



Brock Portilia
Director – Finance & Administration
Ph: 262.925.3468
bportilia@kaba.org

DATE: February 5, 2018

TO: Mr. David Geertsen, Finance Director
Kenosha County

FROM: Brock Portilia, Director – Finance & Administration
Kenosha Area Business Alliance, Inc.

SUBJECT: KABA 2017 4th Quarter Loan Reports

In accordance with the existing contracts between KABA and the County, we are pleased to provide the specific quarterly reports for the period ending December 31, 2017 for the following contracts:

1. Business Retention & Expansion Program Summary Report
2. EDA Revolving Loan Fund
3. County Revolving Loan Fund
4. CKC Revolving Loan Fund
5. High Impact Loan Fund

Should you have any questions or need additional information in the interim, please do not hesitate to call me at your convenience. Copies of these reports have also been sent to the other members of the County Finance Committee. Staff will be present at the County meeting when this is scheduled to respond to any questions or provide further clarification.

Brock

Enclosures

cc: Jim Kreuser, Kenosha County Executive
County Finance Committee

Business Retention & Expansion Report

2017 Summary

Presented by: Heather Wessling Grosz, Vice President of Economic Development
at the January 23, 2018 Board of Directors meeting

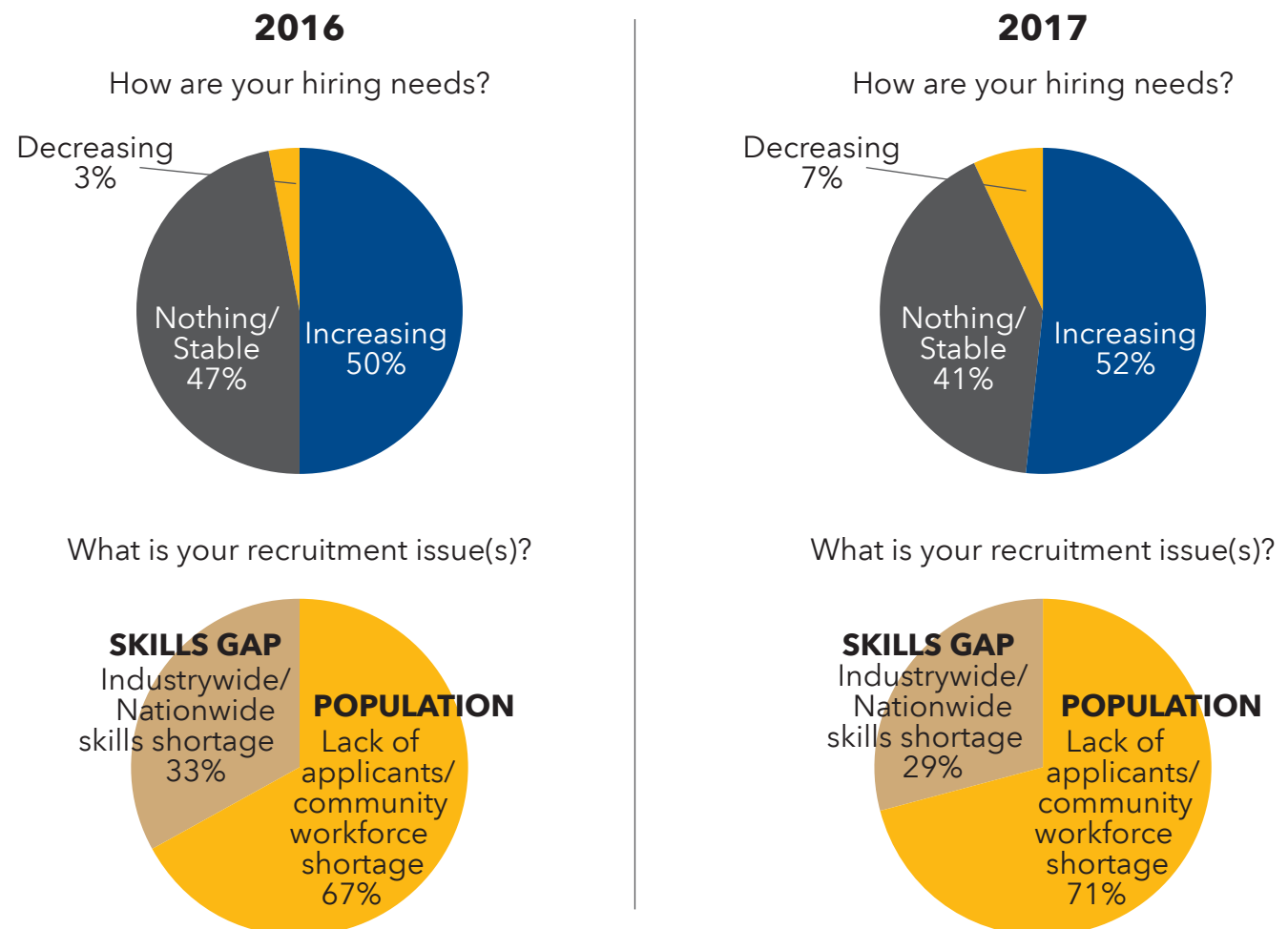
The BR|E program is dedicated to supporting the retention, growth and profitability of Kenosha County companies. In 2017 we followed up with 80 + manufacturing, transportation, distribution and professional businesses that are already invested in the community. KABA sought feedback for developing resources and tools for the future.

