



## Legislation Text

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**File #: 130623, Version: 1**

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130623

SUBSTITUTE 1

101375, 130055

ALD. ZIELINSKI

Substitute resolution regarding the disposition of assets received by the City of Milwaukee in satisfaction of a loan to Sweet Water Organics.

This substitute resolution approves disposition of certain assets received by the City of Milwaukee in settlement of debt due to the City from Sweet Water Organics with proceeds returned to a Development Fund revenue account, so it may be applied to the debt service fund.

Whereas, Common Council File No. 101375 authorized the expenditure of \$250,000 from the Development Fund in the form of a forgivable loan to Sweet Water Organics ("SWO") to assist the company to expand its operations; and

Whereas, SWO ceased production before achieving employment levels that would have allowed for full forgiveness of the loan; and

Whereas, Certain collateral purchased with loan proceeds was protected by the Loan and Security Agreement ("Agreement") between the City of Milwaukee ("City") and SWO; and

Whereas, Common Council File No. 130055 directed the Department of City Development ("DCD") to work with the Office of the City Attorney to recapture the collateral granted by the Agreement and directed DCD to dispose of the collateral through sale or lease arrangements with a qualified purchaser or lessor; and

Whereas, File No. 130055 further stipulated that DCD obtain prior Common Council approval for any sale or lease agreements or other arrangements for the disposition of SWO collateral; and

Whereas, On July 8, 2013, SWO delivered to the City Attorney a Bill of Sale surrendering the protected collateral; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that DCD is authorized to enter into an agreement with Betthausers' Auction Service to hold an auction to dispose of collateral items located at 187 East Becher Street, Milwaukee, Wisconsin; and, be it

Further Resolved, That DCD is authorized to sell equipment listed on the Bill of Sale through the vehicle of an online auction operated by Wisconsin Surplus Online Auction; and, be it

Further Resolved, That the Common Council authorizes sale of all collateral to the highest bidders participating in these auctions; and, be it

Further Resolved, That revenue from the sale of the collateral, less the expenses for handling such sale, shall be deposited in revenue account 987020 in fund 0339 with the original Development Fund project number UR03399402, to be applied to the debt service fund because the loan was financed with bond proceeds.

DCD:MLB:mlb

09/11/13