



City of Waukesha Industrial Revenue Bond Policy, Procedures, and Application Form

Updated January 2023

INDUSTRIAL REVENUE BOND POLICY AND PROCEDURES
FOR THE CITY OF WAUKESHA, WISCONSIN

I. POLICY

A. INTRODUCTION

The City of Waukesha, Wisconsin is a municipal corporation organized and existing under and pursuant to the laws of the State of Wisconsin and is authorized by Section 66.1103 Wisconsin Statutes, as amended to:

1. Issue revenue bonds to finance all or any part of the costs of construction, equipping, reequipping, building, rehabilitation, improving, supplementing, replacing, maintaining, repairing, enlarging, extending or remodeling of a project which qualifies under the Act and the improvement of the site therefore; and
2. To enter into a revenue agreement with an eligible participant pursuant to which the eligible participant agrees to cause said project to be constructed and to pay the Municipality an amount of funds sufficient to provide for the prompt payment when due of the principal of and interest on said revenue bonds.

B. INTENT

The intent of this policy is to provide an organized and consistent approach to, and mechanism for, the evaluation and processing of Industrial Revenue Bond requests. This policy statement will provide to potentially interested persons an outline of how an IRB request would be considered by the City Council. It should be emphasized that the intent of this policy is to assure that each IRB issue is in the best interests of the City, and will assist in the implementation of private projects which will improve and enhance the City of Waukesha. The City is in no way obligated to issue an IRB upon an applicant's request, but will evaluate each application based on the criteria set forth herein.

C. LEGAL COMPLIANCE

All procedures leading to the issuance of an IRB, as well as the applicant's utilization of the proceeds from any IRB issue, shall be in compliance with all applicable federal, state, and local laws, and the policies and requirements as are contained herein. The responsibility for compliance shall in all cases rest with the applicant. The only covenant or warranty which the municipality shall be required to make in connection with the

proposed IRB issuance, either to the applicant or to any other interested party, shall be covenants or warranties which to the satisfaction of the City Attorney be customary to IRB financing and not create a liability or charge against the City's general credit or tax power.

D. APPLICANT'S RESPONSIBILITIES

Except as hereinafter provided, and except as required by law, it shall be the applicant's responsibility to provide all necessary documents, forms, and related materials, and to advise the City and other parties of all required actions.

E. POLICIES APPLICABLE TO COMMERCIAL INDUSTRIAL AND OTHER PROJECTS PERMITTED BY STATE LAW

Consistent with state law, the City will consider issuance of IRB's for a project in all present and future Tax Incremental Finance Districts, all present and future Redevelopment Project Areas, located in or adjacent to a blighted area as defined in Section 66.1331(3) of the Wisconsin Statutes and whenever the project will promote the goals and objectives of the comprehensive plan.

The City will consider and evaluate applications for IRB's on the basis of the following criteria:

1. Projects which create new, or preserve existing, employment opportunities within the community.
2. Projects which will increase the City's tax base compared to the extent to which the proposed project without IRB's will increase the City's tax base.
3. Projects which will enhance and strengthen the downtown as the multi-purpose center for the City of Waukesha and the surrounding area.
4. Projects which will upgrade deteriorated or deteriorating structures, improve site accessibility and usefulness, and otherwise provide for the public health, safety and welfare.
5. Projects which will allow for preservation and restoration of buildings of historical or architectural significance.

II. PROCEDURES

The applicant will be required to submit certain information and assume the cost of the City's review and issuance of the IRB's. Matters of confidentiality for public disclosure, relating to the applicant or his business, shall be honored to the extent that such information withheld is not required as a matter of law, as determined by the City's legal counsel.

The City Council reserves the right to deny any application for financing at any state of the proceedings prior to adopting the final resolution authorizing the issuance of the bonds. All applications and supporting materials and documents shall remain the property of the City.

A. APPLICATION AND REVIEW PROCEDURES

The application shall adhere to the following procedures in submitting a request and application to the City for issuance of IRB Bonds.

1. A written request accompanied by the application form, the required supplemental information and a non-refundable application fee \$1,000 shall be submitted to the office of the City Clerk. When applying for passage of a Final Resolution, the applicant will pay a additional non-refundable fee of \$500. The applicant shall agree to reimburse the city for all expenses which exceed these review fees and which result from the review and evaluation of the request including but not limited to administration, legal counsel, consulting costs, printing, publication costs and all other incidental costs or fees.
2. The written request, the application forms, the supplemental information, and the deposit shall be submitted to the Community Development Department who will then refer the item to the Finance Committee for its review and recommendation. Prior to Finance Committee action, a review committee composed of the Mayor, City Attorney, Director of Community Development, Finance Director and Public Works Director are to review all proposals and provide a written report to the Finance Committee on their findings. Such review shall include sewer, water, fire, streets, and health issues, in order to determine whether existing City services can accommodate the proposed use. If existing services are not adequate, the cost of providing additional services must be adequately provided for at the time of application. The City, the applicant, or both may be required to finance the provision of these additional services. How much these additional services will cost and who will pay for them will be determined as best as possible by the Review Committee prior to the Finance Committee's review of the Initial Resolution. Final determination of costs and responsibility to pay shall be finalized prior to final resolution approval by the City Council.