Talent recruitment was cited as the highest priority for the majority of companies interviewed in 2016 and in 2017. BR|E helped to set the stage for economic development priorities such as an investment in a series of talent recruitment and retention workshops to enhance the efforts of companies to secure job candidates. KABA is also partnering with municipalities and private sources by building out a county-wide website to be utilized as a relocation tool for employees and families contemplating a move to Kenosha County.

Figure 1: Recruitment

2017 is more competitive than 2016. We asked executives if there is a nation-wide shortage of the particular skill needed (skill gap question, e.g. not enough trained nurses/doctors to meet the demand) versus community shortage (lack of potential candidates locally available to fill entry-level positions).

Most executives stated both is a challenge but when asked which is more difficult - they selected that the need for our community to grow to meet the demand for open positions as most important.



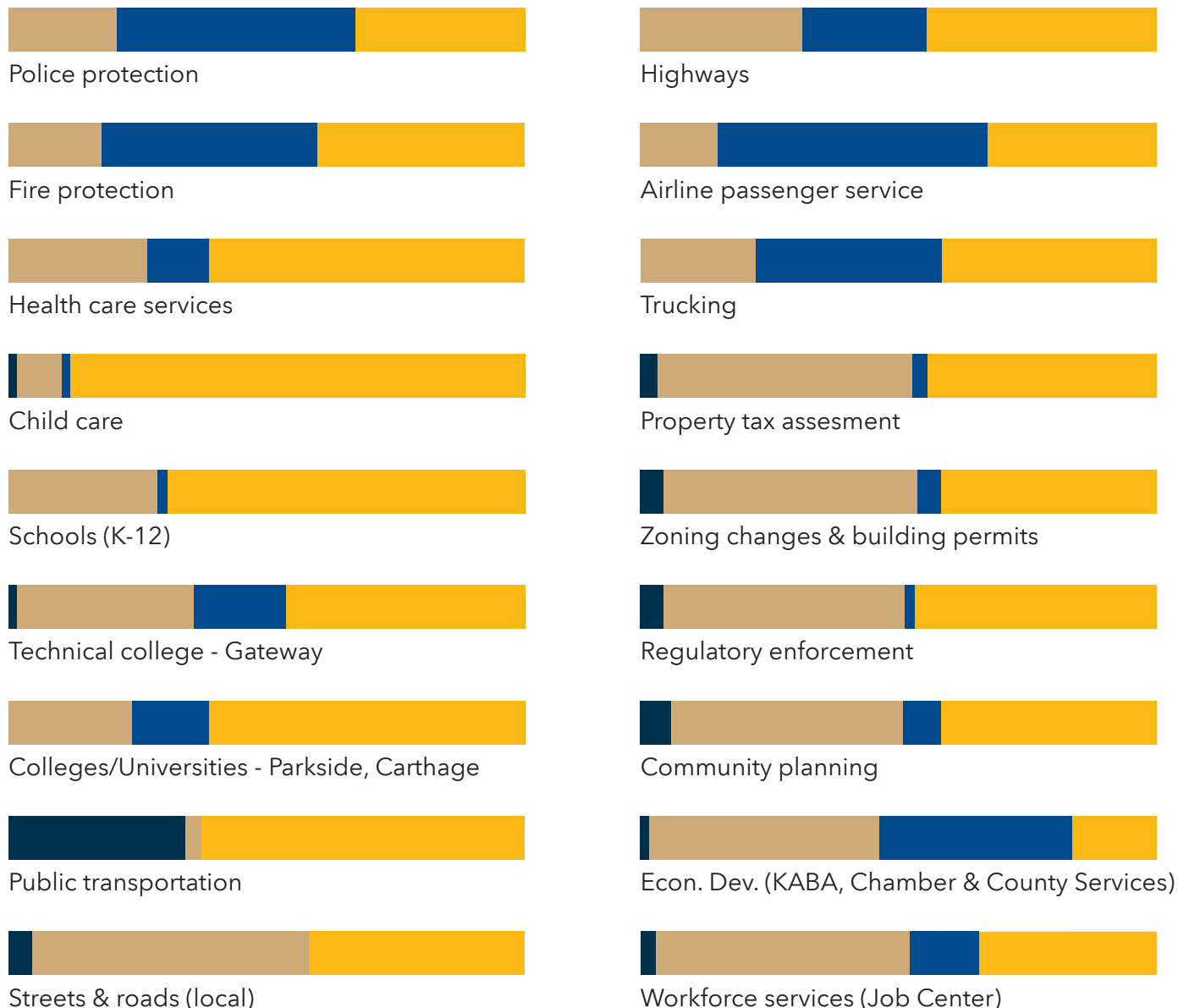
Business Retention & Expansion Report

2017 Summary

Presented by: Heather Wessling Grosz, Vice President of Economic Development
at the January 23, 2018 Board of Directors meeting

Figure 2: Community Services

