

TERM SHEET
The Metal Ware Corp Manufacturing and Distribution Facility
Tax Parcels 449-007-020 and 449-007-010

The terms and conditions described in this agreement are part of a related development agreement between the parties, each element of which is consideration for the other elements and an integral aspect of the proposed agreements (defined below). This Term Sheet does not constitute an offer or a legally binding obligation of any party, or any other party in interest, nor does it constitute an offer of securities. The transactions contemplated by the Term Sheet are subject to conditions to be set forth in a definitive agreement, including without limitation a development agreement and other supporting documentation. Until publicly disclosed by the parties, this Term Sheet is strictly confidential and may not be shared by any party without the prior written consent of all parties unless otherwise required by Wisconsin law.

1. Property Description: The south 15 acres (more or less) of tax parcels 449-007-020 and 449-007-010 (Project Site)
 Also known as the NW corner of Vits Drive and S 63rd Street
2. Potential Parties:
 - a. The Metal Ware Corp (Company)
 - b. City of Manitowoc (City)
3. Development Description:
 - a. Company will invest approximately \$10,350,000 at Project Site. The investment will consist of land acquisition, building, and equipment. New construction will consist of a manufacturing, distribution and office building of approximately 200,000 sq. ft. to house a portion of their operations. The estimated construction cost is approximately \$8.4 million with an estimated assessed value of \$8 million upon completion. This project will further solidify Company's commitment to its Manitowoc area locations and is anticipated to result in creation of 125 jobs in the City of Manitowoc
 - b. Investment includes extraordinary costs due to expanding their business into the City of Manitowoc from outside the area and due to the rising costs of construction. These are the specific costs necessitating City support:
 - i. \$400,000 for land acquisition
 - ii. \$100,000 for grading and site preparation
 - iii. Hard construction costs of approximately \$42 per square foot
 In total, items i. through iii. above create a financing gap of about \$2.1M of the estimated project costs.
4. Development Timetable:
 - a. Construction is anticipated to start in October 2018 with anticipated completion in July 2019.
 - b. An anticipated 125 jobs will be created within 5 years of project completion.
5. City Tax Incremental Financing (TIF) Assistance:
 - a. Subject to creation of a new TIF District that includes the Project Site, and subject to all approvals necessary to execute the development agreement.

- b. Company has indicated a need for a mix of up-front and pay-as-you-go TIF support. Company must specify the share of each type needed, and the final terms shall be subject to City approval based on the ability of the Development to generate sufficient increment value to cover the TIF support and the cost of any related borrowing.
 - i. Upon approval, up-front TIF support (cash grant) based on a guaranteed assessed value increase of at least \$8 million upon project completion.
 - ii. Upon approval, pay-as-you-go annual TIF payment of a portion of the incremental taxes paid to the TIF District by Company related to the development project.
 - c. Company Guaranty of Performance: Funds to be repaid to City if performance on minimum assessed value is not met.
 - d. Financing Security: Appropriate personal and corporate guaranties will be required for the up-front TIF support and for the life of related City debt service payments.
 - e. Use of TIF Supported Funds: TIF funds shall be used to pay for a portion the extraordinary costs listed above.
 - f. City will cooperate with respect to any and all permits necessary for the project.
6. Company Obligations
- a. Company shall provide the City with evidence of a funding gap, a detailed list of sources and uses of funds and project budget including expected cash flows that justify the need for TIF assistance.
 - b. Company Guaranty of Performance: Pay-as-you-go TIF payments will require that Company complete the project in substantial conformance with the stated scope, timeline, and investment.
 - c. Financing Security: Company must provide proof of other financing in sufficient amount to complete the project. In addition, debt service guaranties and a minimum assessed value guaranty are necessary relative to the up-front TIF support.
 - d. Continued involvement of Company including:
 - i. Project not for speculation.
 - ii. No sale without City consent, which shall not be unreasonably withheld.
 - iii. No sale to non-profit.
 - iv. No assignment of rights and obligation under Development Agreement without written consent of City.
7. Following Common Council authorization of this term sheet, a development agreement consistent with these terms and conditions shall be executed by the Mayor and Clerk subject to technical, legal changes.

[Signature Page Follows]

City of Manitowoc

Metal Ware

Justin M. Nickels, Mayor

Deborah Neuser, City Clerk

Date

Date

Signature Page to Term Sheet

DRAFT