



*** All present are expected to conduct themselves in accordance with our City's Core Values ***

OFFICIAL NOTICE AND AGENDA

Notice is hereby given that the Common Council of the City of Wausau, Wisconsin will hold a regular or special meeting on the date, time and location shown below.

SPECIAL MEETING: **COMMON COUNCIL OF THE CITY OF WAUSAU**
Date/Time: **Tuesday, June 30, 2020 at 5:30 pm**
Location: **City Hall (407 Grant Street, Wausau WI 54403) - Council Chambers**
Members: Patrick Peckham, Michael Martens, Tom Kilian, Tom Neal, Jim Wadinski, Becky McElhaney, Lisa Rasmussen, Sarah Watson, Dawn Herbst, Lou Larson, Debra Ryan

Call to Order

Pledge of Allegiance / Roll Call

Public Comment: Pre-registered citizens for matters appearing on the agenda and other public comment.

Suspend Rule 12 (A) Referral of Resolutions and 6 (B) Filing (2/3 vote required)

20-0614	COUN	Ordinance Amending 5.90.010 Temporary outdoor operation for bars and taverns (changing application approval process)	Pending
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20-0410	COUN	Resolution Approving substantive terms of development agreement for the development of the proposed multifamily residential units as part of the redevelopment of the existing Plaza Hotel site at 201 N 17th Avenue	Pending
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CLOSED SESSION pursuant to §19.85(1)(e), Wis. Stats., 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, relating to the Plaza Hotel Multifamily Development Agreement

RECONVENE into Open Session to take action on Closed Session item, if necessary.

Adjournment

Signed by Katie Rosenberg, Mayor

*Due to the COVID-19 pandemic, this meeting is being held in person and via teleconference. Members of the media and the public may attend in person, subject to the social distancing rules of maintaining at least 6 feet apart from other individuals, or by calling 1-408-418-9388. **The Access Code is: 146 122 3813. Password: 4X4b4XFpj8Q**

Individuals appearing in person will either be seated in the Council Chambers or an overflow room, subject to the social distancing rules. Space available will be on a first come, first served basis. All public participants' phones will be muted during the meeting. Members of the public who do not wish to appear in person may view the meeting live over the internet by <https://waam.viebit.com/?folder=ALL>, on the City of Wausau's YouTube Channel <http://www.tinyurl.com/WAAMMedia>, live by cable TV, Channel 981, and a video is available in its entirety and can be accessed at <https://tinyurl.com/WausauCityCouncil>. Any person wishing to offer public comment who does not appear in person to do so, may e-mail leslie.kremer@ci.wausau.wi.us with "Common Council public comment" in the subject line prior to the meeting start. All public comment, either by email or in person, will be limited to items on the agenda at this time. The messages related to agenda items received prior to the start of the meeting will be provided to the Mayor.

This Agenda was posted at City Hall and faxed to the Daily Herald newsroom on 6/29/20 @ 3:00 pm. Questions regarding this agenda may be directed to the City Clerk.

In accordance with the requirements of Title II of the Americans with Disabilities Act (ADA), the City of Wausau will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs or activities. If you need assistance or reasonable accommodations in participating in this meeting or event due to a disability as defined under the ADA, please call the City's ADA Coordinator at (715) 261-6620 or email clerk@ci.wausau.wi.us at least 48 hours prior to the scheduled meeting or event to request an accommodation.

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

ORDINANCE OF THE COMMON COUNCIL

Amending Section 5.90.060 Temporary outdoor operation for bars and taverns (changing application approval process)

Committee Action: Pending

Ordinance Number:

Fiscal Impact: None

File Number: 20-0614

Date Introduced:

The Common Council of the City of Wausau do ordain as follows:

Add ()

Delete (—)

Section 1. That Section 5.90.060 Temporary outdoor operation for bars and taverns, is hereby amended to read as follows:

5.90.060 Temporary outdoor operation for bars and taverns. (a) Operation on public sidewalk. Any bar or tavern located within the City seeking to utilize the public sidewalk for additional seating for its establishment, that holds a valid alcohol beverage license, may apply for a temporary sidewalk café permit following the procedure set forth in subsections 5.63.040(a) and (b) of this Code and supplying the documents required therein. The sidewalk café standards of section 5.63.060 shall apply to all such temporary sidewalk operations. No application for outdoor seating under a temporary sidewalk café permit shall be approved in the absence of an approved temporary amendment to the licensed premises; the application for the temporary sidewalk café permit may be submitted at the same time as the application for temporary amendment of licensed premises. The city clerk and the police chief, or his/her designee are hereby authorized to jointly approve or approve conditionally applications for temporary sidewalk café permits and issue such permits to the applicant. ~~Applications may be approved or denied by the Public Health & Safety Committee~~ The city clerk and police chief may consult, as appropriate, with the fire chief, director of public works, and chief inspector and zoning administrator in determining whether to approve, conditionally approve, or recommend for denial a sidewalk café permit. Any application the city clerk and police chief, or his/her designee deem should be denied shall be submitted to the public health & safety committee with the city clerk's and police chief's recommendation to disapprove the same, who shall consider the application and make a recommendation to the Common Council. Any person aggrieved by the decision of the Common Council may seek such other legal relief as may be available. The provisions of section 5.90.030 (b) through (c) of this Code shall further apply to applications under this section. A temporary sidewalk café permit may be suspended or revoked as set forth in section 5.63.100 of this Code.

(b) Temporary amendment of licensed premises.