Company executives reported overall a high level of satisfaction with community services. Most executives responded to one or two items that are top of mind: schools (K-12), technical education/colleges, public safety and the current condition of our roads/streets including better access to downtown, and regulatory items were mentioned most often as needing attention/resources to improve our community (business climate indicators). Also, many executives when asked about childcare services and our schools didn't know how to respond because many of them lived outside of Kenosha County.



Executives rated their satisfaction as:

Low
 Moderate
 High
 Neutral/don't know

KENOSHA AREA BUSINESS ALLIANCE
EDA/Revolving Loan Fund
Quarterly Status Report *

Period October 1, 2017 through December 31, 2017

Bank Account Balance as of 10/1/17:	\$ 940,029.26
Plus Loan Principal & Interest Received:	\$ 113,888.70
Plus Bank Interest Income:	\$ 895.72
Less Loan Disbursements:	\$ -
Less Bank/Loan/Service/Legal Expenses:	\$ -
Less Administrative Allocation for 2017:	\$ 50,541.99
Balance In Bank Account as of 12/31/17:	<u>\$ 1,004,271.69</u>
Less Outstanding Commitments as of 12/31/17:	\$ -
Less Approved Loans (Commitments Pending):	\$ -
Balance Available for Loans:	<u><u>\$ 1,004,271.69</u></u>

* There were no loans in arrears as of this report date.

* See attached summary for all active loans in this account.

KENOSHA AREA BUSINESS ALLIANCE, INC. AND ITS SUBSIDIARY
LOAN FUND/ADVANCE RECEIVABLE ANALYSIS SCHEDULE
For the Twelve Months Ended December 31, 2017

