



PUBLIC NOTICE – LOAN & FINANCE COMMITTEE

DATE: October 13, 2015

TIME: 2:00 p.m. (closed session)
2:30 p.m. (open session)

PLACE: 757 N. Broadway, Suite 600, Conference Room 1 & 2, Milwaukee, WI 53202
(Committee members may be present via teleconference)

AGENDA ITEMS

1. **GNA WLZ LLC**
Address: 1962 N. Prospect Avenue
Milwaukee, WI 53202
Loan Request (MEDC): \$ 150,000
2. **SUSIO, LLC/BODEGON & HOTEL MADRID**
Address: 600 S. 6th Street
Milwaukee, WI 53202
Loan Requests (MEDC): \$ 272,000
3. **FEDERAL COMMONS SOUTH SECOND, LLC**
Address: 838 S. 2nd Street
Milwaukee, WI 53204
Loan Request (MEDC): \$ 389,000
4. **DENMARK LQ, LLC**
Address: 644 S. 5th Street
Milwaukee, WI 53204
Loan Request (MEDC): \$ 425,000
5. **SDI HOLDING CO., LLC/PIERCE ENGINEERS, INC.**
Address: 177-181 N. Broadway
Milwaukee, WI 53202
Loan Request (MEDC): \$ 500,000
6. **RWWF, LLC/NEWCO**
Address: 7254 N. Teutonia Avenue
Milwaukee, WI 53209
Loan Request (MEDC): \$ 700,000
7. **OTHER**

The meeting will convene at the time indicated and immediately go into closed session for purposes of credit review and evaluation of the loan applications of the borrowers and operating companies identified above. Status reviews of existing loans may also be undertaken at this time. This portion of the meeting will be held in closed session pursuant to SS.19.85(1)(e) and (f), Wis. Stats.

Timothy Sheehy
Chairman

David E. Latona
President

Milwaukee Economic Development Corporation
757 North Broadway Suite 600 Milwaukee, WI 53202
Telephone 414 269-1440 Fax 414 269-1466
medconline.com

The meeting will reconvene in open session at the time indicated above for the purpose of further discussion and action upon the above-referenced loan applications. Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aids.

Dated: October 12, 2015

By: David E. Latona, III
David E. Latona, President

I. BORROWER/OPERATING COMPANY: GNA.WLZ LLC

II. PROPOSED LOAN:

Loan Amount	\$150,000.00	New Customer	No
Rate	5.25%	Start Up	YES
Term/Amortization	4/4	Years in Existence	New
Aldermanic District	3	Primary Lender	MEDC

III. PROJECT DESCRIPTION / SUMMARY OF REQUEST:

Address: 1962 N. Prospect Avenue, Milwaukee, WI 53202 **Contact:** Gina Gruenewald
Description: GNA.WLZ LLC "Supper" restaurant located in the Shorecrest Hotel, is requesting financing to pay for equipment, furniture and fixtures, glassware, dishes and other miscellaneous equipment needed for its operations as well as for facility leasehold improvements. The owner of Supper, Gina Gruenewald, is also the owner of Wolf Peach restaurant.

<u>Sources</u>	<u>Amount</u>	<u>% of Total</u>
MEDC Loan	\$ 150,000	30.00%
Other	\$ 350,000	70.00%
	<u>\$ 500,000</u>	<u>100.00%</u>

<u>Uses</u>	<u>Amount</u>
Equipment	\$ 102,000
Leashold Improvements	\$ 287,000
Working Capital	\$ 111,000
	<u>\$ 500,000</u>

IV. EMPLOYMENT:

	Full-Time (more than 30 hrs. per week)	Part-Time (less than 30 hrs. per week)
Current	10	23
Estimated increase in jobs within two years:	3	5

V. OWNERSHIP/MANAGEMENT TEAM:

GNA.WLZ LLC		
Name	Title	Ownership %
Gina Gruenewald	Member	81
Erich Wilz	Member	19



MILWAUKEE

LOAN & FINANCE COMMITTEE – Oct 13, 2015

I. BORROWER/OPERATING COMPANY: Susio, LLC. (Borrower) Bodegon and Hotel Madrid (Operating Company)

II. PROPOSED LOAN:

Loan Amount	\$272,000	New Customer	Yes
Rate	5.25%	Start Up	Yes
Term/Amortization	3/20	Years in Existence	0
Aldermanic District	12	Primary Lender	Tri-City

III. PROJECT DESCRIPTION / SUMMARY OF REQUEST:

Address: 600 S 6th Street Milwaukee, WI 53202 **Contact:** Aaron Gersonde (414)213-3495

Description: Susio, LLC. is a real estate holding company set up to house the operations of Bodegon, a restaurant specializing in gourmet Spanish cuisine, and Hotel Madrid, a boutique hotel above the restaurant that will also have a Spanish theme. The owners of Bodegon and Hotel Madrid, Mr. Aaron Gersonde and Mr. Andrei Primakow, are the current owners of Movida, a Spanish restaurant that opened last year in Walker's point to high acclaim from both critics and the general public.

