked here and until the Note is paid in full, Borrower's total obligations to Lender, including the Note, shall not without Participant's consent exceed \$

5. ADDITIONAL TERMS

This Certificate and Agreement includes the Additional Terms on the reverse side.

Dated as of November 18, 2009. Participant: [Signature] Lender: [Signature]

ADDITIONAL TERMS

6. Documentation.

- (a) On behalf of itself and Participant Lender will retain possession of the Note, all possessory collateral securing the Note and all agreements, guaranties and other documents relating to or securing the Note (the "Collateral Documents"). Participant may, upon request and at any time during banking hours, examine the records of Lender relating to the loan evidenced by the Note.
- (b) Lender will furnish to Participant copies of the Note and Collateral Documents and will furnish to Participant with reasonable promptness and frequency, the following documents and information to the extent not prohibited by law:
 - i. Reports concerning the accrual status of the Note and payments due on it;
 - ii. Copies of appraisals, financial statements of Borrower, title reports or other documents which are received by Lender and relate to the financial condition of Borrower or the value and lien status of Collateral, if any;
 - iii. Any other written information received by Lender adversely affecting the continuing creditworthiness of Borrower.
- (c) Lender assumes no responsibility with respect to the authenticity, validity, accuracy or completeness of any document or information received from any other person and provided to Participant.

7. Administration.

- (a) Subject to paragraphs 7(b) and (c), Lender may take any action determined by it in its sole discretion to be appropriate to terminate its commitment to extend credit to Borrower or take any action to enforce payment of the Note or to realize upon any Collateral.
- (b) Lender shall not extend the maturity of, forgive or reduce any interest or principal on the Note or release any Collateral (unless such released Collateral has a de minimus value, the proceeds of such released Collateral are applied on the Note or substitute Collateral is taken for the released Collateral, in which event Lender may release such Collateral without any consent) without the unanimous consent of Lender and all Participants in the Note (the "beneficial owner"). Otherwise, Lender shall amend or change the Note or Collateral Documents, grant any Consents, waivers, variances, or releases under the Note or Collateral Documents only with the consent of or at the direction of beneficial owners of a majority in amount of the Note (such majority to be determined on the basis of each beneficial owner's commitment to fund the Note to the total commitment of all beneficial owners to fund the Note), and such decision is binding on Lender and Participant.
- (c) Lender shall follow any direction of the beneficial owners of a majority in amount of the Note (such majority determined in accordance with paragraph 7(b) in lawfully enforcing collection of the Note or rights in the Collateral except for actions requiring unanimous consent of all beneficial owners under paragraph 7(b); provided that, if Lender had not voted in favor of such action, all beneficial owners who voted in favor of it shall indemnify Lender, in a manner satisfactory to Lender, against any damages or penalties Lender may suffer in carrying out such direction.
- (d) Lender shall with reasonable promptness notify Participant of any default of Borrower and of any other matters of which it becomes aware and which, in its judgments, significantly affect the interests of the parties in the Note.
- (e) With the foregoing exceptions, Lender shall service and manage the loan in accordance with its usual practices and shall exercise the same degree of care to protect Participant's interest as it does its own. So long as Lender exercises such care in the servicing and management of the loan, it shall not be liable to Participant with respect to anything it may do or refrain from doing in the exercise of its judgment or which may seem to Lender to be necessary or desirable in the servicing and management of the loan, except as otherwise provided in paragraphs 7(a) through (c) above, or for its willful misconduct.
- (f) Notwithstanding the foregoing, in the event that Lender shall become the subject of liquidation, reorganization, receivership, or similar proceedings, Participant will have the right, to the extent of its interest therein, to collect and enforce the Note in its own name and for its own account. If Participant is entitled to exercise such right, Lender shall assign without recourse and deliver the original Note and Collateral Documents and such other documents, files, and records as Participant deems necessary to the exercise of such right.
- (g) Lender had not made any representation or warranties express or implied, with respect to, and Lender does not assume and has no responsibility or liability for the collectability, enforceability or validity of the Note, the Collateral Document or the Collateral, or the financial condition of Borrower or any obligor on the Collateral, or other information furnished by Lender to Participant. Participant acknowledges that it has, independently, and without reliance on Lender and based on such documents and information as Participant deems appropriate at the time, made and will continue to make its own credit decisions regarding the collectability, validity and enforceability of the Note, the Collateral Documents and the Collateral, and has made and will continue to make its own appraisal of Borrower's creditworthiness.