(1) Application. Any bar or tavern may submit an application to temporarily expand the area identified as the licensee's "licensed premises" to include an area for which it intends to seek a sidewalk café permit, or an outdoor space located on their premises which is adjacent to the licensed bar or tavern such as a parking lot or other open area. The application for temporary amendment of licensed premises may be submitted at the same time as the application for the temporary sidewalk café permit. The city clerk and the police chief, or his/her designee are hereby authorized to jointly approve or approve conditionally applications for temporary amendment of licensed premises. Applications may be approved or denied by the Public Health & Safety Committee. Any application the city clerk and police chief, or his/her designee deems should be denied shall be submitted to the public health & safety committee with the city clerk's and chief of police recommendation to disapprove the same, who shall consider the application and make a recommendation to the Common Council. Any person aggrieved by the decision of the Common Council may seek such other legal relief as may be available.

...

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3. This ordinance shall be in full force and effect on the day after its publication.

Section 4. This ordinance shall automatically repeal on October 31, 2020 at 11:59 pm; no further action shall be required.

Adopted:
Approved
Published:
Attest:

Approved:

Katie Rosenberg, Mayor

Attest:

Leslie M. Kremer, Clerk



Office of the City Attorney

TEL: (715) 261-6590

FAX: (715) 261-6808

Anne L. Jacobson
City Attorney

Tara G. Alfonso
Assistant City Attorney

Nathan Miller
Assistant City Attorney

COMMENTS REGARDING PROPOSED AMENDMENTS TO W.M.C. §5.90.060
PERMITTING TEMPORARY OUTDOOR OPERATION FOR BARS AND TAVERNS
DURING COVID-19 PANDEMIC AND RECOVERY PERIOD

- At its previous meeting (June 23, 2020) the Common Council approved temporary ordinance W.M.C. §5.90.060 setting forth an application and approval process for bars and taverns which would authorize temporary outdoor service opportunities (either on private property owned by the establishment or on City sidewalks) until October 31, 2020 at 11:59 p.m. for those establishments meeting specified standards and criteria
- Separately, on May 26, 2020, the Common Council approved a number of temporary ordinances providing outdoor dining opportunities for restaurants.
- Recognizing different considerations relating to the outdoor operation of bars and taverns from that of restaurants, given the nature of such establishments' primary business focus on the consumption and service of alcohol beverages, the ordinance establishing the application and approval process for temporary outdoor seating and service for bars and taverns was different in a number of respects to that previously passed by the Common Council for restaurants.
- Therefore, unlike the temporary ordinance provisions governing outdoor seating and service for restaurants, approval of temporary sidewalk café permits and temporary amendments of licensed premises for bars and taverns was proposed, and subsequently adopted, to lie with the Public Health & Safety Committee, rather than being delegated to the City Clerk as was the case with restaurant applications. This was noted in the comments that accompanied the proposed ordinance.
- The Common Council is being requested to consider whether it would amend the ordinance with respect to the approval process for outdoor service for bars and taverns to be similar to that of restaurants, i.e., to be approved by staff rather than the public health & safety committee. In such a way, bars and taverns would be able to more easily and quickly avail themselves of additional service area to foster social distancing and increase opportunities for business during the COVID-19 recovery period.
- The proposed ordinance amendments that accompany these comments provides for a revised process wherein the approval process would be delegated to a joint decision of the City Clerk and the Police Chief. If both recommended approval, then a sidewalk permit (if applicable) and a temporary amendment to the licensed premises could be issued upon the staff approval; there would be no need to wait for a meeting of the Public Health & Safety Committee. If the City Clerk and the Police Chief, however, would recommend denial of an application, the matter would then be referred to the Public Health & Safety Committee and then to the Common Council.

- The criteria set forth in the ordinance as passed on June 23, 2020, provides straightforward criteria with respect to the granting of a temporary amendment of a licensed premises to a bar or tavern, therefore there should be no legal impediments to staff making a decision to approve or conditionally approve a temporary amendment and sidewalk café permit where applicable. Where a denial would be recommended, applicants would have the ability for reconsideration of that decision to a higher authority, i.e., the Public Health & Safety Committee and ultimately the Common Council.

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE COMMON COUNCIL

Approving substantive terms of development agreement for the development of the proposed multifamily residential units as part of the redevelopment of the existing Plaza Hotel site at 201 N 17th Avenue

Committee Action: Pending

Fiscal Impact:

File Number: 20-0410

Date Introduced: June 30, 2020

FISCAL IMPACT SUMMARY

COSTS	Budget Neutral	Yes ☐	No ☐	
	Included in Budget:	Yes ☐	No ☐	Budget Source:
	One-time Costs:	Yes ☐	No ☐	Amount:
	Recurring Costs:	Yes ☐	No ☐	Amount:
SOURCE	Fee Financed:	Yes ☐	No ☐	Amount:
	Grant Financed:	Yes ☐	No ☐	Amount:
	Debt Financed:	Yes ☐	No ☐	Amount Annual Retirement
	TID Financed:	Yes ☐	No ☐	Amount:
	TID Source: Increment Revenue ☐ Debt ☐ Funds on Hand ☐ Interfund Loan ☐			

RESOLUTION

WHEREAS, on April 14, 2020, the Common Council approved the terms of a development agreement with Roland Lokre and Jim Frings for the construction of multi-family apartment complexes; and

WHEREAS, the development agreement would provide the developers \$450,000 in TIF assistance upon the completion of the demolition of the existing structure; pay an additional \$450,00 in reverse TIF upon the completion of the first 60-unit apartment building; and \$800,000 in reverse TIF upon completion of the second 60-unit apartment building; and

WHEREAS, the developers are requesting the city to consider renegotiating the portion of the clawback provision associated with repayment of city grants in the event construction of the second building is not completed by the end of 2023.

