

COMMON COUNCIL OF
CITY OF LA CROSSE, WISCONSIN

RESOLUTION NO. _____

**INITIAL RESOLUTION REGARDING
INDUSTRIAL DEVELOPMENT REVENUE
BOND FINANCING FOR
S&S CYCLE, INC. PROJECT**

WHEREAS, Section 66.1103 of the Wisconsin Statutes (the “Act”) authorizes the City of La Crosse, Wisconsin (the “City”), to authorize the issuance and sale of bonds by the City to construct, equip, re-equip, acquire by gift, lease or purchase, install, reconstruct, rebuild, rehabilitate, improve, supplement, replace, maintain, repair, enlarge, extend or remodel industrial projects in the City; and

WHEREAS, Section 66.1103(3)(f) provides that a municipality also may finance an industrial project which is located entirely outside the geographic limits of the municipality, but only if the revenue agreement for the project also relates to another project of the same eligible participant, part of which is located within the geographic limits of the municipality; and

WHEREAS, S&S Cycle, Inc., a Wisconsin corporation, and/or a related entity, and/or a limited liability entity to be formed (collectively, the “Borrower”), desires to complete a multi-jurisdictional project consisting of financing the (i) acquisition and installation of equipment at the Borrower’s facility located at 322 Causeway Boulevard in the City of La Crosse, Wisconsin (the “La Crosse Facility”), (ii) acquisition and installation of equipment at the Borrower’s facility located at 14025 County Highway G in the Village of Viola, Wisconsin (the “Viola Facility” and collectively with the La Crosse Facility, the “Facilities”), (iii) rehabilitation of the Facilities which are both operated by the Borrower to manufacture motorcycle components, and (iv) payment of certain costs of issuance (collectively, the “Project”); and

WHEREAS, the cost of the Project is presently estimated to be greater than \$8,100,000, and the amount proposed to be financed with one or more series of tax-exempt and/or taxable industrial development revenue bonds does not exceed \$8,100,000; and

WHEREAS, the proposed Project is a multi-jurisdictional project which is located in the City and the Village of Viola, Wisconsin (the “Village of Viola”), and the Borrower has requested that the City and the Village of Viola each approve an initial resolution providing for the financing of the Project in an amount not to exceed \$8,100,000; and

WHEREAS, on or about December 17, 2015, the Village of Viola proposes to consider an initial resolution providing for the financing of the multi-jurisdictional Project, a portion of which is located in the City and the Village of Viola, in an amount not to exceed \$8,100,000; and

WHEREAS, the City shall be the issuer of said industrial development revenue bond; and

WHEREAS, the City is a municipality organized and existing under and pursuant to the laws of the State of Wisconsin, and is authorized to enter into revenue agreements with eligible participants with respect to the Project whereby eligible participants agree to cause said Project to be constructed and to pay the City an amount of funds sufficient to provide for the prompt payment when due of the principal and interest on said industrial development revenue bonds; and

WHEREAS, the Borrower has requested that the City now approve an initial resolution providing for the financing of the multi-jurisdictional Project.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of La Crosse, Wisconsin, as follows:

1. Based upon representations of the Borrower, it is the finding and determination of the Common Council that the Project is a qualified “project” within the meaning of the Act and that the Borrower is an “eligible participant” within the meaning of the Act. If requested to do so by the Borrower, the City shall, subject to the conditions set forth in Section 2 below:

(a) Finance the Project in an amount not to exceed \$8,100,000; and

(b) Issue industrial development revenue bonds in one or more series of tax-exempt and/or taxable bonds in an amount not to exceed \$8,100,000 (the “Bond(s)”), in order to finance costs of the Project, located in the City and the Village of Viola, pursuant to Section 66.1103(3)(f) of the Wisconsin Statutes.