8. Collections.

- (a) "Collections" means all payments of principal and interest received by Lender on the Note, including payment by or on behalf of Borrower, payments received from guarantors or sureties, payment received by means of set-off by Lender and net proceeds received from the disposition of Collateral.
- (b) Participant shall have no interest in any property of Borrower or any other person liable for payment of the Note now or hereafter taken as collateral for any other extensions of credit made to or for Borrower or any such person by Lender, which may be or become collateral for the Note by reason of any cross-collateralization or any general description of secured obligations contained in any mortgage, security agreement or other agreement, instrument or document held by Lender other than the Collateral described in paragraph 3, except that if the proceeds of such property are applied on the Note, then Participant shall be entitled to its proportionate share of such Collections.
- (c) In the event any Collections remitted to Participant are not finally collected by Lender or are required to be repaid by Lender to or for the account of Borrower, Participant shall immediately return such Collections to Lender.

9. Expenses. "Expenses" includes, without limitation, out-of-pocket expenses incurred by Lender (including, without limitation, reasonable attorneys' fees) in administering, collecting, enforcing, or protecting the Note or Collateral Documents.

- 10. Other Loans. Subject to paragraph 4, Lender may make additional loans to Borrower, provided that any payments or receipts received by Lender on any overdue obligations of Borrower to Lender as to which there has been no designation by Borrower of the obligation on which it is to be applied, shall be applied (as between Lender and Participant) pro rata to all overdue obligations of Borrower to Lender.

11. Miscellaneous.

- (a) Neither the execution of this Agreement nor the sharing in the Note or Collateral is intended to be, nor shall it be construed to be, the formation of a partnership or joint venture between Lender and Participants.
- (b) Participant shall not, without the prior written consent of Lender, which consent shall not be unreasonably withheld, sell, pledge, sub participate or otherwise transfer its rights in the Note except to a wholly-owned subsidiary of Participant. Lender may sell or may have sold participation in the Note or in other obligations of Borrower secured by the same Collateral, but Lender will not transfer its entire interest in the Note without prior written consent of the Participant.
- (c) This Agreement constitutes the entire agreement between Lender and Participant, there being no other agreements or commitments except as set forth in the Agreement.
- (d) All notices shall be sent by first class mail and addressed to the main office of the other party.
- (e) This Agreement binds and, subject to the provisions of paragraph 11(b), inures to the benefit of, the successors and assigns of the parties hereto and is governed by the laws of the State of Wisconsin.

12. Other Provisions.

PROMISSORY NOTE

~~\$240,019.64~~

November 19, 2009

WHEREAS Bayfield County ("Lender") has lent to Bayfield County Industrial Development Agency, Inc. ("Borrower") the principal amount of this note for the purpose of Borrower's participating in a loan from Impact Seven, Inc. to the Town of Bayfield for the construction of a manufacturing building on land in the Town's industrial park; and

WHEREAS Borrower intends to use said loan for such purpose in accordance with a Loan Participation Certificate and Agreement between Borrower and Impact Seven, Inc. dated November 16, 2009, and

WHEREAS the note, as modified, evidencing the loan from Impact Seven, Inc. to the Town provides for an interest rate on unpaid principal in the amount of 5% per annum, and that the loan must be paid in full by June 16, 2017, and that all rents from the Town's leasing the manufacturing building (currently to World Class Manufacturing Group, Inc.) shall be applied to the outstanding loan balance, and the Loan Participation Certificate and Agreement provides that Borrower is to receive 20.83% of all such payments;

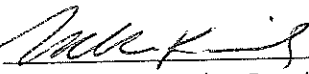
NOW THEREFORE FOR VALUE RECEIVED Borrower promises to pay to the order of Lender the principal sum of \$240,019.64 together with interest at 5% per annum, as follows: All payments received by Borrower pursuant to the Loan Participation Certificate and Agreement shall be immediately paid to Lender and applied first to accrued but unpaid interest and then to principal until interest and principal have been paid in full. Unless extended by Lender, this note shall be paid in full on or before June 16, 2017.

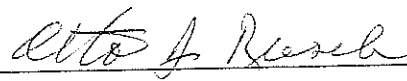
Borrower waives presentment for payment, protest and notice of dishonor and consents to any extension of time with respect to the payment due under this note. No waiver of any payment under this note shall operate as a waiver of any other payment.

Interest on this note shall be computed on an actual 365 day year with credit to loan on the actual date payment is received by Lender.

Full or partial prepayment of the note shall be permitted at any time without penalty.

BAYFIELD COUNTY INDUSTRIAL DEVELOPMENT
AGENCY, INC.

By 
William Kacvinsky, President

Attest 
_____, Secretary