	Original Principal Balance	Principal Balance at 1/1/2017	Current Year Borrowings	Principal Receipts YTD 12/31/2017	Interest Receipts YTD 12/31/2017	Principal Balance 12/31/2017	Current Interest Rate
EDA/County Revolving Loan Fund (EDA/CLF)							
Bradshaw Medical, Inc.	\$ 400,000.00	\$ 4,445.65		\$ 4,445.65	\$ 10.92	\$ 0.00	3.00%
Corporate Drive Properties, LLC	\$ 250,000.00	\$ 156,010.60		\$ 12,202.22	\$ 6,018.34	\$ 143,808.38	4.00%
Five Star Coatings, Inc.	\$ 400,000.00	\$ 92,572.64		\$ 47,414.30	\$ 2,839.90	\$ 45,158.34	4.00%
Bradshaw Medical, Inc.	\$ 400,000.00	\$ 83,936.67		\$ 45,211.47	\$ 1,899.81	\$ 38,725.20	3.00%
Bradshaw Medical, Inc.	\$ 250,000.00	\$ 133,149.81		\$ 25,058.55	\$ 3,651.81	\$ 108,091.26	3.00%
ROA, LLC	\$ 145,000.00	\$ 124,126.25		\$ 5,399.61	\$ 6,083.67	\$ 118,726.64	5.00%
Hanna Cylinders, LLC	\$ 750,000.00	\$ 448,290.07		\$ 106,676.82	\$ 12,989.70	\$ 341,613.25	3.25%
Quest 8201, LLC	\$ 550,000.00	\$ 509,599.87		\$ 19,658.09	\$ 21,277.99	\$ 489,941.78	4.25%
Allied Partners	\$ 750,000.00	\$ 696,234.52		\$ 28,271.78	\$ 23,917.54	\$ 667,962.74	3.50%
GFI Midwest, LLC	\$ 750,000.00	\$ 690,842.93		\$ 67,176.59	\$ 19,806.61	\$ 623,666.34	3.00%
Total	\$ 4,645,000.00	\$ 2,939,209.01	\$ -	\$ 361,515.08	\$ 98,496.29	\$ 2,577,693.93	

KENOSHA AREA BUSINESS ALLIANCE
County Revolving Loan Fund
Quarterly Status Report *

Period October 1, 2017 through December 31, 2017

Bank Account Balance as of 10/1/17:	\$ 1,458,198.72
Plus Loan Principal & Interest Received:	\$ 45,942.09
Plus Bank Interest Income:	\$ 1,294.17
Less Loan Disbursements:	\$ -
Less Bank/Loan/Service/Legal Expenses:	\$ -
Less Administrative Allocation for 2017:	\$ -
Balance In Bank Account as of 12/31/17:	<u>\$ 1,505,434.98</u>
Less Outstanding Commitments as of 12/31/17:	
Less Approved Loans (Commitments Pending):	\$ -
Balance Available for Loans:	<u><u>\$ 1,505,434.98</u></u>

* See attached summary for all active loans in this account.

KENOSHA AREA BUSINESS ALLIANCE, INC. AND ITS SUBSIDIARY
LOAN FUND/ADVANCE RECEIVABLE ANALYSIS SCHEDULE
For the Twelve Months Ended December 31, 2017

	Original Principal Balance	Principal Balance at 1/1/2017	Current Year Borrowings	Principal Receipts YTD 12/31/2017	Interest Receipts YTD 12/31/2017	Principal Balance 12/31/2017	Current Interest Rate
County Revolving Loan Fund (CRLF)							
ITO Industries	\$ 472,960.70	\$ 119,858.44		\$ 108,434.63	\$ 5,215.41	\$ 11,423.81	5.75%
Five Star Coatings Group, Inc.	\$ 472,375.00	\$ 107,721.41		\$ 55,430.39	\$ 2,473.57	\$ 52,291.02	3.00%
Mills Hotel Kenosha, LLC	\$ 800,000.00	\$ 525,354.09		\$ 37,865.73	\$ 15,242.79	\$ 487,488.36	3.00%
Paddock Lake Heights, LLC	\$ 187,500.00	\$ 171,103.49		\$ 171,103.49	\$ 20,518.15	\$ -	4.25%
OFFSITE, LLC	\$ 200,000.00	\$ 166,399.93		\$ 7,967.86	\$ 6,510.98	\$ 158,432.07	4.00%
Better World Realty, LLC	\$ 500,000.00	\$ 425,962.91		\$ 19,678.44	\$ 16,680.36	\$ 406,284.47	4.00%
ROA, LLC	\$ 31,601.38	\$ 29,961.83		\$ 1,303.28	\$ 1,468.48	\$ 28,658.55	5.00%
Hanna Cylinders	\$ 120,000.00	\$ 71,726.09		\$ 17,068.13	\$ 2,078.35	\$ 54,657.96	3.25%
Total	\$ 2,784,437.08	\$ 1,618,088.19	\$ -	\$ 418,851.95	\$ 70,188.09	\$ 1,199,236.24	