In those instances when circumstances dictate review which requires expertise beyond that of the Committee, the proposal will be submitted to an independent consultant hired by the City. Before this expense is incurred, the applicant shall be notified and given an opportunity to withdraw its application.

3. The Finance Committee shall prepare a recommendation on the advisability of the issuance of IRB's to be presented to the City Council at its next regularly scheduled meeting following completion of the Committee's review. This review should be completed within 30 days from the receipt of the request unless the applicant is otherwise notified. The Council will not take formal action on the request until the review has been completed.
3. The City Council will then take preliminary action to approve or deny the applicant's request to issue bonds. If such preliminary approval is granted, the Initial Resolution will be executed.
5. If the Common Council approves the Initial Resolution, the applicant should then request that the City Council schedule a Public Hearing on the proposal to issue the bonds. The Public Hearing provides the opportunity for any member of the public to speak for or against the bond issue.
6. Should a properly petitioned referendum be called for, the requesting company will reimburse the City for all costs incurred in conducting the referendum.
7. The City will review all final documents and if the terms are mutually agreeable, the City Council will approve a final resolution with respect to terms, execution and delivery of bonds.
8. The company or individual granted a revenue bond issue will be required to submit an annual performance report for a period of three years detailing the project's success at achieving the City's criteria as outlined under Section E.2. of this policy statement.
9. A tax-exempt entity may be required to make a payment in lieu of taxes on the assessed value of the improvements. The amount of the payment in lieu of taxes shall be determined by the Review Committee prior to Initial Resolution approval.

III. PROJECT IMPACT REPORT

The applicant will submit a Project Impact Report to the City when applying for the Initial Resolution. This Report will contain sufficient information for the City to evaluate whether or not the proposed project meets the Criteria set forth under Section E of this Policy. The Impact Report should be organized in the following way.

GENERAL INFORMATION

On the form provided in this Policy, please fill out Sections:

- A. Application Information
- B. Business Information
- C. Management Information
- D. Bond Counsel Information

PROJECT INFORMATION

In report form, please provide complete information on the following issues:

A. **PROJECT DESCRIPTION**

- 1. Exact location of proposed project (plat, map or diagram)

The project is located at 405 Commerce Street in the City of Waukesha, Wisconsin (the "Waukesha Facility"). A map is attached as [Exhibit A](#).

- 2. Project area (acreage)

The project area is approximately 5.27 acres.

- 3. Facility size (square feet)

The Waukesha Facility is an existing building consisting of approximately 93,000 square feet.

- 4. Site plan (may be conceptual)

The site plan is attached as [Exhibit A](#).

- 5. Architecture (plans may be conceptual)

The floor plan is attached as [Exhibit A](#).

6. Products or services to be produced and/or sold

Midwest Engineered Systems, Inc. ("Midwest Engineered Systems") manufactures state of the art automation systems and custom machines.

7. Brief description of manufacturing/commercial methods (i.e. complete fabrication of assembly only; retail or warehouse/retail, etc.)

Midwest Engineered Systems implements a project management process beginning with an evaluation to ensure successful equipment integration, testing/performance, and custom manufacturing of machines to build the best automation solution.

8. Estimated start and completion of construction

The project will commence on April 15, 2024, and will be completed by August 31, 2024.

B. PROJECT FINANCING

1. Total cost of project

The total cost of the project is estimated at \$8 million.

2. Total bond amount required

The total bond amount will not exceed \$8 million.

3. Other sources of funding

Other sources of funding include borrower equity and bank financing through purchase of bond.

C. ECONOMIC IMPACT

1. Existing Conditions

- a. Current number of employed in City by applicant (full time equivalent)

Midwest Engineered Systems currently operates a manufacturing facility at W238 N1800 Rockwood Drive (the "Pewaukee Facility") located in the City of Pewaukee, Wisconsin (*mailing address is City of Waukesha but the facility is located within the City of Pewaukee*). The Pewaukee Facility has 141 full time employees.

Midwest Engineered Systems desires to expand and open the Waukesha Facility.

- b. Current payroll of those employed by applicant within City of Waukesha

The gross monthly payroll within the City of Waukesha at the time of commencement of the Waukesha Facility project is \$-0-.

- c. Current assessed value of existing facilities owned by applicant within the City

The current assessed value of existing facilities owned by applicant within the City of Waukesha is \$11,000,000.

2. Projected Conditions

- a. Number projected to be employed by the project when in operation (full time equivalent)

50 full time equivalent jobs will be created at the new Waukesha Facility project site over the next three years.

- b. Projected payroll at the new facility

The projected gross monthly payroll at the new Waukesha Facility upon completion of the project is estimated to be \$1,500,000.

- c. Estimated assessed value of proposed project

The estimated assessed value of the proposed project is \$6,500,000.

