

TERM SHEET
BEAMACORE LLC
SOUTH 59th STREET AND WEST DRIVE

The terms and conditions described herein shall be incorporated into 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
 - a. Tax Parcel: 052-449-004-040 (10.51 acres)
 - b. 2022 Total Assessed Value: \$0

2. Potential Parties:
 - a. Beamacore LLC and/or their designee (Developer)
 - b. City of Manitowoc (City)

3. Development Description:
 - a. Initial construction of an 43,000 square foot manufacturing/office space as shown on the attached site plan. It is expected that over time the building will be expanded in phases to exceed 100,000 square feet.
 - b. Construction cost of the initial phase of the facility is estimated at \$4,350,000.
 - c. Employment at Developer’s current facility is approximately 25 jobs. This project will allow for an expansion of manufacturing space and increased efficiencies, the expected job creation is not known at this time but is estimated at 2-3 employees per year over the next 5 years. Typical positions at the company have wages ranging from \$24 to \$28 per hour.
 - d. Capital for equipment costs for the proposed initial phase of the project are estimated at an additional \$450,000 for a total project estimate of \$4,800,000.
 - e. Projected increase in assessed value upon completion of the initial phase is estimated to be \$2,800,000.

4. Development Timetable:
 - a. Construction is projected to start with site preparation in the fall/winter of 2023 and completion in spring/summer of 2024 but this timeline is highly dependent on contractors, supply chain, and weather.

5. City Assistance (subject to all required approvals and documentation):
 - a. Tax Incremental Financing
 - i. An approximate \$560,000 (20%) TIF Incentive based upon assessed value increase of \$2,800,000 upon project completion.

- ii. The approximate \$560,000 in pay-go incentive structured in an estimated 12 payments based upon 90% of increment created per year being refunded to the developer starting in 2026.
 - iii. Uses of funds to include public or private utility or other infrastructure improvements, building construction, site preparation, architectural or engineering design fees, or other eligible building improvement related costs.
 - iv. Incentive amount to be reduced or increased based upon the assessed value at project completion to maintain the incentive at 20% of assessed value. Increase/decrease to be accomplished via an adjustment to the pay-go payments. If adjustments in the amount are made, the incentive would still be projected to be paid in 12 installments starting in 2026.
 - b. Assistance with Wisconsin Economic Development Corporation (WEDC) and other state incentives
 - i. The City shall support the Developer in working with the WEDC and the State of Wisconsin to secure available incentives.
 - c. Sale of City Property
 - i. Sale of parcel 052-449-004-040 (10.51 acres) for \$105,050 with the potential to receive up to 75% of the purchase price back if certain assessment benchmarks are met.
 - ii. Authorize staff to work with the Developer on the sale of the property.
 - iii. Developer shall commence construction within 2 years from the date of the sale of the property.

6. Following Common Council authorization of this term sheet, a development agreement consistent with the terms and conditions herein shall be executed by the Mayor and Clerk subject to technical, legal changes.

City of Manitowoc

Beamacore LLC

Justin M. Nickels, Mayor

Jeffrey Havlichek, Managing Member

Mackenzie Reed, Clerk

Date

Date