NOW, THEREFORE, BE IT RESOLVED the Common Council of the City of Wausau hereby directs the Community Development Department staff and the city attorney to renegotiate a fair clawback provision to this proposed development agreement.

Approved:

Katie Rosenberg, Mayor



Planning, Community and Economic Development

To: City of Wausau Common Council

RE: Modification of Proposed Development Agreement for the Plaza Hotel Multi-family residential development

On April 14, 2020 the City of Wausau Common Council approved a resolution approving the terms of a development agreement with Roland Lokre and Jim Frings to build two 60,000-sq. ft. multi-family apartment complexes at a cost of \$17,000,000. As part of the agreement, Lokre Company will also demolish the ballroom, pool and 2-story motel court structures of the existing building to create space for this development.

The tower portion of the existing structure is owned and being renovated by a separate developer to create a 64-unit Best Western-flagged hotel. While separately owned, both projects are connected because the renovation of the hotel can only take place with the major demolition and redevelopment of the remainder of the property. Both projects together expect to add more than \$18,000,000 in property value, a 1,200 percent increase of the current property assessment. It also eliminates a struggling, underutilized hotel property that has gone through past foreclosure.

The proposed development agreement for the two apartment structures would pay the developers \$450,000 in upfront tax incremental finance assistance upon the completion of the demolition of the existing structure; pay an additional \$450,000 in reverse (pay-go) TIF assistance upon the completion of the first 60-unit apartment building; and lastly, pay \$800,000 in reverse TIF investment upon completion of the second 60-unit apartment building – for a total of \$1,700,000 in city investment, or 10 percent of the total project cost.

Clawback provisions in the current proposed development agreement allow the City to demand reimbursement of any grants already paid to the developers if the second apartment building is not completed by the end of 2023. While the developers are ready to move forward with demolition and construction of the first apartment building (total construction value of \$9,000,000 and total TIF investment from City of \$900,000), the current post-pandemic economic environment has made investment speculation more challenging for any risk-taking developer. As such, Mr. Lokre is asking the city to consider renegotiating the portion of the clawback provision associated with repayment of City grants in the event construction of the second apartment building is not completed by the end of 2023.

Staff Recommendation

The Community Development staff and outside counsel from Quarles & Brady have worked diligently to craft a development agreement for this project that appropriately protects City taxpayers.

If Mr. Lokre's development company does nothing at the site, it receives \$0 in financial assistance from the city. At the point where the existing structures would be demolished and construction of the initial 60-unit, 60,000-sq .ft. building would be complete – under the current proposed development agreement – the City would provide the developers a total of \$900,000, or 10 percent of the total \$9,000,000 construction cost to that point. In such a scenario where the second apartment building is not constructed prior to the end of 2023, the developers would not receive the remaining \$800,000 promised under this proposed agreement. In any circumstance, the current proposed agreement insures the City never loses money on this project and never invests more than 10 percent of the total project cost.

Therefore, given the uncertainties of the current economic environment and the City of Wausau's efforts to work collaboratively with the community's business and development partners, the Community Development staff recommends the Common Council authorize its department along with the City Attorney to renegotiate a fair, yet, protective clawback provision to this proposed development agreement.

DEVELOPMENT AGREEMENT
(Plaza Hotel Multifamily)

THIS DEVELOPMENT AGREEMENT (this “Agreement”) is made as of [REDACTED] [REDACTED], 2020 (the “Effective Date”), by and among the CITY OF WAUSAU, a Wisconsin municipal corporation (the “City”); and, [REDACTED], a Wisconsin limited liability company (the “Company”), ROLAND LOKRE (“Lokre”), and JIM FRINGS (“Frings”) and, together with Lokre and the Company, “Developer”).

RECITALS

WHEREAS, the Company proposes to purchase a certain portion of the real property located at 201 N. 17th Ave. in the City of Wausau, County of Marathon, State of Wisconsin, being legally described on Exhibit A attached hereto (the “Parent Parcel”); and

WHEREAS, the current owner of the Parent Parcel has proposed to divide the Parent Parcel into three lots and to sell one of those lots to the Company (the “Property”); and

WHEREAS, Developer has proposed to develop the Property as set forth herein; and

WHEREAS, the City has, pursuant to the authority granted in Wisconsin Statutes, Section 66.1105, created a Tax Incremental District, the City of Wausau Tax Increment District Eight (the “TID”), and adopted a Project Plan (as amended, the “TID Plan”) to finance certain costs to induce development within or around the TID; and

WHEREAS, in order to achieve the objectives of the TID Plan and to make the land within the TID available for development by private enterprises for and in accordance with the uses specified in the TID Plan, the City has determined to provide financial and other assistance from the TID and other actions, as hereinafter set forth, to permit development to proceed; and

WHEREAS, the City intends to amend the TID Plan to include the Property within the TID; and

WHEREAS, Developer’s ability to develop the Property as set forth herein requires certain financial incentives from the City as set forth herein; and

WHEREAS, the City has determined that the proposed development at the Property by Developer (i) will promote and carry out the development objectives of the City, (ii) furthers the purposes of the TID Plan, and (iii) would not occur at the Property without the assistance of the City.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the parties agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

a. “Agreement” means this Development Agreement.