3. Net Impact

- a. Could this project reduce production/sales of

other facilities owned by the applicant in the City of Waukesha

No, the applicant does not currently own any facilities in the City of Waukesha. This will be a new location in the City of Waukesha, and the project will enhance and facilitate Midwest Engineered System's operations and is necessary for its continued growth and productivity.

- b. If so, will the existing facilities be closed or sold? please provide plans for future use of these facilities

N/A

- c. Could this project compete with facilities owned by others within the City of Waukesha

No, this project is not in competition with facilities owned by others in Waukesha.

- d. If so, is this competition likely to cause a decline or closing of some facilities? Please answer this question based on accepted market factors whenever applicable

N/A

- e. Explain how your facility could attract other industries or businesses to the City. Note whether your firm is willing to actively attract these new industries

Midwest Engineered Systems' commitment to the City of Waukesha and the City's commitment to its business partners will continue to be a strong attraction to other industries and businesses. Midwest Engineered Systems is willing to promote the growth of businesses in Waukesha.

The new Waukesha Facility at 405 Commerce Street will further enhance the image of this area of Waukesha and help attract new businesses.

- f. Given your responses to 3 a – e, please estimate the net affect on employment within the City. provide information on any anticipated changes in skill levels and/or wage levels if applicable

As a result of the new Waukesha Facility, approximately 50 new full time jobs are expected to be created in the City of Waukesha over the next three years. The jobs will be manufacturing and office positions with an average annual salary of more than \$60,000. Other positions will receive the same wages and benefits as existing similarly situated employees and no changes are contemplated.

- g. Given your responses to 3 a – f, please estimate the net effect on payroll within the City

The gross monthly payroll within the County is estimated to be between \$1.1M – \$1.5M. (See above.)

- h. Given your response to 3 a – g, please estimate, to the extent possible, the net effect of your project on assessed property value in the City

Midwest Engineered Systems estimates that real/personal property value will increase to \$6.75M as a result of the project.

D. ENVIRONMENTAL IMPACTS

1. Water

- a. Flowage rates (hourly, daily, seasonal, annual, peak and average)

Based on a projection of 50 employees, the daily water consumption Monday through Friday is expected to be the typical average usage by employees for washing, toileting, and drinking water.

- b. Water line requirements for fire protection

The building has an existing sprinkler system.

- c. New and/or enlarged water mains required?

N/A

2. Sewerage

- a. Effluent constituents (type and amount)

Based on a projection of 50 employees, the daily water sewer use Monday through Friday is expected to be the typical average usage for washing and human waste.

- b. Toxic or hazardous wastes (as defined by EPA)

None.

- d. On-site pre-treatment necessary?

None.

- e. Final treatment – on-site or municipal treatment?

None.

- f. New and/or enlarged sewer mains required?

None.

3. Air

- a. Air pollution constituents (types and amounts)

None.

- b. Provide a letter from SEWRPC regarding whether the project is in compliance with the Clean Air Act and the State Implementation Plan

N/A

- d. Odor(s)

None.

- e. Visual impact (smoke plume, haze, fog, water vapor, etc.)

None.

- 4. Noise
 - a. Exterior noise levels expected from the project after completion in decibels

None.

- b. Duration and timing of noise

N/A

- c. Impact on nearby properties (can be shown diagrammatically)

N/A

- 5. Impact on environmentally significant areas (primary environmental corridors, wetlands, floodplains and storm water retention areas)

The Waukesha Facility does not impact any significant environmental corridors or wetlands.

- 6. Community Service Factors
 - a. Ability of existing traffic ways to carry additional traffic load

The Waukesha Facility is sized appropriately to handle the traffic (automobile for employees and visitors as well as over-the-road trucks) generated by this business.

- b. Projected number of vehicles due to workers, manufacturing process, other transportation modes to be used by facility (rail, air)

Employee vehicles: 15/day

Delivery and shipment trucks: 15/day

- c. Would this facility's employees use public transit?

There is a potential for employees to use public transportation, but it unknown as to what extent it would be utilized.

- d. Utilities (other than water and sewerage) including natural gas, internet/fiber, electricity (detail load requirements), use of alternative energy sources (solar, co-generation, etc.)

Natural gas and electrical connections are being made through WE Energies to this site.

APPLICATION AND INFORMATION FORM

A. APPLICANT INFORMATION (“Applicant” refers to the proprietor, General partner or corporate officer signing this application):

Midwest Engineered Systems, Inc.

Name and Title

W238 N1800 Rockwood Drive

Street Address

Waukesha, WI 53188 (mailing address is Waukesha; physical location of business is City of Pewaukee)

City, State and Zip Code

(414) 573-3690

scott@mwes.com

Contact Telephone

Contact E-Mail

B. BUSINESS INFORMATION:

Midwest Engineered Systems, Inc.

