

FISCHER USA, Inc
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January 11, 2017

City of Racine Administration Office
Thomas Friedel
730 Washington Avenue
Racine, WI 53403

RE: Offer to Purchase a portion of Pierce Grove Park

Dear Mr. Friedel,

On behalf of FISCHER USA, I am seeking the City of Racine assistance in facilitating the expansion of our business at 3715 Blue River Avenue. FISCHER recently celebrated its 75th anniversary in Racine and has been located at our current location since 1956. FISCHER USA has experienced steady growth over the last 10 years and currently employs 63 people. Our work of manufacturing and servicing high speed spindles requires attention to detail, accuracy, and efficiency. We have maximized our current 38,000 SF facility and need to expand to meet growing customer demand.

FISCHER values its location in the City of Racine given our long history in the community. However, our current location limits facility expansion. We have considered several options to meet our business needs including purchasing adjacent properties and relocating our facility. Through careful review, we have determined that purchasing the section of Pierce Woods Park adjacent to our current lot line will allow us to expand our building and meet our five-year growth plan which upon execution will result in the addition of 15 high skilled manufacturing positions as well as 5 high skilled engineering support positions.

Specifically, FISHER USA is seeking to purchase a portion of Pierce Woods Park, owned by the City and adjoining FISCHER USA property at 3715 Blue River Avenue. FISCHER USA is offering to purchase a parcel 113 feet wide [east-west direction] by 289.92 feet long [north-south direction] a total of 32,760 square feet at a purchase price of \$40,000. In addition, we would like to secure an option to purchase a parcel 113 feet wide by 212.7 feet long to the south of the parcel proposed to purchase above.

The primary use of the purchase parcel is for a building expansion of approximately 10,000 square feet and result in \$3.0 million in capital investment of building expansion and renovation. The additional building space will be used for precision parts manufacturing production and high speed spindle assembly and repair work. If the City approves the purchase we expect to initiate expansion within 2017.

FISCHER is seeking an option to purchase an additional parcel (south of the proposed parcel for purchase) to provide opportunity for the company to plan growth over the next 10 years within the City. FISCHER would exercise the option to purchase the City land at fair market value when acquiring



additional property adjoining 3715 Blue River Avenue to the south. FISCHER USA proposes a fee of \$1,000 for a 10 year option to purchase the additional parcel. We would like the ability to renew the option to purchase at the end of the 10 year period.

FISCHER USA appreciates the City's consideration of our offer to purchase and parcel option within Pierce Woods. Our company strives to be a good neighbor and corporate citizen. We understand that the City must balance many considerations in reviewing our request. It is our goal if the City approves our request to continue our presence and investment in the City of Racine by initiating our project upon FISCHER USA's Board approving our expansion project.

I look forward to hearing from you regarding this request to discuss next steps.

Sincerely,

A handwritten signature in black ink that reads "Ryan R. Brath".

Ryan R. Brath
President/COO
FISCHER USA, Inc.