

MINUTES
BUSINESS REVOLVING LOAN FUND REVIEW COMMITTEE
FRIDAY, SEPTEMBER 1, 1995 - 10:00 A.M.
COMMISSIONER'S COMMITTEE ROOM

Present: Commissioner Gould, Commissioner Eisenmann and Irv Shaw

Also Present: Vincent Lysaght, Scott Gietzen, Gil Henry, Harold Baily and Bill Bacon

I. Approval of Minutes

Motion by Eisenmann, supported by Shaw to approve the minutes of the August 3, 1995 meeting. Motion carried.

II. Review Business Loan Application of Enviro-Metal Finishing, Inc.

Bill Bacon reviewed the requirements under the Community Development Block Grant (CDBG) for a business loan application. A certifying officer for environmental review needs to be designated, an environmental review record prepared and a notice to the public of no significant impact on the environment published in the newspaper. Other requirements include civil rights, equal opportunity, fair housing and labor (prevailing wage) standards.

The committee raised questions concerning the proposed location of the Enviro-Metal Finishing plant in the Adrian Industrial Park adjacent to a mobile home residential community. Additional questions followed regarding the potential environmental liability of the County for the operation of an industrial facility on which it would hold a mortgage.

Gil Henry stated that he is an investor in Enviro-Metal Finishing. He recommended that as an alternative to a direct mortgage loan, consideration should be given to pledging a portion of business loan revolving funds as insurance against possible default through a conventional bank loan.

Scott Gietzen reviewed the process that will be used in the new facility to plate metals with a zinc coating. He emphasized that numerous environmental precautions would be followed and stated that sludge remaining from the manufacturing process would be classified as non-hazardous.

Irv Shaw recommended that the County not hold a mortgage security position in real estate. He explained that environmental laws are uncertain when dealing with exposure to liability. He stated that a hold harmless agreement from a lender should be drawn up so that the County will not be held liable for any possible environmental cleanups that may be necessary.

Mr. Gietzen explained that the revised debt service figure for Enviro-Metal Finishing is approximately \$12,000/month. This would cover payments for the building and other debts estimated at approximately \$1.2 million.

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September 1, 1995

Motion by Eisenmann, supported by Gould to recommend that the Board of Commissioners adopt the resolution to be considered at the September 13, 1995 public hearing authorizing the submission of a loan application from Enviro-Metal Finishing, Inc. to the State of Michigan for compliance with CDBG requirements and that the required "notice of no significant impact on the environment" be published in The Daily Telegram and paid by the Business Revolving Loan Fund and that an overall financial review be conducted on a possible \$500,000 loan guarantee to Enviro-Metal Finishing, Inc. through a conventional lending institution. Motion carried. Irv Shaw abstaining.

III. Adjournment

There being no further business the meeting was adjourned at 12:00 Noon.

WRB/tjm

Attachment(s)

LENAWEE COUNTY ADMINISTRATOR'S OFFICE

WILLIAM R. BACON
County Administrator
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Adrian, MI 49221



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A G E N D A

**BUSINESS REVOLVING LOAN FUND REVIEW COMMITTEE
FRIDAY, SEPTEMBER 1, 1995 - 10:00 A.M.
COMMISSIONER'S COMMITTEE ROOM
Old County Courthouse, 301 N. Main St., Adrian, MI 49221**

Members: *Commissioner Gould, Commissioner Eisenmann and Irv Shaw*

- 1) *Approve minutes of August 3, 1995 meeting*
- 2) *Review business loan application of Enviro-Metal Finishing, Inc.*
 - ⇒ *designate certifying officer for environmental review*
 - ⇒ *environmental review record*
 - ⇒ *approval to publish "Notice to Public of No Significant Impact on the Environment"*
 - ⇒ *civil rights, equal opportunity, fair housing and labor (prevailing wage) standards*
- 3) *Financial review*
- 4) *Other business*
- 5) *Adjournment*

WRB/tjm

Enclosure(s)

CC: *David Munson, Lenawee Tomorrow
Harold Baily, County Treasurer
Vincent E. Lysaght*