- b. “City” is defined in the introductory paragraph of this Agreement.
- c. “Clawback Payment” is defined in Section 3.a. of this Agreement.
- d. “Company” is defined in the in introductory paragraph of this Agreement.
- e. “Completion” means the substantial completion of any phase of the Project, as determined by the City in its reasonable discretion. Substantial completion means the occurrence of each of the following: (i) a certificate of occupancy is issued by the appropriate governmental authorities for such phase of the Project, as applicable; and (ii) the Project architect has issued a certificate stating that such phase of the Project has been substantially completed in accordance with the Plans.
- f. “CSM” is defined in Section 2.a. of this Agreement.
- g. “Developer” is defined in the introductory paragraph of this Agreement.
- h. “Effective Date” is defined in the introductory paragraph of this Agreement.
- i. “Grant” means a grant in an amount up to \$450,000.00 for the purpose of assisting the Developer to complete demolition of existing improvements on the Property, in accordance with the Plans and the Project Cost Breakdown.
- j. “Memorandum” means the short form memorandum of this Agreement in the form attached hereto as Exhibit B
- k. “Minimum Construction Cost” means at least Seventeen Million Dollars (\$17,000,000.00).
- l. “Phase 1 Project Commencement Deadline” means December 31, 2020.
- m. “Phase 1 Project Completion Deadline” means December 31, 2022.
- n. “Phase 1 Project” means the demolition of existing improvements on the Property and the construction of a mixed-use multifamily residential complex on the Property consisting of approximately 60,000 useable square feet as set forth in the Proposal, including, but not limited to the construction of all improvements as may be required in order to comply with applicable laws, rules, regulations, codes and ordinances in the use of Phase 1 of the Property.
- o. “Phase 1 Project Tax Increment” for any given calendar year means the amount of the Tax Increment for that calendar year that the City allocates to the Phase 1 Project in its sole discretion.
- p. “Phase 1 Tax Increment Allocation” means a cumulative total amount of the Phase 1 Project Tax Increment equal to \$450,000.00 pursuant to the terms and conditions set forth below.

- q. “Phase 1 Tax Increment Grant” means, as described in more particularity below, a grant from the City in up to five (5) annual installments of a percentage of Phase 1 Project Tax Increment not to exceed a cumulative amount of the Phase 1 Tax Increment Allocation.
- r. “Phase 1 Tax Increment Grant Amount” for any given calendar year means an amount equal to the Phase 1 Tax Increment Percentage multiplied by the Phase 1 Project Tax Increment actually collected for such year.
- s. “Phase 1 Tax Increment Percentage” means Fifty Percent (50%).
- t. “Phase 2 Project Commencement Deadline” means December 31, 2022.
- u. “Phase 2 Project Completion Deadline” means December 31, 2023.
- v. “Phase 2 Project” means the construction of a second mixed-use multifamily residential complex on the Property consisting of approximately 60,000 useable square feet as set forth in the Proposal, including, but not limited to the construction of all improvements as may be required in order to comply with applicable laws, rules, regulations, codes and ordinances in the use of Phase 1 of the Property.
- w. “Phase 2 Project Tax Increment” for any given calendar year means the amount of the Tax Increment for that calendar year that the City allocates to the Phase 2 Project in its sole discretion. Any amount of the Tax Increment allocated by the City to the Phase 1 Project Tax Increment shall not be available to be allocated as part of the Phase 2 Project Tax Increment.
- x. “Phase 2 Tax Increment Allocation” means a cumulative total amount of the Phase 2 Project Tax Increment equal to \$800,000.00 pursuant to the terms and conditions set forth below.
- y. “Phase 2 Tax Increment Grant” means, as described in more particularity below, a grant from the City in up to seven (7) annual installments of a percentage of Phase 2 Project Tax Increment not to exceed a cumulative amount of the Phase 2 Tax Increment Allocation.
- z. “Phase 2 Tax Increment Grant Amount” for any given calendar year means an amount equal to the Phase 2 Tax Increment Percentage multiplied by the Phase 2 Project Tax Increment actually collected for such year.
- aa. “Phase 2 Tax Increment Percentage” means Seventy Percent (70%).
- bb. “Plans” means final detailed plans and specifications for each phase of the Project in form and substance acceptable to the City, which shall include, without limitation, the following: all improvements now located or to be located on the Property, the footprint of all improvements and the square footage of all improvements, all easements, pathways, exterior boundary lines, walkways, parking and circulation areas, adjoining public streets and alleys, utilities, exits and entrances, all signage, sidewalks, landscaping, all materials to be used in construction, all interior and exterior finishes, building sections, description of room and space sizes, plan arrangement of rooms and functional spaces, exterior

elevations, the stacking of floors and all construction elements, a narrative description of all structural systems, mechanical systems, electrical systems and any specialty systems, and a landscaping plan and landscape maintenance plan.

cc. “Project” means the redevelopment of the Property as two mixed-use multifamily residential complexes consisting of approximately 60,000 useable square feet each as set forth in the Proposal, including, but not limited to the construction of all improvements as may be required in order to comply with applicable laws, rules, regulations, codes and ordinances in the use of the Property.

dd. “Project Commencement” means, the date of actual construction commencement of the Phase 1 Project, as determined by the City in its reasonable discretion.

ee. “Project Commencement Deadline” means the Phase 1 Project Commencement Deadline.