Name of Business

W238 N1800 Rockwood Drive

Current Address of Business

Waukesha, WI 53188 (mailing address is Waukesha; physical location of business is City of Pewaukee)

City, State and Zip Code

405 Commerce Street

Proposed Address of Business

Waukesha, WI 53188

City, State and Zip Code

www.mwes.com

Business Website

(414) 327-0000

Telephone

Engineering/manufacturing of automation systems

January 6, 1993

Type of Business

Date Established

Ixon Bank

Banks Where Your Business has An Account

C. INFORMATION ABOUT MANAGEMENT (List the name of all owners, officers, directors, and/or partners. Provide the percent of ownership and the annual compensation):

Scott Woida, President

100%

Name and Title

% of Ownership

2731 Nagawicka Road

Address

Hartland, WI 53029

City, State and Zip Code

[Debbie Schwarzkopf, Secretary/Treasurer](#)

Name and Title	% of Ownership
----------------	----------------

[2244B Circle Ridge](#)

Address

[Delafield, WI 53018](#)

City, State and Zip Code

Name and Title	% of Ownership
----------------	----------------

Address

City, State and Zip Code

Name and Title	% of Ownership
----------------	----------------

Address

City, State and Zip Code

D. BOND COUNSEL INFORMATION

[Lynda R. Templen](#)

Name of Contact

[Husch Blackwell LLP](#)

Bond Counsel Firm

[511 North Broadway, Suite 1100](#)

Address

[Milwaukee, WI 53202](#)

City, State and Zip Code

[414-978-5505](#)

Contact Telephone

lynda.templen@huschblackwell.com

Contact E-Mail

Exhibit A

[SEE ATTACHED]



405 COMMERCE STREET
WAUKESHA, WI 53186

FEATURES

Great Location! Heavy Power with Overhead Cranes!

Bay Size: **20'x40'**

Cranes: **11 Total (3 - 3 Ton, 2 - 5 Ton, 6 - 6 Ton)**

Special Features: **New Roof (2014), Remodeled Office (2017),
Compressed Air Throughout**