<u>Sources</u>	<u>Amount</u>	<u>% of Total</u>
MEDC Loan	\$ 277,000	40.44%
Other	\$ 408,000	59.56%
	<u>\$ 685,000</u>	<u>100.00%</u>
 <u>Uses</u>		
Property Purchase & Renovations	\$ 685,000	
	<u>\$ 685,000</u>	

IV. EMPLOYMENT:

	Full-Time (more than 30 hrs. per week)	Part-Time (less than 30 hrs. per week)
Current	23	15
Estimated increase in jobs within two years:	15	

V. OWNERSHIP/MANAGEMENT TEAM: Susio, LLC (Borrower)

Name	Title	Ownership %
Aaron Gersonde	Managing Member	33.3%
Name	Title	Ownership %
Andrei Primakow	Managing Member	33.3%
Name	Title	Ownership %
David Gonzalez	Member/Investor	33.3%



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LOAN & FINANCE COMMITTEE – Oct 13, 2015

I. **BORROWER/OPERATING COMPANY:** Federal Commons South Second, LLC.

II. **PROPOSED LOAN:**

Loan Amount	\$389,000	New Customer	Yes
Rate	5.25%	Start Up	Yes
Term/Amortization	5/16	Years in Existence	0
Aldermanic District	12	Primary Lender	Bank Mutual

III. **PROJECT DESCRIPTION / SUMMARY OF REQUEST:**

Address: 838 South 2nd Street Milwaukee, WI 53204 **Contact:** Dan Katt (414)412-4555

Description: Federal Commons South Second, LLC is requesting \$389,000 in financing from MEDC to perform renovations on the project property located at 838 South 2nd Street Milwaukee, WI 53204. The request will also fund the purchase of furniture, fixtures, and equipment for the project property that will operate as a banquet hall. The banquet hall will host weddings and other event gatherings. Saz’s Hospitality Group will lease the property and serve as the exclusive caterer for events at the banquet hall.

Sources	Amount	% of Total
MEDC Loan	\$ 389,000	35.08%
Other	\$ 720,000	64.92%
	<u>\$ 1,109,000</u>	<u>100.00%</u>

Uses

Property Purchase & Renovations	<u>\$ 1,019,000</u>
	<u>\$ 1,019,000</u>

IV. **EMPLOYMENT:**

	Full-Time (more than 30 hrs. per week)	Part-Time (less than 30 hrs. per week)
Current	0	0
Estimated increase in jobs within two years:	10	

V. **OWNERSHIP/MANAGEMENT TEAM:** Federal Commons South Second, LLC.

Name	Title
Federal Real Estate Holdings	Member
Dan Katt	Member

I. BORROWER/OPERATING COMPANY: Denmark LQ, LLC

II. PROPOSED LOAN:

Loan Amount	\$425,000.00	New Customer	Yes
Rate	5.25%	Start Up	Yes
Term/Amortization	5 / 10	Years in Existence	0
Aldermanic District	12	Primary Lender	Tri City Natl Bank

III. PROJECT DESCRIPTION / SUMMARY OF REQUEST:

Address: 644 S. 5th Street, Milwaukee **Contact:** Mark Lathers (414) 708-5500

Description: : Tri City National Bank and its customer, Denmark LQ, LLC are requesting financing from MEDC to support the purchase and renovation of a vacant and environmentally challenged industrial property on S. 5th Street. The renovated property will be a 17,500 sf multi-tenant commercial building offering office and retail storefront space to its tenants. There are several pre-lease commitments from businesses that will locate in the building. The layout of the building will also provide a courtyard of approximately 500 sf that will be available for use by all tenants and their customers

<u>Sources</u>	<u>Amount</u>	<u>% of Total</u>
MEDC Loan	\$ 425,000	28.81%
Other	\$ 1,050,000	71.19%
	<u>\$ 1,475,000</u>	<u>100.00%</u>

Uses

Purchase & Renovation	<u>\$ 1,475,000</u>
	<u>\$ 1,475,000</u>

IV. EMPLOYMENT: Based on tenant estimates

	Full-Time (more than 30 hrs. per week)	Part-Time (less than 30 hrs. per week)
Current	0	0
Estimated increase in jobs within two years:	20	

V. OWNERSHIP/MANAGEMENT TEAM:

Denmark LQ, LLC		
Name	Title	Ownership %
J. Mark Lathers	Member	100



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LOAN & FINANCE COMMITTEE – Oct 13, 2015

I. BORROWER/OPERATING COMPANY:

SDI Holding Co., LLC / Pierce Engineers, Inc.

