

**Common Council
of the
City of Waukesha, Wisconsin**

Resolution 2024 – ___

**Initial Resolution Regarding Industrial Development Revenue
Bond Financing for Midwest Engineered Systems, Inc., Project**

Whereas Section §66.1103 of the Wisconsin Statutes (the “Act”) authorizes the City of Waukesha, Wisconsin (the “Issuer”), to authorize the issuance and sale of bonds by the Issuer to construct, equip, re-equip, acquire by gift, lease or purchase, install, reconstruct, rebuild, rehabilitate, improve, supplement, replace, maintain, repair, enlarge, extend or remodel industrial projects; and

Whereas Midwest Engineered Systems, Inc., a Wisconsin corporation, and/or a related entity, and/or a limited liability entity to be formed (collectively, the “Borrower”), desires to complete a project to be owned by the Borrower consisting of financing the (i) acquisition and rehabilitation of an existing approximately 93,000 square foot facility located at 405 Commerce Street in the City of Waukesha, Wisconsin (the “Facility”) to be operated by the Borrower to manufacture custom automation systems, (ii) acquisition and installation of equipment at the Facility, and (iii) payment of certain professional costs and costs of issuance (collectively, the “Project”), all of which would contribute to the well-being of the City of Waukesha, Wisconsin; and

Whereas the cost of the Project is presently estimated to be \$8,000,000 and the amount proposed to be financed with one or more issues or series of tax-exempt and/or taxable industrial development revenue bonds (the “Bonds”) issued under the Act does not exceed \$8,000,000; and

Whereas it is the public interest of the Issuer to promote, attract, stimulate, rehabilitate and revitalize commerce, industry and manufacturing, to promote the betterment of the economy of the Issuer; and

Whereas the Borrower has requested that the Issuer now approve an initial resolution (the “Initial Resolution”) providing for the financing of the Project in an amount not to exceed \$8,000,000; and

Whereas the Issuer is a municipality organized and existing under and pursuant to the laws of the State of Wisconsin, and is authorized to enter into revenue agreements with eligible participants with respect to the Project whereby eligible participants agree to cause said Project to be constructed and to pay the Issuer an amount of funds sufficient to provide for the prompt payment when due of the principal and interest on said industrial development revenue bonds.

Now, therefore, be it resolved by the Common Council of the City of Waukesha, Wisconsin, as follows:

- 1.** Based upon representations of the Borrower, it is the finding and determination of the Common Council that the Project is a qualified “project” within the meaning of the Act and that the Borrower is an “eligible participant” within the meaning of the Act. The Issuer shall:
 - a.** Finance the Project in an amount not to exceed \$8,000,000; and
 - b.** Issue industrial development revenue bonds in one or more series of tax-exempt and/or taxable bonds (the “Bond(s)”), in an amount not to exceed \$8,000,000 in order to finance costs of the Project.

2. The aforesaid plan of financing contemplates, and is conditioned upon, the following:
 - a. The Bonds shall never constitute an indebtedness of the Issuer within the meaning of any state constitutional provision or statutory limitation;
 - b. The Bonds shall not constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers;
 - c. The Project shall be subject to property taxation in the same amount and to the same extent as though the Project were not financed with industrial development revenue bonds;
 - d. The Borrower shall find a purchaser for all of the Bonds;
 - e. The City's out-of-pocket costs, including but not limited to legal fees and trustee's fees, in connection with the issuance and sale of the Bonds shall be paid by the Borrower; and
 - f. A notice of public hearing required by federal law for purposes of Section 147(f) of the Internal Revenue Code, as amended, shall be published in a newspaper of general circulation in the City of Waukesha and a public hearing shall be held to provide interested individuals or parties the opportunity to testify as to the Project and the issuance of the Bonds.
3. The aforesaid plan of financing shall not be legally binding upon the Issuer nor be finally implemented unless and until:
 - a. The details and mechanics of the same are authorized and approved by a further resolution of the Common Council which shall be solely within the discretion of the Common Council;
 - b. The City Clerk shall cause notice of adoption of this Initial Resolution, in the form attached hereto as Exhibit A, to be published once in a newspaper of general circulation in the City of Waukesha, and the electors of the City of Waukesha shall have been given the opportunity to petition for a referendum on the matter of the aforesaid Bond issue, all as required by law;
 - c. Either no such petition shall be timely filed or such petition shall have been filed and said referendum shall have approved the Bond issue;
 - d. The City Clerk shall have received an employment impact estimate issued under Section 238.11 of the Wisconsin Statutes;
 - e. All documents required to consummate the financing have been duly authorized and delivered; and
 - f. The Issuer and the Borrower have resolved all land use and special use issues with respect to the affected property and the Project.
4. Pursuant to the Act, all requirements that the Project be subject to the contracting requirements contained in Section 66.1103 are waived, the Borrower having represented that it is able to negotiate satisfactory arrangements for completing the Project and that the Issuer's interests are not prejudiced thereby.
5. The City Clerk is directed, following adoption of this Initial Resolution (i) to publish notice of such adoption not less than one time in the official newspaper of the City of Waukesha, Wisconsin, such notice to be in substantially the form attached hereto as Exhibit A and (ii) to file a copy of this Initial Resolution, together with a statement indicating the date the Notice to Electors was published,

with the Wisconsin Economic Development Corporation within twenty (20) days following the date of publication of such notice.