Flooring: **6" Poured Concrete with Multiple Reinforced 8" Slabs
Throughout**

Docks: **1 External (8'x10'), 2 Internal (24'x16')**

Drive In Doors: **14'x14'**

Clear Height: **16' up to 19'**

Built: **1965**

Building SF: **98,183 SF (+/- 10,050 SF Office & 88,123 SF Warehouse)**

Zoning: **M-2 General Manufacturing**

Sewer: **Municipal / Water: Well**

A/C: **Office Area**

Heat: **Gas In Office / Infared in Shop with some Space Heaters**

Sprinkler: **Yes**

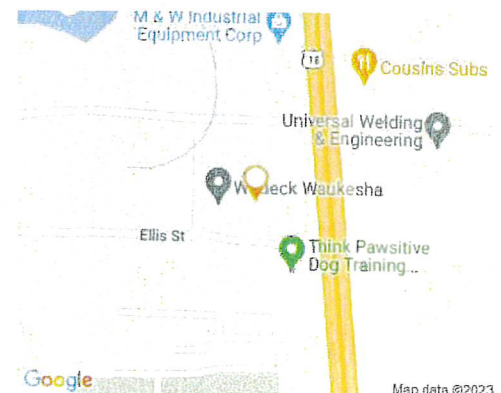
Electric Service: **Heavy**

Parking Spaces: **112 Striped Stalls**

Tax Key #: **WAKC1299027**

Property Taxes: **\$55,521.41 (2022)**

Listing: **4687**



INDUSTRIAL FOR SALE

Total SF: **98,183**

Total Acres **5.27**

Sale Price: **\$5,995,000.00**

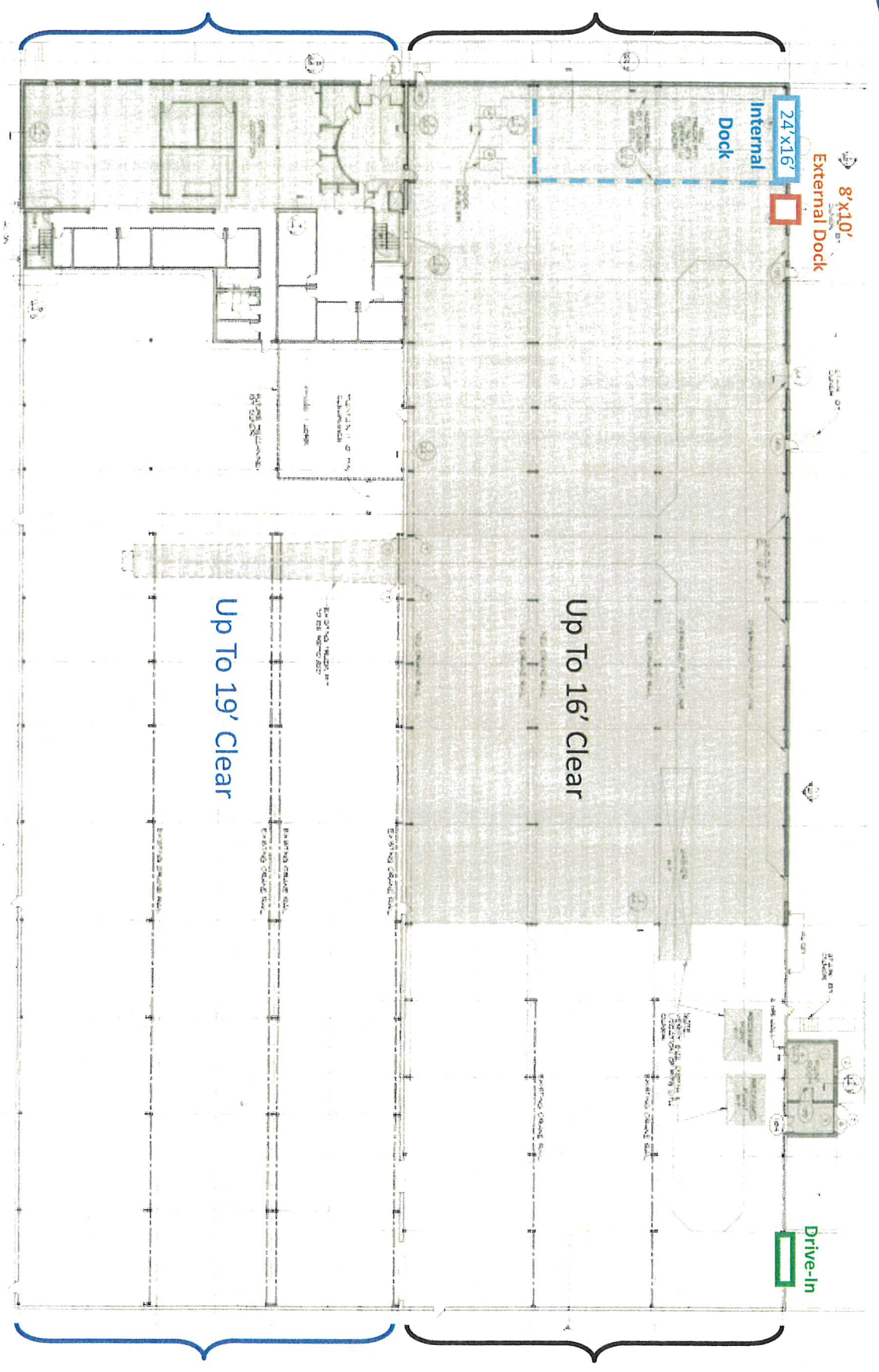
Cole Russell, Vice President-Sales
262-695-8800
crussell@judsonrealestate.com

