

MINUTES

Plan Commission Offices  
Manitowoc City Hall

Regular Meeting  
Manitowoc Industrial Development Corporation  
Thursday  
March 11, 2010  
3:30 P.M.

I. CALL TO ORDER

The meeting of the Manitowoc Industrial Development Corporation was called to order by Chairman Jim Hamann at 3:30 P.M.

II. ROLL CALL

Members Present

David Soeldner  
Jim Hamann  
Bob Kaufman  
Wayne Mertens  
Jim Brey  
Carl Laveck  
Dennis Tienor  
Ted Vallis  
Don Markwardt

Members Excused

John Zimmer  
Myron Halla

Staff Present

David Less

Others Present

See Attached Sign In Sheet

III. APPROVAL OF MINUTES of the Regular December 10, 2009 Meeting.

Motion by: Mr. Brey

Moved that: the minutes be approved as presented.

Seconded by: Mr. Vallis

Upon Vote: the motion was approved unanimously.

IV. REFERRALS FROM COMMON COUNCIL

A. None

V. NEW BUSINESS

A. Notice of Closed Session

The following was read by Mr. Less:

“Notice is hereby given that the Manitowoc Industrial Development Corporation will adjourn to a closed session during its March 11, 2010 meeting to consider the following subject matter(s): ***Federal-Mogul Piston Rings, Inc. - Review Status of CDBG grant contract ED FY09-18636 and RLF Loan #IREV08-2, and Potential Re-Programming of RLF Monies to a Capital Expansion Project in Manitowoc WI.***”

The above subject matter(s) falls within 19.85(1)(e) of the Wisconsin Statutes, which authorizes the governmental body to convene in closed session for the purpose of deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.”

A motion to convene in closed session, and a motion to reconvene in open session was moved and approved as detailed in the attachment.

In open session, Mr. Less recommended that the IDC adopt the following recommendations regarding the proposed Federal-Mogul (“F-M”) project:

1. Terminate the \$1mm loan commitment identified as IREV08-1 as originally authorized and approved on July 1, 2008.
2. Approve a new loan commitment to F-M for up to \$975,000 for the job creation and capital expenditure project as detailed above for the purchase of M/E, subject to all required corporate approvals being authorized and documented in writing, and with the Planner authorized to negotiate the terms and conditions of the loan, and allocate up to \$250,000 of the loan proceeds for the repayment of job training expenses incurred by F-M.
3. That this approved financing arrangement be forwarded to the WI Department of Commerce (“DOC”) for inclusion in a joint proposal to be prepared by the DOC, under their letterhead, to be and forwarded to F-M corporate or their agent.
4. The Planner be authorized to negotiate all final terms and conditions of the financing arrangement, prepare documents for closing, and with Mr. Less and Mr. Hamann authorized to execute any and all necessary documents to complete the transaction.

5. That the term of the loan commitment shall extend until September 30, 2010, and shall no longer be valid thereafter, if the loan is not closed on or before that date.

Mr. Less added that this proposal was expressly subject to any material or monetary adverse change in the development project that may occur between the date the proposal is approved by the IDC, and the latest date that: (i) F-M corporate accepted the proposal; and (ii) all loan documents with the City and the DOC had been fully executed. Mr. Less noted that the financial commitment included a material adverse change clause, which, for purposes of this funding arrangement, meant any event, condition or change in the commercial, operational or economic viability of the development project from that contemplated herein. Mr. Less added that these events could include changes in the financial condition of F-M or the City, or changes to the scope of the planned project, project feasibility, or the availability of public or private project financing.

Motion by: Mr. Mertens

Seconded by: Mr. Markwardt

Moved that: the Planner's recommendation as stated above be approved.

Upon Vote: the motion was approved unanimously.

## B. OLD BUSINESS

- A. Great Lakes Energy Technologies, LLC/Orion Energy Systems, Inc. - Update Regarding Loan IREV04-3/IREV07-2/CDBG #ED FY05-11694 - Job Creation and Loan Forgiveness

Mr. Less provided the IDC with a historic review and update to this project, and reviewed various documents that had been sent to the IDC along with the agenda. Mr. Less explained the "Performance-Based Reduction in Principal" component of the City's Loan Agreement with the company, and then reviewed: (i) "Amendment No. 1 to Intercreditor Agreement"; and (ii) "Amendment No. 3" to the 2004 Loan Agreement which together, explained the payments to be issued to satisfy the performance-based reduction in principal. Mr. Less continued that as part of this transaction, the City would be issuing Great Lakes a check in the amount of \$111,056.14, which represented the actual cash payment as specified in Section 3. of Amendment No. 3. Mr. Less noted that the forgiveness provision was effective due to the company exceeding requirements related to the creation by the company of a certain number of jobs, and maintenance of an overall minimum hourly wage level in Manitowoc.

Mr. Less then noted that the Great Lakes repayment obligations under Loan #IREV04-3 would be satisfied on March 12<sup>th</sup>, but that because the collateral for Loan #IREV04-3 was attached to, and was part of the collateral securing the Wisconsin DOC grant to the City that became the loan to the company (referenced as ED FY05-11694)

pursuant to the original Intercreditor Agreement, Loan #IREV04-3 would not be closed out on the City's books and the City's security interest in the collateral would remain perfected until ED FY05-11694 had been paid in full.

Mr. Less noted that while this transactional activity had been authorized in the previously executed loan documents, he recommended that the IDC: (i) approve the transaction as outlined above; and (ii) authorize him to proceed at this time to close and complete the transaction as specified above, with Mr. Hamann and Mr. Less authorized to sign any and all documents.

Motion by: Mr. Laveck

Seconded by: Mr. Markwardt

Moved that: the Planner's recommendation as stated above be approved.

Upon Vote: the motion was approved unanimously.

VII. NEXT MEETING

A. No discussion was held. No action was taken.

VIII. ADJOURNMENT

The meeting was adjourned at 3:55 P.M.

Respectfully Submitted,

David Less

Secretary