II. PROPOSED LOAN:

Loan Amount	\$500,000.00	New Customer	No
Rate	5.25%	Start Up	No
Term/Amortization	5/20	Years in Existence	20
Aldermanic District	4	Primary Lender	Waukesha State Bank

III. PROJECT DESCRIPTION / SUMMARY OF REQUEST:

Address: 177-181 North Broadway, Milwaukee, WI Contact: Randy Elliott at 414-278-6060

Description: SDI Holding Co., Inc. (SDI) is requesting financing to purchase a commercial building located at 177-181 North Broadway, Milwaukee, WI. SDI intends to move its related company, Pierce Engineers, Inc., into the building and occupy the lower level and first floor and keep the remaining tenants in the second and third floors. SDI plans to renovate the space that Pierce Engineers, Inc. will occupy and have it completed by April, 2016, to relocate their offices. Waukesha State bank will be working with Pierce Engineers and MEDC for financing the purchase and improvements to the building.

<u>Sources</u>	<u>Amount</u>	<u>% of Total</u>
MEDC Loan	\$ 500,000	25.00%
Other	\$ 1,500,000	75.00%
	<u>\$ 2,000,000</u>	<u>100.00%</u>

<u>Uses</u>	
Purchase	\$ 2,000,000
	<u>\$ 2,000,000</u>

IV. EMPLOYMENT: Pierce Engineers, Inc.

	Full-Time (more than 30 hrs. per week)	Part-Time (less than 30 hrs. per week)
Current	43	4
Estimated increase in jobs within two years:	3	2

V. OWNERSHIP/MANAGEMENT TEAM:

SDI Holding Co., LLC		
Name	Title	Ownership %
Randy Elliott	Managing Member	100%



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LOAN & FINANCE COMMITTEE – October 13, 2015

I. BORROWER/OPERATING COMPANY: RWWF, LLC/NewCo

II. PROPOSED LOAN:

Loan Amount	\$700,000	New Customer	Yes
Rate	5.25%	Start Up	No
Term/Amortization	5/5	Years in Existence	12
Aldermanic District	1	Primary Lender	North Mill Capital

III. PROJECT DESCRIPTION / SUMMARY OF REQUEST:

Address: 7254 N. Teutonia Avenue, Milwaukee, WI 53209

Contact: Lisa Sanregret (414) 297-9931

Description: RWWF, LLC is seeking financing in the amount of \$700,000 to assist with an asset purchase of First Edge Solutions (FES) out receivership. In addition, the funds will be used for moving costs and working capital. FES is currently located at 1301 W. Canal Street and as part of the re-organization the company is negotiating a move to a facility at 7254 N. Teutonia Avenue.

First Edge Solutions, Inc., was established in 2003. Over the years FES continued to expand its business through organic growth as well as acquisitions of other printing companies.

Sources	Amount	% of Total
MEDC Loan	\$ 700,000	17.07%
Other	\$ 3,400,000	82.93%
	<u>\$ 4,100,000</u>	<u>100.00%</u>

Uses

Goodwill/Intantibles	\$ 1,100,000
Working Capital	\$ 550,000
Equipment Lease Buyout	\$ 300,000
Transaction/Moving Cost	\$ 200,000
Equipment Purchase	<u>\$ 1,950,000</u>
	<u>\$ 4,100,000</u>

IV. EMPLOYMENT:

	Full-Time (more than 30 hrs. per week)	Part-Time (less than 30 hrs. per week)
Current	35	8
Estimated increase in jobs within two years:	10	5

V. OWNERSHIP/MANAGEMENT TEAM:

Name	Title	Ownership %
US Citizenship Fund		100%
Robert W. Kraft	CEO & Chairman of Board	
Lisa K. Sanregret	President & COO	
Mike Schussman	Director of Manufacturing	
Adam Meluis	Controller & Treasurer	