Mike Judson, Owner/Sales Agent
262-695-8800
mjudson@judsonrealestate.com

Judson & Associates, S.C.
2831 N. Grandview Blvd, Suite 222
Pewaukee, WI 53072

405 Commerce Street, Waukesha

First Floor Plan

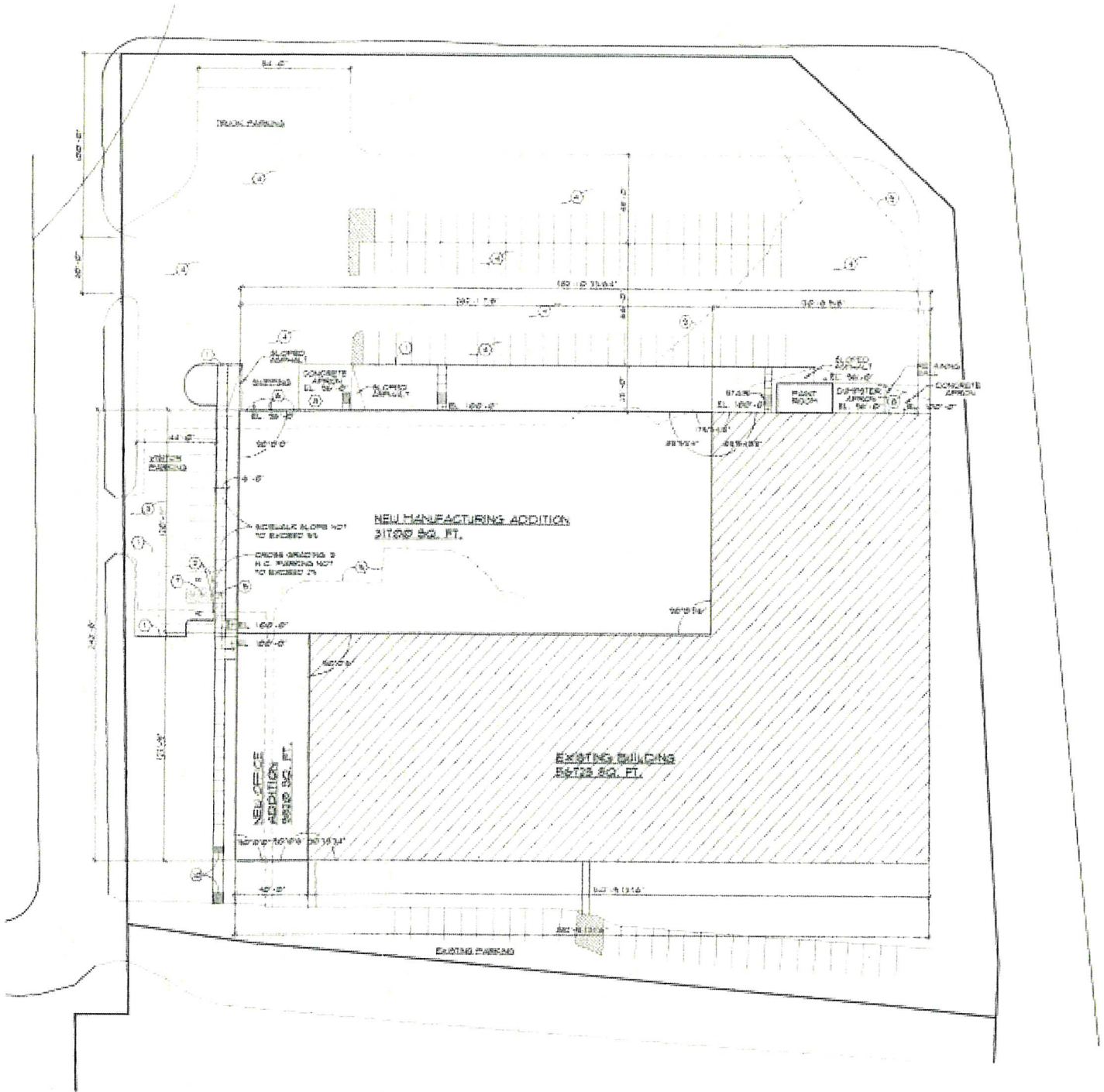


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405 Commerce Street, Waukesha Site Plan