**KENOSHA AREA BUSINESS ALLIANCE
CKC/Revolving Loan Fund
Quarterly Status Report ***

Period October 1, 2017 through December 31, 2017

Bank Account Balance as of 10/1/17:	\$ 2,720,393.38
Plus Loan Principal & Interest Received:	\$ 61,153.29
Plus Bank Interest Income:	\$ 2,675.75
Less Loan Disbursements:	\$ -
Less Bank/Loan/Service/Legal Expenses:	\$ -
Less Administrative Allocation for 2017:	\$ 20,287.48
Balance In Bank Account as of 12/31/17:	<u>\$ 2,763,934.94</u>
Less Outstanding Commitments as of 12/31/17:	\$ -
Less Approved Loans (Commitments Pending):	\$ 1,040,000.00
Balance Available for Loans:	<u><u>\$ 1,723,934.94</u></u>

* There were no loans in arrears as of this report date.

* See attached summary for all active loans in this account.

KENOSHA AREA BUSINESS ALLIANCE, INC. AND ITS SUBSIDIARY
LOAN FUND/ADVANCE RECEIVABLE ANALYSIS SCHEDULE
For the Twelve Months Ended December 31, 2017

	Original Principal Balance	Principal Balance at 1/1/2017	Current Year Borrowings	Principal Receipts YTD 12/31/2017	Interest Receipts YTD 12/31/2017	Principal Balance 12/31/2017	Current Interest Rate
Consolidated Kenosha County/RLF (CKC/RLF)							
Corporate Drive Properties, LLC	750,000.00	468,101.79		36,612.03	18,057.69	431,489.76	4.00%
Quest 8201, LLC	750,000.00	694,908.87		26,806.49	29,015.47	668,102.38	4.25%
MIKA Brands	316,000.00	312,327.47		15,269.81	13,742.35	297,057.66	4.50%
Ariens Company	1,000,000.00	-	1,000,000.00	47,802.87	4,751.79	952,197.13	1.00%
Total	\$ 2,816,000.00	\$ 1,475,338.13	\$ 1,000,000.00	\$ 126,491.20	\$ 65,567.30	\$ 2,348,846.93	

KENOSHA AREA BUSINESS ALLIANCE
High Impact Loan Fund
Quarterly Status Report *

Period October 1, 2017 through December 31, 2017

Bank Account Balance as of 10/1/17:	\$ 183,097.27
Plus Loan Principal & Interest Received:	\$ -
Plus Bank Interest Income:	\$ 138.11
Plus Funds Received from County	\$ -
Less Loan Disbursements:	\$ -
Less Bank/Loan/Service/Legal Expenses:	\$ -
Balance In Bank Account as of 12/31/17:	<u>\$ 183,235.38</u>
Less Approved Loans (Commitments Pending):	\$ -
Balance Available for Loans (Existing Funds):	<u><u>\$ 183,235.38</u></u>

* There were no loan defaults as of this report date.

* See attached summary for all active loans in this account.

KENOSHA AREA BUSINESS ALLIANCE, INC. AND ITS SUBSIDIARY
LOAN FUND/ADVANCE RECEIVABLE ANALYSIS SCHEDULE
For the Twelve Months Ended December 31, 2017

