



Legislation Text

File #: 021561, Version: 0

021561
ORIGINAL

THE CHAIR

Resolution approving a Cooperation Agreement with the Redevelopment Authority of the City of Milwaukee relative to the United Stars, Inc./Ampco Metal, Inc. project at 1745 South 38th Street. (DCD)

This resolution authorizes a loan of \$250,000 to assist United Stars, Inc. to acquire, renovate and remediate environmental contamination at the former Ampco Metal, Inc. facility at 1745 South 38th Street. Annual loan payments, scheduled over a ten-year term, shall be forgiven provided United Stars maintains a minimum workforce at this facility of 90 full-time positions.

Whereas, In 2002, Ampco Metal, Inc. ("Ampco"), located at 1745 South 38th Street, declared bankruptcy and United Stars Holdings, Inc. ("United Stars") subsequently acquired certain assets and intellectual property from Ampco; the acquisition included Ampco's foundry, extrusion, machining and welding rod business units located in Milwaukee as well as its casting operation located in Arlington Heights, Illinois; and

Whereas, United Stars, which is headquartered in Beloit, Wisconsin, operates businesses that manufacture welded stainless steel tubing, copper base electrical components and machined parts used by the transportation and aerospace industries; United Stars also operates facilities in Beloit and Hudson, Wisconsin, as well as Tennessee, Pennsylvania, Washington and Illinois; and

Whereas, United Stars presently leases the former Ampco facility at South 38th Street and wishes to acquire the property from the bankruptcy trustee, conditioned upon receiving financial assistance for remediating environmental contamination, as well as renovating and re-equipping the substantially deteriorated property; and

Whereas, United Stars currently employs over 100 people at the South 38th Street facility, substantially all of the manufacturing workers are former Ampco employees and the average manufacturing wage is \$14.94 per hour; and

Whereas, It is in the best interest of the City of Milwaukee ("City") to assist United Stars in the acquisition of the former Ampco facility such that the property can be renovated and remediated and the employees retained at this location; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the proper City officials are authorized and directed to enter into a Cooperation Agreement with the Redevelopment Authority of the City of Milwaukee providing for a loan to United Stars on the terms and conditions set forth in the Term Sheet, a copy of which is attached to this Common Council File; and, be it

Further Resolved, That the funds for this loan shall be provided from the Development Fund, Account No. UR03390000; and, be it

Further Resolved, That any payments received by the Redevelopment Authority of the City of Milwaukee from the loan to United Stars shall be repaid to the City promptly upon such receipt by the Redevelopment Authority.

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