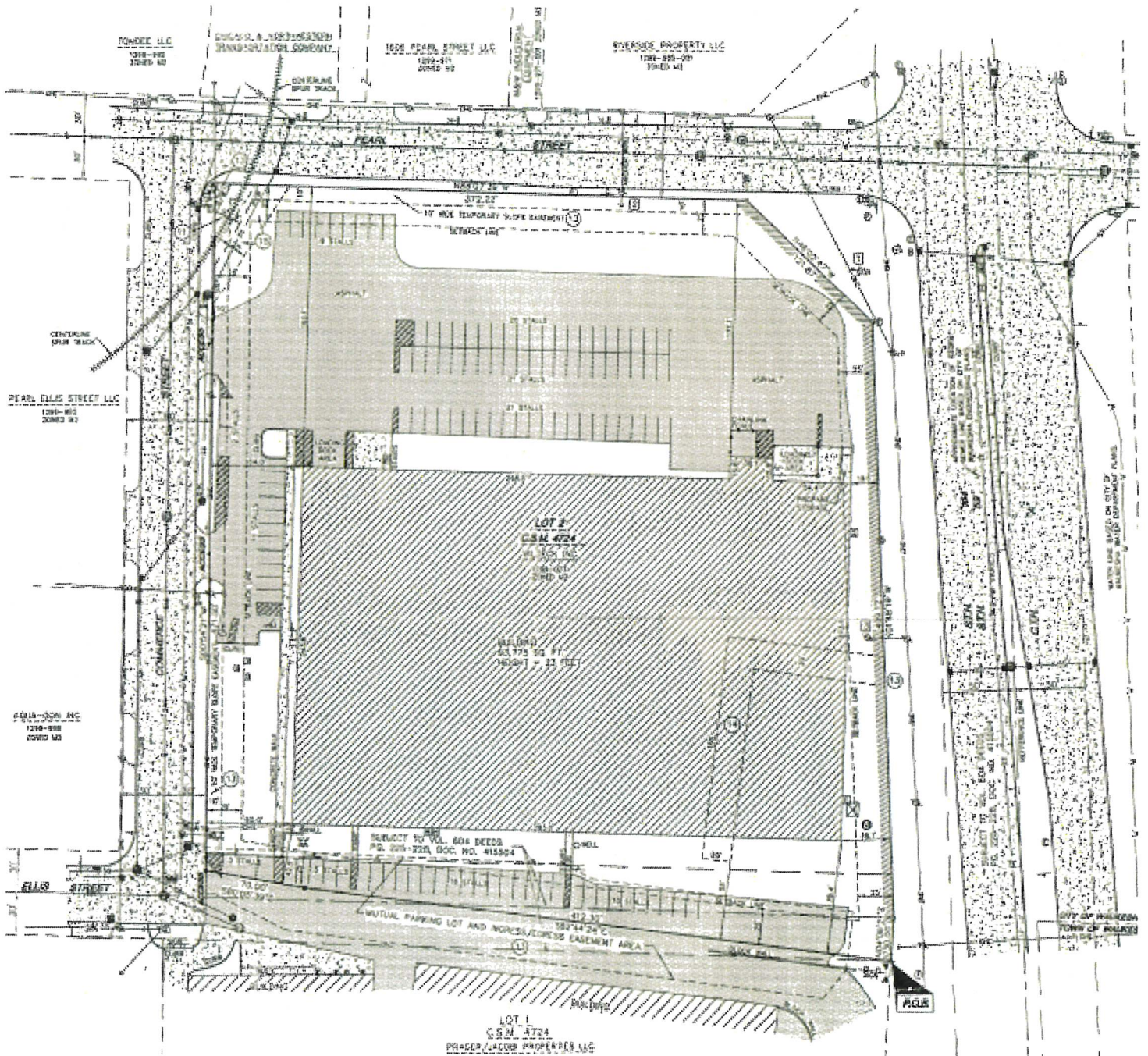


① SITE PLAN



SCALE: 1" = 20'-0" NORTH

405 Commerce Street, Waukesha Survey



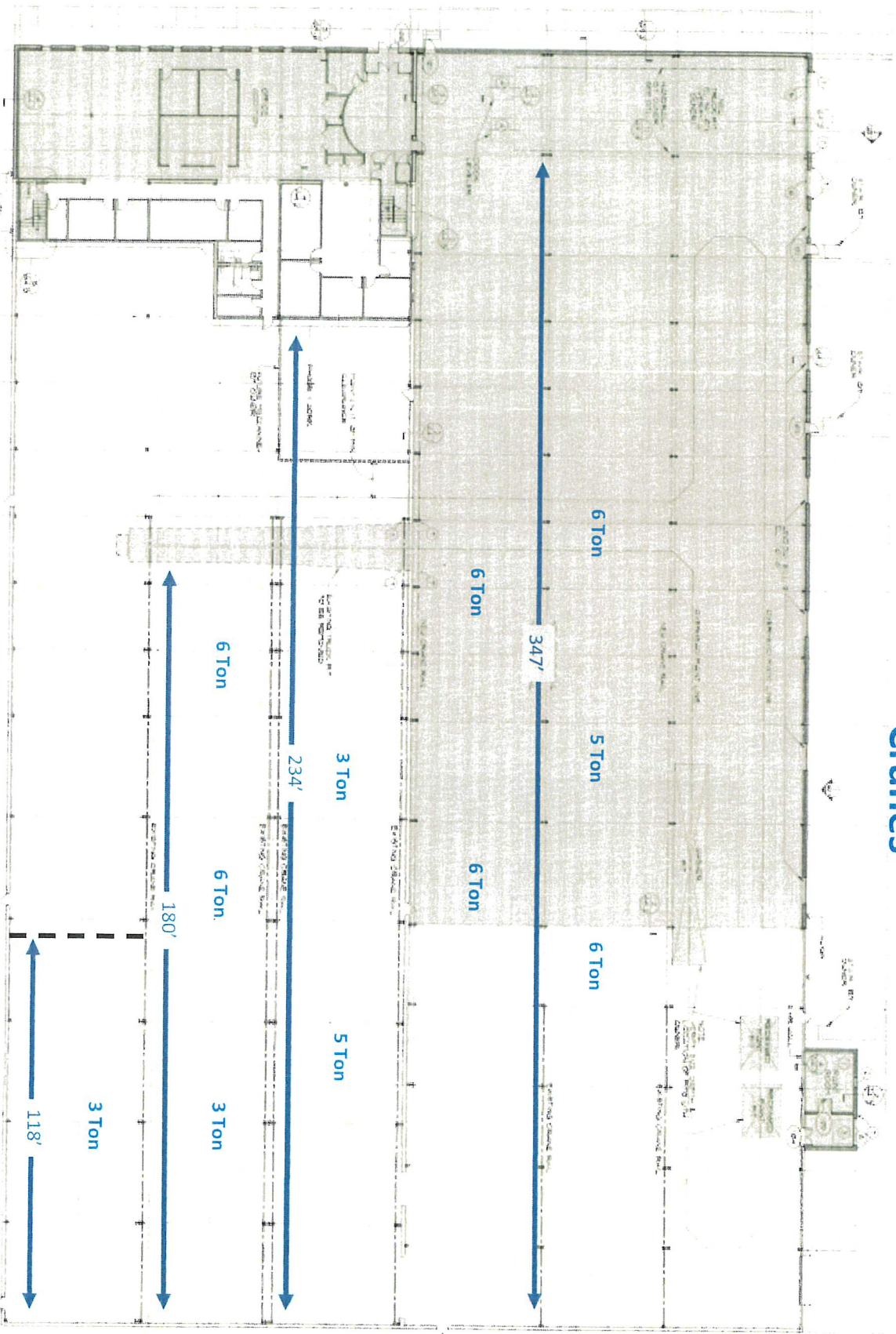
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405 Commerce Street, Waukesha