ff. “Project Completion” means the Completion of both phases of the Project, as determined by the City in its reasonable discretion.

gg. “Project Completion Deadline” means the Phase 2 Project Completion Deadline.

hh. “Project Cost Breakdown” means a current cost breakdown of construction and non-construction cost items (i.e., a line-item budget), clearly identifying development, engineering, construction, furnishing, equipping, financing, contingency and all other direct and indirect costs of development, construction and installation of each phase of the Project in accordance with the Plans. The Project Cost Breakdown shall also include Developer's proposed source(s) of funds.

ii. “Property” is defined in the Recitals above and as further described in Section 2.a below.

jj. “Proposal” means that certain City of Wausau TIF Application dated [REDACTED], which was presented by Developer to the City.

kk. “Tax Increment” for any given calendar year means the amount derived by: (i) taking the total real property tax revenues paid by Developer and actually received and retained by the City from real property tax payments on the Property and then (ii) subtracting the Tax Increment Base Year Amount. In the event of a negative number, the Tax Increment for such year shall be \$0.00.

ll. “Tax Increment Base Year Amount” means the real property taxes payable for calendar year 2020 based on the assessed value of the Property as of January 1, 2020.

mm. “Tax Increment Grant” means the Phase 1 Tax Increment Grant or the Phase 2 Tax Increment Grant as the context requires.

nn. “Tax Increment Percentage” means the Phase 1 Tax Increment Percentage or the Phase 2 Tax Increment Percentage as the context requires.

oo. “TID” is defined in the Recitals above.

pp. “TID Plan” is defined in the Recitals above.

2. Commitments of Developer. Developer agrees and covenants with the City as follows:

a. *Division of Parent Parcel and Purchase of Property.* As soon as reasonably practicable after the Effective Date, Developer, at its sole cost and expense, shall cause a land surveyor licensed in the State of Wisconsin to make a survey, land division and map, via a certified survey map, of the Parent Parcel that divides the Parent Parcel into three lots (the “CSM”): (i) one lot shall be the Property; and (ii) two other lots. The CSM shall be in form and substance reasonably acceptable to the City and shall be approved by the City pursuant to its normal procedures for approving certified survey maps, and by any other governmental body, if necessary. On or prior to the Project Commencement Deadline: (i) the CSM shall be recorded with the Office of the Register of Deeds for Marathon County, Wisconsin; and (ii) the Company shall have purchased the Property.

b. *Construction and Operation of the Project.*

i. Subject to the terms and conditions of this Agreement, Developer, at its cost and expense, agrees to construct, install, furnish, equip and maintain the Project. Developer will cause the Project to be constructed in a good and workmanlike manner and in accordance with the Plans.

ii. Construction of the Project shall commence no later than the Project Commencement Deadline, and upon commencement, Developer will diligently continue construction of the Project substantially in accordance with the construction schedule approved by the City and shall achieve Project Completion no later than the Project Completion Deadline. Construction of the Phase 2 Project shall commence no later than the Phase 2 Project Commencement Deadline.

iii. Developer will conform and comply with, and will cause the Project to be in conformance and compliance with all applicable federal, state, local and other laws, rules, regulations and ordinances, including without limitation, all zoning and land division laws, rules, regulations and ordinances, all building codes and ordinances of the City, and all environmental laws, rules, regulations and ordinances. Developer covenants that it will perform and observe the covenants contained in, and the Project will conform and comply with, the covenants, restrictions, documents or instruments governing the Property.

iv. Developer shall have in effect at all times, all permits, approvals and licenses as may be required by any governmental authority or non-governmental entity in connection with the development, construction, management, and operation of the Project.

v. Developer will not, without the City's prior written consent, materially change the scope of the Project, any phase of the Project, the Plans, or the uses of the Project. The development and operation of the Project shall be in substantial conformity with the Proposal.

vi. Developer shall spend at least the Minimum Construction Cost in construction costs at the Property in connection with the Project. Developer's soft construction costs shall not be included in such amount.

3. Commitments of the City.

a. *Grant.* Subject to the terms and conditions of this Agreement, the City agrees to make, and Developer agrees to accept, the Grant. The Grant shall be disbursed to Developer in a lump-sum after completion of the demolition of the improvements existing on the Property as of the Effective Date in accordance with the Plans as reimbursement of a portion of the cost of such demolition work as shown on the Project Cost Breakdown. The City agrees to reimburse for all eligible costs up to the amount of the Grant within fifteen (15) days of the later to occur of: (i) written disbursement request from Developer; and (ii) the satisfaction of all conditions set forth in Section 4.b. below. Developer agrees that if the cost of the demolition work is less than the amount of the Grant, then all remaining Grant funds shall, at the City's option, be forfeited by Developer. If Developer: (i) does not achieve Completion of the Phase 1 Project on or prior to the Phase 1 Project Completion Deadline; (ii) does not achieve Completion of the Phase 2 Project on or prior to the Phase 2 Project Completion Deadline; or (iii) if any part of the Project is not constructed in substantial compliance, as determined by the City in its reasonable discretion, with the Plans or the consents, approvals or permits issued by any governmental authority with respect to the construction of the Project, then the City may demand payment from the Developer of the entire amount of the Grant paid to the Developer hereunder (the "Clawback Payment"), which Developer shall pay to the City within thirty (30) days after such demand. The City's right to the Clawback Payment shall survive the termination of this Agreement, the transfer of the Project, or any portion thereof, or the assignment of this Agreement.