2. The aforesaid plan of financing contemplates, and is conditioned upon, the following:

(a) The Bonds shall never constitute an indebtedness of either the City or the Village of Viola within the meaning of any state constitutional provision or statutory limitation;

(b) The Bonds shall not constitute or give rise to a pecuniary liability of either the City or the Village of Viola or a charge against their general credit or taxing powers;

(c) The Project shall be subject to property taxation in the same amount and to the same extent as though the Project were not financed with industrial development revenue bonds;

(d) The Borrower shall find a purchaser for all of the Bonds;

(e) The City’s out-of-pocket costs, including but not limited to issuance fees, legal fees and Trustee’s fees, in connection with the authorization, issuance and sale of the Bonds shall be paid by the Borrower; and

(f) A notice of public hearing (the “TEFRA Hearing”) required by federal law for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, shall be published in a newspaper or newspapers of general circulation in the City and the Village of Viola and public hearings shall be held by both the City and the Village of Viola to provide interested individuals or parties the opportunity to testify with respect to the nature and location of the Project and the issuance of the Bonds to finance the Project.

3. The aforesaid plan of financing shall not be legally binding upon the City nor be finally implemented unless and until:

(a) The details and mechanics of the same are authorized and approved by a further resolution of the Common Council which shall be solely within the discretion of the Common Council;

(b) The City Clerk shall cause notice of adoption of this Initial Resolution, in the form attached hereto as Exhibit A, to be published once in a newspaper of general circulation in the City, and the electors of the City shall have been given the opportunity to petition for a referendum on the matter of the aforesaid Bond issue, all as required by law;

(c) Either no such petition shall be timely filed or such petition shall have been filed and said referendum shall have approved the Bond issue;

(d) The City and the Village of Viola shall have received an employment impact estimate issued under Section 238.11 of the Wisconsin Statutes;

(e) All documents required to consummate the financing have been duly authorized and delivered;

(f) The City, the Village of Viola and the Borrower have resolved all land use and special use issues with respect to the affected property and the Project; and

(g) The City and the Village of Viola have approved the issuance of the Bonds following the TEFRA Hearing required by Section 2(f) above.

4. Pursuant to the Act, all requirements that the Project be subject to the contracting requirements contained in Section 66.1103 are waived, the Borrower having represented that it is able to negotiate satisfactory arrangements for completing the Project and that the City's interests are not prejudiced thereby.

5. The City Clerk is directed, following adoption of this Initial Resolution (i) to publish notice of such adoption not less than one time in the official newspaper of the City, such notice to be in substantially the form attached hereto as Exhibit A and (ii) to file a copy of this Initial Resolution, together with a statement indicating the date the Notice to Electors was published, with the Wisconsin Economic Development Corporation within twenty (20) days following the date of publication of such notice.

6. This Initial Resolution is an "initial resolution" within the meaning of the Act and official action toward issuance of the Bonds for purposes of Sections 103 and 144 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. Furthermore, it is the reasonable expectation of the City that proceeds of the Bonds may be used to reimburse expenditures made on the Project prior to the issuance of the Bonds. The maximum principal amount of debt expected to be issued for the Project on the date hereof is \$8,100,000. This statement of official intent is made pursuant to Internal Revenue Code §1.150-2.

Adopted: December 10, 2015.

CITY OF LA CROSSE, WISCONSIN

[SEAL]

By: _____
Timothy Kabat, Mayor

By: _____
Teri Lehrke, City Clerk

EXHIBIT A

NOTICE TO ELECTORS OF THE CITY OF LA CROSSE, WISCONSIN

TAKE NOTICE that the Common Council of the City of La Crosse, Wisconsin (the "City"), at a regular meeting held at City Hall, 400 La Crosse Street, La Crosse, Wisconsin, on December 10, 2015, adopted an Initial Resolution pursuant to Section 66.1103 of the Wisconsin Statutes, as amended, expressing the intention to issue not to exceed \$8,100,000 of industrial development revenue bonds of the City (the "Bonds") on behalf of S&S Cycle, Inc., a Wisconsin corporation, and/or a related entity, and/or a limited liability entity to be formed (collectively, the "Borrower"), to complete a project consisting of financing the (i) acquisition and installation of equipment at the Borrower's facility located at 322 Causeway Boulevard in the City of La Crosse, Wisconsin (the "La Crosse Facility"), (ii) acquisition and installation of equipment at the Borrower's facility located at 14025 County Highway G in the Village of Viola, Wisconsin (the "Viola Facility" and collectively with the La Crosse Facility, the "Facilities"), (iii) rehabilitation of the Facilities which are both operated by the Borrower to manufacture motorcycle components, and (iv) payment of certain costs of issuance. The Borrower has represented (i) that the net number of full-time equivalent jobs which will be created at the La Crosse project site is 38 and (ii) that the net number of full-time equivalent jobs which will be created at the Viola project site is 57.

