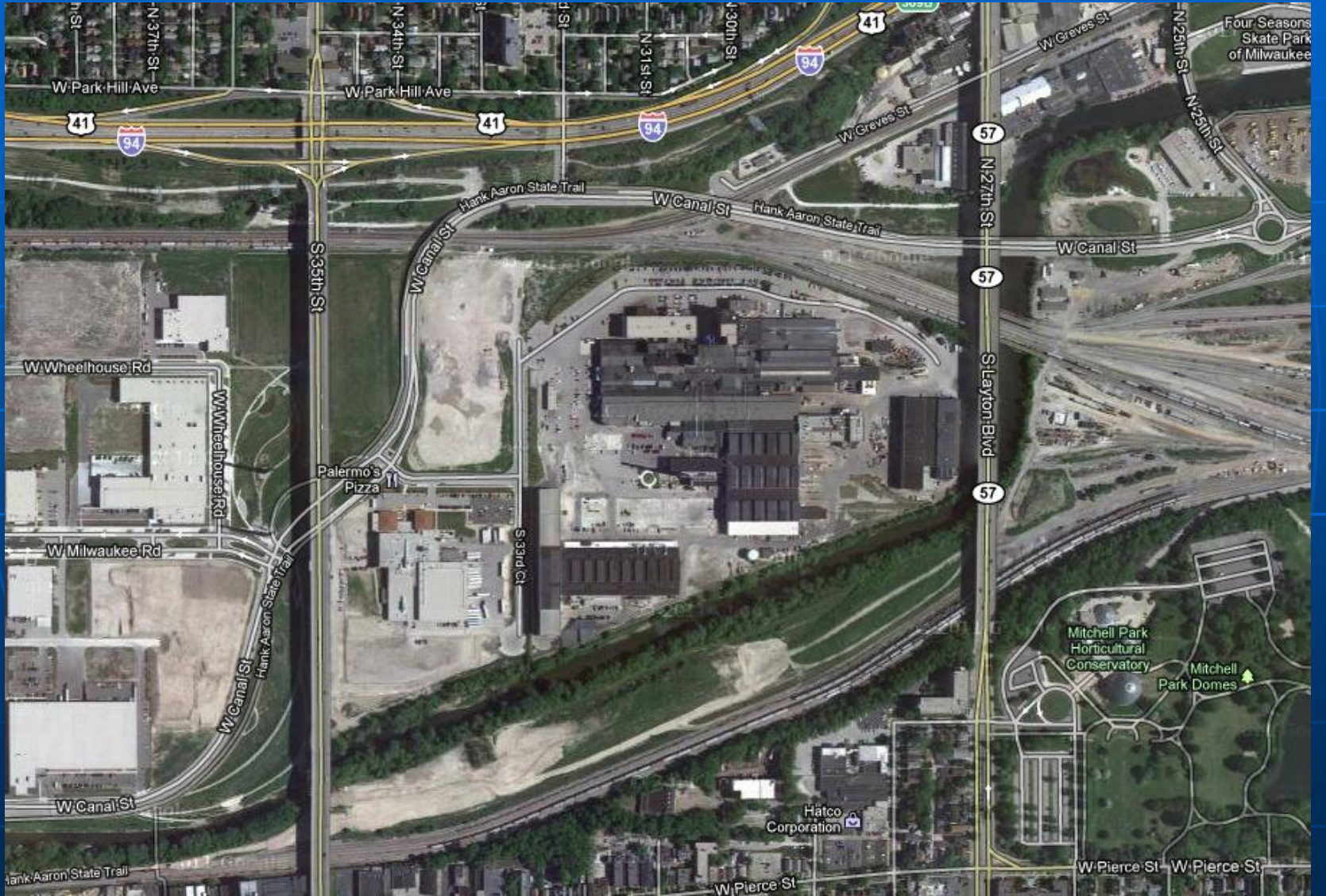


Rexnord Industries, LLC  
Falk Gear Group Project  
Tax Increment District  
No. 63

Amendment No. 1



- TID 53 created in 2006.
- Encompasses 51 acre site of Rexnord's Falk Gear facility at 30<sup>th</sup> & Canal.
- Falk products include gear drives, shaft couplings, and custom drives used in heavy industry- e.g. mining, pulp & paper, forest and wood industries.
- Est. 1895 in Menomonee Valley. Acquired by Rexnord 2005. Capitol Dr. operations consolidated to Valley in 2006. Current employment of 598.
- TID 53 funded \$1.5 M of access and site modifications necessitated by extension of Canal St.

- Rexnord plans to upgrade Falk facility into “Gear Center of Excellence.”
- Investment: \$21.9 M in new equipment, facility upgrades, process flow improvements, energy efficiency enhancements. \$10.5 M in equipment rebuilds.
- Other locations considered: Louisiana, Virginia, Canada, Australia, China.
- Project goals:
  - Improve quality to 5 sigma (<223 PPM defects)
  - Reduce Lead-Time by 70%
  - Achieve 95% On-Time Delivery

- TID will fund grant of \$1 M for Project.
- All funds advanced by company, repaid from incremental taxes generated by project.
- Length of district extended from 2020 to 2029.
- Company to maintain employment at not less than 520.