b. *Phase 1 Tax Increment Grant by the City.* Subject to the terms and conditions of this Agreement, the City agrees to make, and Developer agrees to accept, the Phase 1 Tax Increment Grant as partial reimbursement for the construction of the Project. The Phase 1 Tax Increment Grant shall be made in up to five (5) annual installments on or before November 1 of each year in the amount of the Phase 1 Tax Increment Grant Amount for the prior calendar year up to the cumulative maximum amount of the Phase 1 Tax Increment Allocation; provided, however, that the amount of the Phase 1 Tax Increment Grant in each year is further limited to the amount of the Tax Increment actually appropriated for use as the Phase 1 Tax Increment Grant by the City Council for such year. The first annual payment of the Phase 1 Tax Increment Grant shall be in 2024 for payment of the Tax Increment Grant Amount for calendar year 2023, and the final scheduled annual payment of the Phase 1 Tax Increment Grant shall be in 2028 for payment of the Phase 1 Tax Increment Grant Amount for calendar year 2027. In the event that Developer fails to meet all conditions precedent for an installment of the Phase 1 Tax Increment Grant for a given year, such installment shall be forfeited for such year. The City makes no representation or covenant, express or implied, that any non-zero Phase 1 Tax Increment Grant Amount will be generated and/or appropriated in any given year or that, in the aggregate, all such installments will be sufficient to total the Phase 1 Tax Increment Allocation. Any Tax Increment which is not appropriated and allocated toward the Phase

1 Tax Increment Grant Amount may be used by the City for any legally permitted purpose, in its sole discretion. The City reserves the right to accelerate payments of the Phase 1 Tax Increment Grant.

c. *Phase 2 Tax Increment Grant by the City.* Subject to the terms and conditions of this Agreement, the City agrees to make, and Developer agrees to accept, the Phase 2 Tax Increment Grant as partial reimbursement for the construction of the Project. The Phase 2 Tax Increment Grant shall be made in up to seven (7) annual installments on or before November 1 of each year in the amount of the Phase 2 Tax Increment Grant Amount for the prior calendar year up to the cumulative maximum amount of the Phase 2 Tax Increment Allocation; provided, however, that the amount of the Phase 2 Tax Increment Grant in each year is further limited to the amount of the Tax Increment actually appropriated for use as the Phase 2 Tax Increment Grant by the City Council for such year. The first annual payment of the Phase 2 Tax Increment Grant shall be in 2025 for payment of the Tax Increment Grant Amount for calendar year 2024, and the final scheduled annual payment of the Phase 2 Tax Increment Grant shall be in 2031 for payment of the Phase 2 Tax Increment Grant Amount for calendar year 2030. In the event that Developer fails to meet all conditions precedent for an installment of the Phase 2 Tax Increment Grant for a given year, such installment shall be forfeited for such year. The City makes no representation or covenant, express or implied, that any non-zero Phase 2 Tax Increment Grant Amount will be generated and/or appropriated in any given year or that, in the aggregate, all such installments will be sufficient to total the Phase 2 Tax Increment Allocation. Any Tax Increment which is not appropriated and allocated toward the Phase 2 Tax Increment Grant Amount may be used by the City for any legally permitted purpose, in its sole discretion. The City reserves the right to accelerate payments of the Phase 2 Tax Increment Grant.

4. Conditions Precedent to the City's Obligations.

a. *General Conditions.* In addition to all other conditions and requirements set forth in this Agreement, all of the obligations of the City under this Agreement are conditioned upon the satisfaction of each and every one of the following conditions:

i. Developer shall promptly provide the City with (A) evidence that the Company is authorized to enter into this Agreement and that the persons signing this Agreement on behalf of the Company are authorized to so sign this Agreement and to bind the Company to the terms and conditions of this Agreement, (B) a certified copy of the Company's organizational documents, (C) a certificate of status for the Company issued by the Wisconsin Department of Financial Institutions or the applicable jurisdiction, and (D) resolutions or consents of the Company's board of directors, partners or members, as the case may be, approving this Agreement and the transactions which are the subject of this Agreement.

ii. No uncured default, or event which with the giving of notice or lapse of time or both would be a default, shall exist under this Agreement. Developer shall not be in default (beyond any applicable period of grace) of any of its obligations under any other agreement or instrument with respect to the Project to which Developer is a party or an obligor.

- iii. Developer, at its cost, will promptly provide the Project Cost Breakdown to the City. The Project Cost Breakdown shall be certified by Developer, its Project architect and general contractor as accurate and complete and shall be acceptable to the City. The Project Cost Breakdown must show a state of facts acceptable to the City. Any revisions to the Project Cost Breakdown shall be subject to the City's review and approval.
- iv. Developer shall promptly have completed the Plans which must be acceptable in all respects to the City. Any revisions to the Plans shall be subject to the City's review and approval.
- v. Developer shall promptly provide the City with a detailed completion schedule for the Project which must be acceptable to the City. Such schedule shall specify the timing of all material aspects of the Project. Any revisions to such completion schedule shall be subject to the City's review and approval.
- vi. Developer shall have obtained all necessary consents, permits, and approvals, including, but not limited to, zoning and plan approval and building permits, required by the City or any other governmental entity having jurisdiction over the Project.
- vii. City shall have approved a list of all contractors employed in connection with the construction of the Project, showing the name, address, and telephone number of each contractor, a general description of the nature of the work to be done, the labor and materials to be supplied, the names of materialmen, if known, and the approximate dollar value of the labor, work, or materials with respect to each contractor or materialman. Any change in the general contractor shall require the prior written consent of City, which consent may be withheld in City's sole discretion. Any change in the list of contractors or any change in any materialmen providing goods or services to the Project shall require the delivery by Developer of written notice thereof and delivery of an updated list of contractors within a reasonable time after such change is made.
- viii. Developer shall submit an executed copy of each and every construction contract or design-building agreement for the Project to the City. Such construction contracts or design-building agreements must be reasonably acceptable to the City.
- ix. Developer shall promptly provide financial information of Developer to the City, which information shall be in form and content acceptable to the City, including evidence that Developer has available funds sufficient to complete the Project.
- x. The City shall have amended the TID Plan.
- xi. The CSM shall have been recorded and Developer shall have acquired fee simple title interest to the Property.

