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FOR IMMEDIATE RELEASE

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**City/County Joint Bid is Only Bid Entered for
Former Paragon Property at Foreclosure Sale**

**--Local Units Seek to Recover Loan Funds and
Related Costs, Return Property to Private Use**

The Sheriff's Sale for the former Paragon Electric property, 606 Parkway Boulevard, took place on Tuesday, August 20.

That sale occurred pursuant to the City of Two Rivers and County of Manitowoc being awarded a foreclosure judgement in Manitowoc County Circuit Court in October 2018.

It also followed the expiration of a six-month redemption period during which the property's owner, Paragon Partners, LLC, had the opportunity to repay debts owed to the foreclosing parties, to redeem its interest in the property.

Paragon Partners, LLC borrowed a total of \$2.15 million to purchase the former Paragon Electric Company property in June 2014. Sources included a \$750,000 economic development loan from the City, \$250,000 economic development loan from the County, and \$1.15 million in bank financing.

The company, which proposed to re-use the facility for a bottling plant and projected creation of 300 new jobs, has defaulted on its obligations to both the City and the County.

The City, on behalf of itself and the County, entered an initial bid of \$705,100, thereby setting the minimum bid for the Sheriff's Sale. No other bids were made.

City Attorney Jack Bruce will this week file a motion for confirmation of sale with the Circuit Court. That request will be considered by Judge Mark Rohrer on September 10.

If the sale is confirmed by the court, the City expects to move quickly to get the property listed with a commercial broker and to identify actions needed to preserve the property through the coming winter.

Neither the City nor the County was required to present any funds along with their bid, as that bid was less than the amount of the judgment awarded by the court back in October.

The City also retains the right to take action against Daniel and Carol Wergin and Joseph Roberts, who were co-makers of the City loan, for any amounts still owed on the City. In addition to principal and interest owed on the delinquent economic development loan, the City will seek to recover funds advanced for attorney fees, for utility costs, and for delinquent property taxes.

The City expects to continue cooperating with the County in this matter, with two goals in mind:

1. Recovering all monies owed to the the City, so those funds can be used for other community development activities; and
2. Returning this former manufacturing property to a productive business use (property consists of 26.7 acres of land and a 316,000 SF manufacturing and office facility)



Aerial View of the former Paragon Electric property located at 606 Parkway Boulevard in Two Rivers, near the intersection of Columbus Street and STH 42/Memorial Drive