6. This Initial Resolution is an “initial resolution” within the meaning of the Act and official action toward issuance of the Bonds for purposes of Sections 103 and 144 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. Furthermore, it is the reasonable expectation of the Issuer that proceeds of the Bonds may be used to reimburse expenditures made on the Project prior to the issuance of the Bonds. The maximum principal amount of debt expected to be issued for the Project on the date hereof is \$8,000,000. This statement of official intent is made pursuant to Treasury Regulations §1.150-2.

Passed and adopted at a regular meeting of the Common Council of the City of Waukesha, Wisconsin this 19th day of March, 2024.

APPROVED:

Shawn N. Reilly, Mayor

Attested by _____
City Clerk-Treasurer

Exhibit A

Notice to the Electors of the City of Waukesha, Wisconsin

Please take notice that the Common Council of the City of Waukesha, Wisconsin (the “Issuer”), at a regular meeting held at City Hall, 201 Delafield Street, Waukesha, Wisconsin, on March 19, 2024, adopted an Initial Resolution pursuant to Section 66.1103 of the Wisconsin Statutes, as amended, expressing the intention to issue not to exceed \$8,000,000 of industrial development revenue bonds of the Issuer (the “Bonds”) on behalf of Midwest Engineered Systems, Inc., a Wisconsin corporation, and/or a related entity, and/or a limited liability entity to be formed (collectively, the “Borrower”). The Borrower desires to complete a project consisting of financing the (i) acquisition and rehabilitation of an existing approximately 93,000 square foot facility located at 405 Commerce Street in the City of Waukesha, Wisconsin (the “Facility”) to be operated by the Borrower to manufacture custom automation systems, (ii) acquisition and installation of equipment at the Facility, and (iii) payment of certain professional costs and costs of issuance (collectively, the “Project”). The Borrower has represented that the net number of full-time equivalent jobs which the Project is expected to create on the Project site within three years is 50.

Pursuant to the terms of Section 66.1103 of the Wisconsin Statutes, all requirements that the Project be subject to the contracting requirements contained in Section 66.1103 are waived, the Borrower having represented that it is able to negotiate satisfactory arrangements for completing the Project and that the Issuer’s interests are not prejudiced thereby.

THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, NOR SHALL THE BONDS GIVE RISE TO ANY PECUNIARY LIABILITY OF THE ISSUER, NOR SHALL THE BONDS BE A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE ISSUER. RATHER, THE BONDS SHALL BE PAYABLE SOLELY FROM THE REVENUES AND OTHER AMOUNTS TO BE DERIVED PURSUANT TO THE REVENUE AGREEMENT RELATING TO SAID PROJECT TO BE ENTERED INTO BETWEEN THE ISSUER AND THE BORROWER.

The Initial Resolution may be inspected in the office of the City Clerk at 201 Delafield Street, Waukesha, Wisconsin, during business hours.

TAKE FURTHER NOTICE THAT THE ELECTORS OF THE CITY OF WAUKESHA MAY PETITION FOR A REFERENDUM ON THE QUESTION OF THE BOND ISSUE. Unless within thirty (30) days from the date of the publication of this Notice a petition signed by not less than five percent (5%) of the registered electors of the City of Waukesha is filed with the City Clerk requesting a referendum on the question of the issuance of the Bonds, the Issuer will issue the Bonds without submitting the proposition for the electors’ approval. If such petition is filed as aforesaid, then the Bonds shall not be issued until approved by a majority of the electors of the City of Waukesha voting thereon at a general or special election.

Clerk-Treasurer, City of Waukesha

Certification by City Clerk

I, Gina Kozlik, duly sworn, hereby certify that I am the duly qualified and acting City Clerk of the City of Waukesha, Wisconsin (the "City"), and as such I have in my possession, or have access to, the complete corporate records of the City and of its Common Council; that I have carefully compared the transcript attached hereto with the aforesaid records; and that said transcript attached hereto is a true, correct and complete copy of all the records in relation to the adoption of Resolution 2024 - _____ entitled Initial Resolution Regarding Industrial Development Revenue Bond Financing for Midwest Engineered Systems, Inc. Project.

I hereby further certify as follows:

1. Said Initial Resolution was considered for adoption by the Common Council at a meeting held at City Hall, 201 Delafield Street, Waukesha, Wisconsin, at ____ p.m. on March 19, 2024. Said meeting was a regular meeting of the Common Council and was held in open session.
2. Said Initial Resolution was on the agenda for said meeting and public notice thereof was given not less than twenty-four (24) hours prior to the commencement of said meeting in compliance with Section 19.84 of the Wisconsin Statutes, including, without limitation, by posting on the bulletin board in the City Hall, by notice to those news media who have filed a written request for notice of meetings, and by notice to the official newspaper of the City.
3. Said meeting was called to order by _____, who chaired the meeting. Upon roll, I noted and recorded that the following Council members were present:

and that the following Council members were absent:

I noted and recorded that a quorum was present. Various matters and business were taken up during the course of the meeting without intervention of any closed session. One of the matters taken up was said Initial Resolution, which was introduced, and its adoption was moved by _____ and seconded by _____. Following discussion and after all Council members who desired to do so had expressed their views for or against said Initial Resolution, the question was called, and upon roll being called and the continued presence of a quorum being noted, the recorded vote was as follows:

AYE:

NAY:

ABSTAINED:

Whereupon the meeting chairperson declared said Initial Resolution adopted, and I so recorded it.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the City hereto on this 19th day of March, 2024.

[SEAL]

Sara Spencer, Interim City Clerk