Cranes



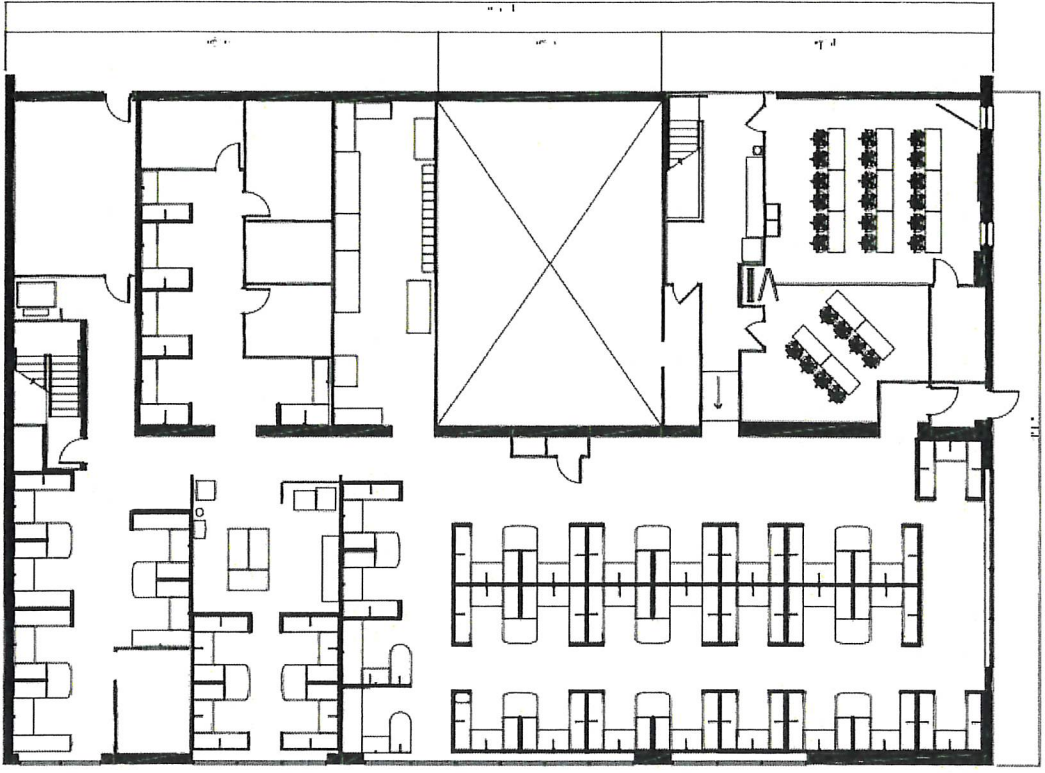
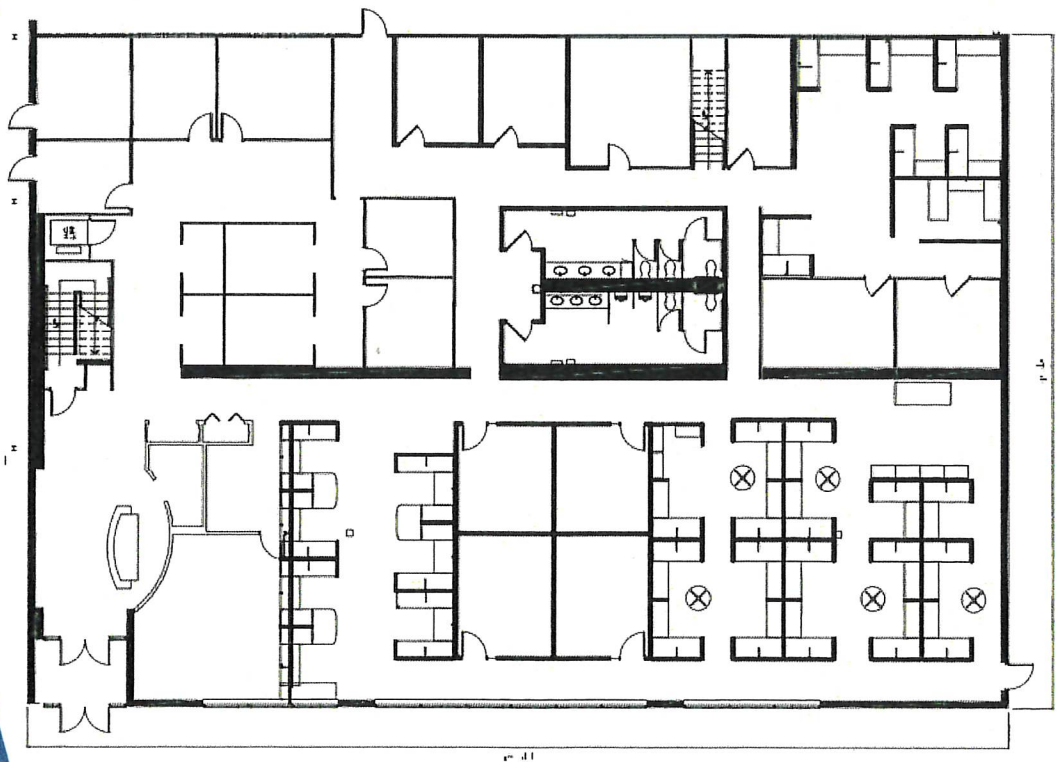
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**Disclaimer: All dimensions and measurements are approximate as they were measured by the Broker on site. Subject to error and correction. **

405 Commerce Street, Waukesha Office Floor Plan



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