xii. The City, through its City Council, shall have approved this Agreement and the transactions contemplated herein, and all other agreements and/or transactions which require approval.

xiii. Developer shall promptly deliver to the City a standard lender comfort letter from Developer's primary lender.

b. *Conditions to the Disbursement of the Grant.* In addition to the foregoing and all other conditions and requirements set forth in this Agreement, the obligation of the City under this Agreement to disburse the Grant to Developer is conditioned upon the satisfaction of each and every one of the following conditions:

i. No uncured default, or event which with the giving of notice or lapse of time or both would be a default, shall exist under this Agreement. Developer shall not be in default (beyond any applicable period of grace) of any of its obligations under any other agreement or instrument with respect to the Project to which Developer is a party or an obligor.

ii. Developer shall have completed the demolition of the improvements existing on the Property as of the Effective Date in accordance with the Plans.

iii. Developer shall provide the City with written evidence of Developer's expenditures with respect to demolition of the improvements existing on the Property as of the Effective Date and such other documentary evidence as required herein consistent with the Project Cost Breakdown.

c. *Conditions to Each Installment of Each Tax Increment Grant.* In addition to the foregoing and all other conditions and requirements set forth in this Agreement, the obligation of the City under this Agreement to provide each installment of each Tax Increment Grant is conditioned upon the satisfaction of each and every one of the following conditions:

i. No uncured default, or event which with the giving of notice or lapse of time or both would be a default, shall exist under this Agreement. Developer shall not be in default (beyond any applicable period of grace) of any of its obligations under any other agreement or instrument with respect to the Project to which Developer is a party or an obligor.

ii. Completion of the Project shall have occurred on or prior to the Project Completion Deadline.

iii. Developer shall provide the City with written evidence of Developer's expenditures with respect to construction of the Project and such other documentary evidence as required herein consistent with the Project Cost Breakdown showing a minimum hard cost construction spend of at least the Minimum Construction Cost.

iv. Developer shall provide the City with evidence that the Memorandum was either recorded before any mortgages, leases or any other assignment of the

Property, or that such pre-existing mortgagee, lessee and/or assignee has agreed in writing to the terms and conditions of this Agreement.

All submissions given to the City to satisfy the conditions contained in this Section 4 must be satisfactory in form and content to the City, in its reasonable discretion.

5. Additional Representations, Warranties and Covenants of Developer. Developer represents and warrants to the City and agrees and covenants with the City as of the Effective Date, and again at the disbursement of the Grant, and again at each disbursement of each Tax Increment Grant as follows:

- a. All copies of documents, contracts and agreements which Developer has furnished to the City are true and correct in all material respects.
- b. Developer has paid, and will pay when due, all federal, state and local taxes, and will promptly prepare and file returns for accrued taxes prior to any taxes becoming delinquent.
- c. Developer will pay for all work performed and materials furnished for the Project.
- d. No statement of fact by Developer contained in this Agreement and no statement of fact furnished or to be furnished by Developer to the City pursuant to this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements herein or therein contained not misleading at the time when made.
- e. The Company is a limited liability company duly formed and validly existing and has the power and all necessary licenses, permits and franchises to own its assets and properties and to carry on its business. The Company is duly licensed or qualified to do business and in good standing in the State of Wisconsin and all other jurisdictions in which failure to do so would have a material adverse effect on its business or financial condition.
- f. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action of the Company and constitute the valid and binding obligations of Developer enforceable in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium, general principles of equity, and other similar laws of general application affecting the enforceability of creditors' rights generally.
- g. The execution, delivery, and performance of Developer's obligations pursuant to this Agreement will not violate or conflict with the Company's organizational documents or any indenture, instrument or agreement by which Developer is bound, nor will the execution, delivery, or performance of Developer's obligations pursuant to this Agreement violate or conflict with any law applicable to Developer or the Project.
- h. There is no litigation or proceeding pending or threatened against or affecting Developer or the Project that would adversely affect the Project or Developer or the

enforceability of this Agreement, the ability of Developer to complete the Project or the ability of Developer to perform its obligations under this Agreement.

i. No default, or event which with the giving of notice or lapse of time or both would be a default, exists under this Agreement, and Developer is not in default (beyond any applicable period of grace) of any of its obligations under any other agreement or instrument entered into in connection with the Project.

j. The Project Cost Breakdown approved by the City accurately reflects all Project costs that will be incurred in the development, completion, construction, furnishing and equipping of the Project, and the City is entitled to rely on the Project Cost Breakdown. Developer knows of no circumstances presently existing or likely to occur which would or could be expected to result in a variation or deviation from the Project Cost Breakdown

k. Developer shall commence construction on the Phase 2 Project on or prior to the Phase 2 Project Commencement Deadline

l. Developer shall bring the Phase 1 Project to Completion on or prior to the Phase 1 Project Completion Deadline.

m. Developer agrees to pay timely all generally applicable property taxes assessed and levied in connection with the Property under applicable property tax laws, rules, rates, regulations and ordinances in effect from time to time. Nothing in this Agreement shall impair any statutory rights of the City and other taxing authorities with respect to the assessment, levy, priority, collection and/or enforcement of real estate and personal property taxes.