Pursuant to the terms of Section 66.1103 of the Wisconsin Statutes, all requirements that the Project be subject to the contracting requirements contained in Section 66.1103 are waived, the Borrower having represented that it is able to negotiate satisfactory arrangements for completing the Project and that the City's interests are not prejudiced thereby.

THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE CITY, NOR SHALL THE BONDS GIVE RISE TO ANY PECUNIARY LIABILITY OF THE CITY, NOR SHALL THE BONDS BE A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY. RATHER, THE BONDS SHALL BE PAYABLE SOLELY FROM THE REVENUES AND OTHER AMOUNTS TO BE DERIVED PURSUANT TO THE REVENUE AGREEMENT RELATING TO SAID PROJECT TO BE ENTERED INTO BETWEEN THE CITY AND THE BORROWER.

The Initial Resolution may be inspected in the office of the City Clerk at 400 La Crosse Street, La Crosse, Wisconsin, during business hours.

TAKE FURTHER NOTICE THAT THE ELECTORS OF THE CITY OF LA CROSSE MAY PETITION FOR A REFERENDUM ON THE QUESTION OF THE BOND ISSUE. Unless within thirty (30) days from the date of the publication of this Notice a petition signed by not less than five percent (5%) of the registered electors of the City of La Crosse is filed with the City Clerk requesting a referendum on the question of the issuance of the Bonds, the City will issue the Bonds without submitting the proposition for the electors' approval. If such petition is filed as aforesaid, then the Bonds shall not be issued until approved by a majority of the electors of the City of La Crosse voting thereon at a general or special election.

Teri Lehrke, City Clerk
City of La Crosse, Wisconsin

CERTIFICATION BY CITY CLERK

I, Teri Lehrke duly sworn, hereby certify that I am the duly qualified and acting City Clerk of the City of La Crosse, Wisconsin (the "City"), and as such I have in my possession, or have access to, the complete corporate records of the City and of its Common Council; that I have carefully compared the transcript attached hereto with the aforesaid records; and that said transcript attached hereto is a true, correct and complete copy of all the records in relation to the adoption of Resolution No. _____ entitled: INITIAL RESOLUTION REGARDING INDUSTRIAL DEVELOPMENT REVENUE BOND FINANCING FOR S&S CYCLE, INC. PROJECT

I hereby further certify as follows:

1. Said Initial Resolution was considered for adoption by the Common Council at a meeting held at City Hall, 400 La Crosse Street, La Crosse, Wisconsin, at _____ p.m. on December 10, 2015. Said meeting was a regular meeting of the Common Council and was held in open session.

2. Said Initial Resolution was on the agenda for said meeting and public notice thereof was given not less than twenty-four (24) hours prior to the commencement of said meeting in compliance with Section 19.84 of the Wisconsin Statutes, including, without limitation, by posting on the bulletin board in the City Hall, by notice to those news media who have filed a written request for notice of meetings, and by notice to the official newspaper of the City.

3. Said meeting was called to order by _____, who chaired the meeting. Upon roll, I noted and recorded that the following alderpersons were present:

_____	_____
_____	_____
_____	_____

and that the following alderpersons were absent:

_____	_____
_____	_____

I noted and recorded that a quorum was present. Various matters and business were taken up during the course of the meeting without intervention of any closed session. One of the matters taken up was said Initial Resolution, which was introduced, and its adoption was moved by _____ and seconded by _____. Following discussion and after all alderpersons who desired to do so had expressed their views for or against said Initial Resolution, the question was called, and upon roll being called and the continued presence of a quorum being noted, the recorded vote was as follows:

AYE:

_____	_____
_____	_____
_____	_____

NAY:

_____	_____
_____	_____

ABSTAINED:

_____	_____
_____	_____

Whereupon the meeting chairperson declared said Initial Resolution adopted, and I so recorded it.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the City hereto on this 10th day of December, 2015.

[SEAL]

Teri Lehrke, City Clerk