



Date: August 13, 2009  
To: Administration Committee  
From: Greg Keil, CDD  
RE: Request to extend repayment of Winnebago County Industrial Development Board Loan – Advanced Tooling Specialists

Advanced Tooling Specialists is requesting an extension of their loan from the Winnebago County Industrial Development Board as described in the attached letter from James Luebke dated July 30, 2009. The request is for a two year, interest only extension of their existing five year, \$1.3 million loan. The City of Menasha holds a mortgage on the property and has issued a promissory note to the Winnebago County Industrial Development board pledging the repayment of the borrowed funds.

Pending action on this matter by the Administration Committee, the Winnebago County Industrial Development Board will consider the request by Advanced Tooling Specialists at its next scheduled meeting.



July 30, 2009

Greg M. Keil  
Department of Community Development  
City of Menasha

Dear Mr. Keil

As discussed in the meeting of June 23<sup>rd</sup> Advanced Tooling Specialists, Inc. is seeking a two year extension of the 5 year loan which becomes due in May of 2010. We are seeking an interest only extension with the same terms we currently have.

The reason for the request is due to the impact the downturn in the economy and particularly the American automotive industry has had on our company. Historically Advanced Tooling Specialists has enjoyed success supplying companies such as Grede Foundry, Neenah Foundry, and other Tier 1 suppliers with the tooling and machinery needed to help manage their finishing room. A significant portion of our business has been focused on this customer base. We had been experiencing a significant slow down prior to when the bottom dropped out late in 2008. A number of projects were cancelled and/ or postponed including a major project for Chrysler. The Chrysler project is 98% complete and sits on our floor. With the capital markets dried up it is virtually impossible to find a customer who may be interested in it. This is representative of several challenges we have in the automotive sector including bankruptcy of one of our largest customers

To coincide with this the downturn had affected our precision machining business as well. Precision machining sales are only now starting to come back while our automotive-foundry business remains weak. To overcome this we have aggressively pursued other avenues and are starting to see some success. Providing our services to the health care industry is beginning to show promise.

ATS has taken the steps required to stop the bleeding and strengthen its balance sheet while keeping the people we have on staff. We anticipate we will be back on track hiring skilled employees by the first quarter of 2010 and by year end 2010 sales approaching normal levels. In asking for the two year interest only extension, it allows us to continue strengthening our balance sheet and collateral position to incorporate this loan and higher monthly cash flow requirements.

We appreciate the opportunity to discuss this at the August 3<sup>rd</sup> City Council meeting. If you require further information prior to or during the meeting please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "James Luebke", is written over a horizontal line.

James Luebke  
CEO/Owner  
Advanced Tooling Specialists, Inc.