

HUSCH BLACKWELL

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February 26, 2024

TO THE ATTACHED DISTRIBUTION LIST

**RE: Not to Exceed \$5,100,000 City of Manitowoc, Wisconsin
Revenue Bonds, Series 2024
(The Manitowoc Lutheran High School Federation, Incorporated Project)**

Greetings:

At the request of The Manitowoc Lutheran High School Federation, Incorporated, a Wisconsin nonstock, nonprofit corporation (the “Borrower”), we have prepared drafts of documents necessary for the consideration and adoption of an “Initial Resolution Regarding Revenue Bond Financing for The Manitowoc Lutheran High School Federation, Incorporated Project” (the “Initial Resolution”), by the City of Manitowoc, Wisconsin (the “City”), as follows: (i) Finance Committee on March 8, 2024 and (ii) Common Council on March 18, 2024. The Borrower’s project consists of financing the (i) construction of an approximately 30,000 square foot addition to the Borrower’s existing approximately 90,000 square foot high school located at 4045 Lancer Circle in the City of Manitowoc, Wisconsin which will consist of a new gymnasium, locker room, and parking lot and (ii) payment of professional fees and costs of issuance (collectively, the “Project”), all of which would contribute to the well-being of the City.

Federal and state law requires that the authorization for such an industrial development revenue bond be done in two stages (first, the consideration of an Initial Resolution by the Common Council, and second, the consideration of a final resolution (the “Final Resolution”) by the Common Council).

The Initial Resolution is not a commitment to issue bonds, but merely evidences the City's “official intent” to issue bonds pending satisfactory negotiation of the terms.

The Final Resolution to be considered by the Common Council at a future meeting will be drafted and presented to the City only after negotiations for the bond issue have been completed.

Enclosed are the following documents necessary to allow the Finance Committee and the Common Council to consider the Initial Resolution on March 8, 2024 and March 18, 2024, respectively:

- (1) Initial Resolution, with the form of Notice to Electors of the City of Manitowoc, Wisconsin, attached as Exhibit A;
- (2) Good faith fee estimate letter required under Section 66.1103 of the Wisconsin Statutes;
- (3) Notice of Public Hearing (the so-called “TEFRA” notice);
- (4) Notice of Intent to Obtain a Municipal Industrial Revenue Bond, which contains information regarding job estimates; and
- (5) Certificate of the Borrower stating that it is able to negotiate satisfactory arrangements for completing the Project and that the City’s interests are not prejudiced thereby.

We have also enclosed a “Checklist for the City of Manitowoc” and a summary of industrial development revenue bonds for informational purposes.

The following, in chronological order, are the steps necessary to issue the bonds:

1. The Finance Committee considers the Initial Resolution on March 8, 2024, and the Common Council considers the Initial Resolution on March 18, 2024. For agenda purposes, the City Clerk should describe the Initial Resolution as follows for the Common Council meeting on March 18, 2024 meeting:

“Consideration of an Initial Resolution Regarding Revenue Bond Financing for The Manitowoc Lutheran High School Federation, Incorporated Project. Information with respect to the job impact of the project will be available at the time of consideration of the Initial Resolution.”

The Common Council meeting on March 18, 2024 must meet the requirements of an open meeting under Sections 19.81 et seq. of the Wisconsin Statutes. Pursuant to Section 19.85 of the Wisconsin Statutes, the Common Council may not commence a meeting, subsequently convene in closed session, and reconvene in open session, unless public notice of such subsequent open session was given at the same time, and in the same manner, as the notice of the meeting convened prior to the closed session. If the Common Council proposes to go into closed session at the meeting, please contact me to discuss this issue. **A representative of the Borrower should attend the March 18, 2024 meeting to answer questions regarding the Project and provide job estimate information to the Common Council.**

Under federal regulations for cost recovery, reimbursement of the Borrower's expenditures with bond proceeds can only occur if the Issuer adopts the Initial Resolution. This Initial Resolution may apply to expenditures made by the Borrower within sixty (60) days prior to the adoption of the Initial Resolution and, in general, the reimbursement must be made no later than three (3) years after the original expenditure.

2. On March 19, 2024, the City Clerk should call Kate L. Albrecht at our office (414-978-5516) to confirm that the Initial Resolution was adopted. Kate will publish the Notice to Electors, which is attached to the Initial Resolution as Exhibit A, in the City's local newspaper. After the notice is published, the electors of the City have thirty (30) days during which to circulate a petition for a referendum. In my personal experience, only one such referendum has ever been placed on the ballot, out of hundreds of industrial development revenue bond issues.

3. The City Clerk should mail a copy of the Initial Resolution (the Certificate by City Clerk which is attached to the Initial Resolution should be completed and signed) to Kate L. Albrecht. Kate will send a copy of the Initial Resolution, along with the date that the Notice to Electors was published, to Steven Sabatke at the Wisconsin Economic Development Corporation.

4. The federal tax law known as the Tax Equity and Fiscal Responsibility Act of 1986 ("TEFRA"), requires that this Project, which is being funded with tax-exempt bond proceeds, be the subject of a noticed public hearing called a TEFRA public hearing. These hearings provide interested individuals or parties the opportunity to testify on any matters related to such potential bond issues, including the nature and location of the Project.

Therefore, at a future date, a notice regarding the scheduled TEFRA public hearing must be published (our office will publish the Notice of Public Hearing on behalf of the City). The Notice of Public Hearing must be published no later than seven (7) days before the TEFRA public hearing. Our usual practice is to have the TEFRA public hearing immediately preceding the meeting at which the Final Resolution is considered by the Common Council. We will notify the City in the future to schedule the TEFRA public hearing/Final Resolution date.

5. At a future date, the Common Council will hold the TEFRA public hearing and consider the Final Resolution. A representative of the Borrower should attend the TEFRA public hearing. The Common Council meeting must meet the requirements of an open meeting under Sections 19.81 et seq. of the Wisconsin Statutes

6. After the preliminary steps outlined above have been completed, the Borrower and the Purchaser will need to negotiate the bond documents (to be prepared by Husch Blackwell LLP) in preparation for the sale of the bonds. The pricing will occur just prior to the Common Council meeting during which the Common Council will be asked to adopt the Final Resolution.

The foregoing is a brief sketch of the procedural steps that must be followed when issuing industrial development revenue bonds. The key point to remember is that the City will be considering, from a policy standpoint, whether to encourage the location of the Project in the City. By issuing the bonds, the City will give the Borrower an interest rate benefit because the bonds will be tax-exempt in the hands of the Purchaser. It must be emphasized that the City will not be liable in any way on the bonds; the bonds are special, limited obligations of the City.

We are simultaneously delivering to the City Clerk the good faith fee estimate letter required under Section 66.1103 of the Wisconsin Statutes. A copy of this letter should be signed by Mackenzie Reed and returned to us to evidence her receipt of the letter.

The Borrower has provided the enclosed Notice of Intent to Obtain a Municipal Industrial Revenue Bond (the "Notice of Intent"). The Notice of Intent is being delivered to the City Clerk with this letter, and we will mail a copy to Steven Sabatke at the Wisconsin Economic Development Corporation. Whoever attends the meeting on behalf of the Borrower should bring the signed Notice of Intent to the Common Council meeting on March 18, 2024.

We are looking forward to working with everyone on this Project. Please call me with any questions or comments.

Very truly yours,

A handwritten signature in black ink that reads "Lynda R. Templen". The signature is fluid and cursive, with the first name "Lynda" being the most prominent part.

Lynda R. Templen