



Department of City Development

Housing Authority  
Redevelopment Authority  
City Plan Commission  
Historic Preservation Commission

March 31, 2005

Mr. Ronald D. Leonhardt  
City Clerk  
City Hall, Room 205  
Milwaukee, WI 53202

Dear Mr. Leonhardt:

Enclosed is a fully executed copy of a Cooperation Agreement identified as Contract No. 05-031 (CM) (C191005031), dated March 28, 2005, between the City of Milwaukee and the Milwaukee Economic Development Corporation relative to the Bucyrus International, Inc. project at 3073 S. Chase Avenue.

Please insert this agreement into Common Council Resolution File No. 041305, adopted February 1, 2005.

Sincerely,

Rocky Marcoux  
Commissioner

Enclosure

**COOPERATION AGREEMENT**

**THIS COOPERATION AGREEMENT** ("Agreement") is entered into as of February 1, 2005, by and between the City of Milwaukee, Wisconsin, a Wisconsin municipal corporation ("City") and the Milwaukee Economic Development Corporation, a non-profit corporation organized and existing under the laws of the State of Wisconsin ("MEDC").

**WITNESSETH THAT:**

**WHEREAS**, Bucyrus International, Inc. is one of the world's leading manufacturers of large-scale excavation equipment used in surface mining; Bucyrus machines are used by customers mining copper, coal, oil sands, iron ore and other minerals. Bucyrus is headquartered in South Milwaukee and currently has a workforce of approximately 700 at that location which is presently at capacity and cannot accommodate anticipated future business; and

**WHEREAS**, Bucyrus plans to lease approximately 70,000 s.f. at the former Metso Minerals facility at 3073 S. Chase Ave. and add fifty welding positions, plus an additional 30 to 50 support positions (inspectors, maintenance personnel, engineers, etc.), conditioned upon receiving financial assistance for the training of the welding positions, which training expense is currently estimated at \$600,000; and

**WHEREAS**, The estimated average wage of the additional welding positions is \$22 per hour, plus benefits, including health insurance and pension; and

**WHEREAS**, The Wisconsin Department of Commerce has offered a \$300,000 forgivable loan for the purposes of assisting the company to train the welding positions; and

**WHEREAS**, It is in the best interest of the City of Milwaukee ("City") to assist Bucyrus with its proposed expansion in the city and with its job training program; and

**WHEREAS**, Common Council Resolution File No. 041305, adopted February 1, 2005, authorizes the execution of this Cooperation Agreement and the funding of a grant to MEDC to fund the origination of a forgivable loan in accordance with the Term Sheet attached as **Exhibit "A"**; and

**WHEREAS**, MEDC authorized execution of this Agreement on February 1, 2005.

**NOW, THEREFORE**, The parties hereto mutually agree as follows:

1. Loan Origination. The MEDC agrees to implement and to carry out the origination of the Loan, as set forth in the Term Sheet, contingent upon the MEDC receiving adequate funding

from the City. The City agrees to provide the MEDC with the funds necessary to originate the Loan.

2. Establishment of Fund Account. The City will provide to the MEDC, from the Development Fund Acct. No. UR03390000, or from any other source as determined by the Common Council, funds in the presently estimated amount of \$150,000.00 for the Project.

3. Administration of the Fund Account. The City Comptroller shall review and approve the accounting and financial reporting systems necessary to administer the Fund Account.

4. Use of Fund Account. Funds granted by the City to MEDC shall be utilized solely for the purpose of originating the Loan.

5. Verification by Comptroller. The City Comptroller shall, from time to time as in the Comptroller's judgment is appropriate, review the receipts and expenditures of MEDC, or of management operations in relation to the Loan. The Comptroller shall have full power to conduct an audit or to have such an audit conducted as is necessary in the Comptroller's judgment to provide a full accounting to the City. The results of such audit shall be reported to the Common Council. Upon retirement of the Loan, MEDC shall make a full accounting to the City of income received and amounts expended and shall return to the City all unused and unneeded funds. In addition, MEDC shall transfer to the City all Loan repayments, if any, received by MEDC.

6. Interest Payments. Any sums payable hereunder by either party to the other shall not bear any interest, but any interest earned on such sums shall be transferred to the City.

7. Loan Administration. The President of MEDC shall administer the Loan originated pursuant to this Agreement and shall have the authority to grant waivers and consents under the Loan documentation, to approve the execution of estoppel certificates and subordination agreements, and to take all actions necessary to coordinate the administration of the Loan and security interests relative to the Loan with other financings undertaken by the borrower.


IN WITNESS WHEREOF, The parties have executed this Agreement the day and year as hereinafter set forth.

**CITY OF MILWAUKEE**

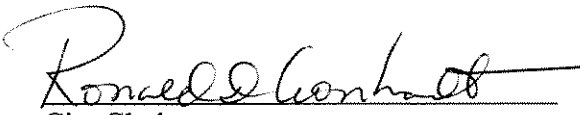
  
\_\_\_\_\_  
TOM BARRETT, Mayor

Date: 2/25/05

**MILWAUKEE ECONOMIC DEVELOPMENT CORPORATION**

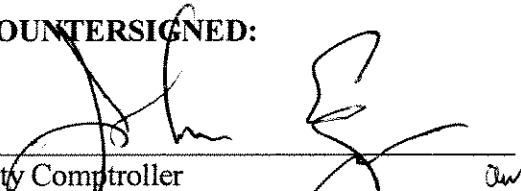
By:   
\_\_\_\_\_  
President

Date: Feb. 1, 2005

  
\_\_\_\_\_  
City Clerk

Date: 3/1/05

**COUNTERSIGNED:**

  
\_\_\_\_\_  
City Comptroller

Date: 3/7/05

Approved as to form, execution, and content this 28 day of March 2005.

  
\_\_\_\_\_  
THOMAS O. GARTNER  
Assistant City Attorney

This instrument was drafted by the Office of the City Attorney

TOG/js:01-21-05

## **EXHIBIT A**

### **Term Sheet**

#### **Bucyrus International, Inc. Project**

- Borrower: Bucyrus International, Inc.
- Lender: Milwaukee Economic Development Corp. (MEDC)
- Loan Amount: \$150,000
- Use of Funds: Training expenses for 50 welding positions to be employed at 3073 S. Chase Ave.
- Interest Rate: 5%
- Term: 8 years
- Repayment: Payments deferred, and interest shall accrue, until January 31, 2008. The loan will be amortized over the following five years in equal monthly payments of interest and principal.
- Loan Forgiveness: Payments shall be forgiven in each year Borrower maintains employment, at the Facility, of not less than 80 full-time positions.
- Loan Approval: Loan is subject to approval by the Common Council of the City of Milwaukee.
- Source of Funds: City of Milwaukee Development Fund.