	Original Principal Balance	Principal Balance at 1/1/2017	Current Year Borrowings	Principal Receipts YTD 12/31/2017	Interest Receipts YTD 12/31/2017	Principal Balance 12/31/2017	Current Interest Rate
High Impact Economic Development Fund							
Advance Receivable (HI)							
Bradshaw Medical, Inc.	\$ 250,000.00	\$ 250,000.00		\$ -	\$ -	\$ 250,000.00	3.25%
Hanna Cylinders, LLC	\$ 250,000.00	\$ 250,000.00		\$ -	\$ -	\$ 250,000.00	3.25%
Kenall Manufacturing	\$ 1,000,000.00	\$ 1,000,000.00		\$ -	\$ -	\$ 1,000,000.00	3.25%
Niagara Bottling, LLC	\$ 350,000.00	\$ 350,000.00		\$ -	\$ -	\$ 350,000.00	3.25%
InSinkErator	\$ 625,000.00	\$ 625,000.00		\$ -	\$ -	\$ 625,000.00	3.25%
GFI Midwest, LLC	\$ 100,000.00	\$ 100,000.00		\$ -	\$ -	\$ 100,000.00	3.00%
Colbert Packaging	\$ 250,000.00	\$ 250,000.00		\$ -	\$ -	\$ 250,000.00	3.50%
Vonco Products	\$ 500,000.00	\$ -	\$ 500,000.00			\$ 500,000.00	4.00%
Ariens Company	\$ 250,000.00	\$ 250,000.00		\$ -	\$ -	\$ 250,000.00	3.50%
Total	\$ 3,575,000.00	\$ 3,075,000.00	\$ 500,000.00	\$ -	\$ -	\$ 3,575,000.00	

<u>Company</u>	<u>Bradshaw Medical</u>	<u>Hanna Cylinders</u>	<u>Kenall Mfg</u>	<u>Niagara Bottling, LLC</u>	<u>InSinkErator</u>	<u>Gourmet Foods Midwest</u>	<u>Ariens</u>	<u>Colbert Packaging</u>	<u>Vonco</u>	<u>Total/Average</u>
Project Type	Expansion	New Location	New Location	New Location	New Location	New Location	New Location	New Location	New Location	
High Impact Funding	\$ 250,000	\$ 250,000	\$ 1,000,000	\$ 350,000	\$ 625,000	\$ 100,000	\$ 250,000	\$ 250,000	\$ 500,000	\$ 3,575,000
Total New Private Investment	\$ 1,858,000	\$ 3,200,000	\$ 25,000,000	\$ 75,000,000	\$ 18,500,000	\$ 4,450,000	\$ 4,500,000	\$ 24,500,000	\$ 11,000,000	\$ 168,008,000
New or Additional Jobs Projected	78	135	621	90	235	50	50	110	105	1474
Weighted Avg Hourly Wage	\$ 21.63	\$ 20.65	\$ 26.44	\$ 21.15	\$ 18.00	\$ 18.00	\$ 18.00	\$ 19.84	\$ 19.57	\$ 22.43
Avg Annual Salary per Job	\$45,000	\$ 42,947	\$ 55,000	\$ 43,992	\$ 37,440	\$ 37,440	\$ 37,440	\$ 41,267	\$ 40,706	\$ 46,660.83
Projected New Annual Payroll	\$3,510,000	\$5,797,907	\$ 34,155,000	\$ 3,959,280	\$ 8,798,400	\$ 1,872,000	\$ 1,872,000	\$ 4,539,392	\$ 4,274,088	\$ 68,778,067
Investment per Job	\$ 3,205.13	\$ 1,851.85	\$ 1,610.31	\$ 3,888.89	\$ 2,659.57	\$ 2,000.00	\$ 5,000.00	\$ 2,272.73	\$ 4,761.90	\$ 2,425.37
Private Investment Leveraged per \$1	\$ 7.43	\$ 12.80	\$ 25.00	\$ 214.29	\$ 29.60	\$ 44.50	\$ 18.00	\$ 98.00	\$ 22.00	\$ 47.00
New or Additional Jobs Required	50	100	400	70	200	40	40	85	86	1071
Actual Job counts as of 12/31/17	60	107	407	92	235	52	50	70	120	1193
Contract Date	5/29/2012	8/28/2013	11/1/2014	8/19/2014	11/24/2014	12/21/2015	12/2/2016	12/27/2016	8/2/2017	
Contract Term	8 yrs	8 yrs	8 yrs	8 yrs	8 yrs	8 yrs	8 yrs	8 yrs	8 yrs	
Creation Period Measurement Date	5/29/2015	8/28/2016	11/1/2017	8/19/2017	11/24/2017	12/31/2017	12/31/2017	12/31/2019	8/2/2020	
Maintenance Requirement Date	5/29/2020	8/28/2021	11/1/2022	8/19/2022	11/24/2022	12/31/2023	12/31/2024	12/31/2024	8/2/2025	