



RESOLUTION # 18-5/11

TO: HONORABLE MEMBERS OF THE LA CROSSE COUNTY BOARD OF SUPERVISORS

ITEM # 5-3

BOARD ACTION

Adopted:
For: 29
Against: —
Abstain: —
Abs/Excd: 6
Vote Req: _____
Other Action: _____

EXECUTIVE COMMITTEE ACTION

Adopted:
For: 7
Against: —
Abstain: —
Abs/Excd: 2

RE: REPAYMENT OF SKIPPERLINER INDUSTRIES, INC. LOANS

WHEREAS, the La Crosse County Economic Development Fund, Inc. (the "Fund") has participated with the U.S. Department of Commerce – Economic Development Administration ("EDA") and the State of Wisconsin Department of Commerce ("DOC") in making loans to Skipperliner Industries, Inc. ("Skipperliner") in 1995, 2005 and 2009; and,

WHEREAS, Skipperliner repaid the 1995 loan in full to the Fund; however, the 2005 loan was in the amount of \$750,000 and the balance of \$254,610 remains unpaid; and no payments were made on the 2009 loan resulting in the principal due and owing on that loan in the amount of \$500,000; and,

WHEREAS, neither La Crosse County nor the Fund have used La Crosse County property tax or sales tax to fund any of the loans to Skipperliner; and,

WHEREAS, the 1995 loan was made from EDA funds awarded to establish a revolving loan fund in La Crosse County to assist in long term economic recovery from the flooding event of 1993; the 2005 loan was made from DOC funds (\$550,000), Community Block Grant funds (\$150,000) and EDA funds (\$50,000); and the 2009 loan was made by the DOC from state economic development funds (\$325,000) and the Fund from amounts received from repayments on previous economic development loans (\$175,000); and,

WHEREAS, in April, 2010 Skipperliner defaulted on repayment of the outstanding balance of the 2005 and 2009 loans in the principal amount of \$754,610 and filed a Chapter 128 proceeding under Wisconsin Statutes which resulted in the appointment of a receiver; and,

WHEREAS, in the fall of 2010 Skipperliner Acquisitions, LLC (a company owned by Jeb Griffith and referred to as "Skipperliner Acquisitions") acquired the real property previously owned by Skipperliner and JBG SL Holding, LLC (another company owned by Mr. Griffith and referred to as "JBG") acquired all of the bank loans that had a higher priority than the DOC/Fund loans that were secured by the real property; and,

WHEREAS, in a letter dated April 21, 2011 by its attorney, Skipperliner Acquisitions agreed to assume the debt owed by Skipperliner to the Fund/DOC under the following terms and conditions:

- A. The current outstanding principal amount of debt would be assumed exclusive of outstanding interest, penalties and late charges.
- B. The outstanding principal would be amortized over 30 years and paid on a monthly basis, but with principal repayment made in ten years.
- C. The Fund will use reasonable efforts to pursue the personal guarantee of Noel C. Jordan and apply any proceeds collected to the cost of collection, then to interest accrued prior to June 1, 2011 and then to principal.
- D. Skipperliner Acquisitions would cause JBG to subordinate its interest in the real property which places the DOC/Fund loans in a first lien position.

WHEREAS, all payments on the Skipperliner loans will be made to the Fund and become a part of its revolving loan fund and made available for future economic development assistance loans; and

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WHEREAS, at its meeting held April 29, 2011, the Fund Board recommended that La Crosse County accept the offer of Skipperliner Acquisitions that is outlined above to resolve the debt owed by Skipperliner Industries, Inc.


NOW, THEREFORE, BE IT RESOLVED, that the La Crosse County Board hereby approves the loan repayment terms set forth by Skipperliner Acquisitions in a letter from its attorney dated April 28, 2011 that is outlined above and authorizes the County Board Chair and President of the Fund to sign any and all documents necessary to accept the offer by Skipperliner Acquisitions and to carry out the terms and/or obligations required by the offer after approval of any documents necessary to complete this transaction by the Corporation Counsel.

FISCAL NOTE: The outstanding interest on the unpaid loan balances at the rate of 2% from 2005 to July 15, 2010 is \$7,526.01. Under terms of the agreement, Skipperliner Acquisitions would not be responsible for the outstanding interest on the debt. Costs of closing this transaction and using reasonable efforts to collect the debt from Noel C. Jordan are undetermined at this time, but any such expenses would be paid by the Fund.

Date: May 9, 2011

Date: 5/9/11





EXECUTIVE COMMITTEE CHAIR

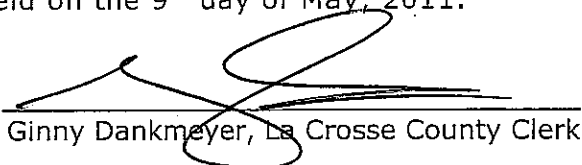
RECORDING CLERK

	Reviewed Only	Recommended	Not Recommended	
Co. Admin.	_____	<u>50</u>	_____	Requested By: Steve O'Malley Date Requested: May 2, 2011 Drafted By: Corporation Counsel
Fin. Director	_____	<u>51</u>	_____	
Corp. Counsel	<u>52</u>	_____	_____	
Board Chair	<u>50 / LJP</u>	_____	_____	

Adopted by the La Crosse County Board this 9 Day of May, 2011

STATE OF WISCONSIN
COUNTY OF LA CROSSE

I, Ginny Dankmeyer, County Clerk of La Crosse County do hereby certify that this document is a true and correct copy of the original resolution required by law to be in my custody and which the County Board of Supervisors of La Crosse County adopted at a meeting held on the 9th day of May, 2011.


Ginny Dankmeyer, La Crosse County Clerk