The representations and warranties contained herein shall be true and correct at all times as required by this Agreement. Without limiting the generality of the foregoing sentence, the representations and warranties above shall be deemed to have been made again by Developer at disbursement of the Grant and at each disbursement of each Tax Increment Grant. Developer shall comply with all covenants contained herein at all times during the term of this Agreement.

6. Default. The occurrence of any one or more of the following events shall constitute a default ("Default") hereunder:

a. Any representation or warranty made by Developer in this Agreement, or any document or financial statement delivered by Developer pursuant to this Agreement, shall prove to have been false in any material respect as of the time when made or given; or

b. Developer shall breach or fail to perform timely or observe timely any of its covenants or obligations under this Agreement, and such failure shall continue for thirty (30) days following notice thereof from the City to Developer (or such longer period of time as is necessary to cure the default as long as Developer has commenced the cure of the default within the 30-day period, is diligently pursuing the cure of the default and as long as the default is cured not later than 60 days following the notice thereof from the City); or

c. Construction of the Project shall be abandoned for more than sixty (60) consecutive days or if any portion of the Project shall be damaged by fire or other casualty and not repaired, rebuilt or replaced within a reasonable time thereafter; or

d. Developer shall: (i) become insolvent or generally not pay, or be unable to pay, or admit in writing its/his inability to pay, its/his debts as they mature; or (ii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its/his assets; or (iii) become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or file a petition in bankruptcy, for reorganization or to effect a plan or other arrangement with creditors; or (iv) have a petition or application filed against it/him in bankruptcy or any similar proceeding, or have such a proceeding commenced against it/him, and such petition, application or proceeding shall remain undismissed for a period of ninety (90) days or Developer or Guarantor shall file an answer to such a petition or application, admitting the material allegations thereof; or (v) apply to a court for the appointment of a receiver or custodian for any of its/his assets or properties, or have a receiver or custodian appointed for any of its/his assets or properties, with or without consent, and such receiver shall not be discharged within ninety (90) days after its/his appointment; or (vi) adopt a plan of complete liquidation of its/his assets; or

e. If the Company shall dissolve or shall cease to exist, or Lokre or Frings dies; or

f. A default shall occur beyond any applicable notice and cure period on any other indebtedness of or loan to Developer, or a default shall continue beyond any applicable notice and cure period under any mortgage or other lien or encumbrance affecting the Property; or

g. Developer shall breach or fail to perform timely or observe timely any of its covenants or obligations (including any payment obligations) under any other contracts or agreements with respect to the Project.

Upon the occurrence of any Default, the City at its option, may pursue any or all of the rights and remedies available to it at law and/or in equity and/or under this Agreement.

7. Transfers; Assignment. Developer shall not, directly or indirectly, sell, assign, transfer, convey, mortgage or encumber the Property during the term of this Agreement unless it first obtains the prior written consent of the City, which consent shall not be unreasonably withheld. The provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties and shall run with the land.

8. Term. The term of this Agreement shall commence on the Effective Date and shall continue, unless terminated by all parties, until the latest to occur of the following: (i) payment in full of each Tax Increment Grant, (ii) the last scheduled disbursement of each Tax Increment Grant as set forth above, and (iii) termination of the TID.

9. Joint and Several Obligations. The Company, Lokre, and Frings shall each be jointly and severally liable for the performance of all obligations of Developer under this Agreement, and the City may bring suit against either of them, jointly or severally, or against both of them.

10. Miscellaneous.

a. Notices. All notices hereunder must be in writing and must be sent by United States registered or certified mail (postage prepaid) or by an independent overnight courier service, addressed to the addresses specified below:

Notices to Developer:

Rolly Lokre
3062 Village Park Dr.
Plover, WI 54467

Notices to the City:

City of Wausau
407 Grant Street
Wausau, WI 54403
Attn: City Clerk

with a copy to:

City of Wausau
407 Grant Street
Wausau, WI 54403
Attn: City Attorney

Notices given by mail are deemed delivered within (3) three business days after the party sending the notice deposits the notice in the United States Post Office. Notices delivered by courier are deemed delivered on the next business day after the party delivering the notice timely deposits the Notice with the courier for overnight (next day) delivery.

b. Recording. Recording of this Agreement is prohibited except as allowed in this paragraph. Simultaneously with this Agreement, Developer shall execute and deliver to the City the Memorandum. The City will record the Memorandum against the Parent Parcel. Once the CSM is finalized and recorded, the City shall prepare and record such documents are sufficient to release the lots created by the CSM, other than the Property, from the lien of the Memorandum.

c. No Personal Liability. Under no circumstances shall any alderperson, council member, officer, official, director, attorney, employee or agent of the City have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

d. Waiver; Amendment. No waiver, amendment, or variation in the terms of this Agreement shall be valid unless in writing and signed by the City and Developer, and then only to the extent specifically set forth in writing. Nothing contained in this Agreement is intended to or has the effect of releasing Developer from compliance with all applicable laws, rules, regulations and ordinances in addition to compliance with all terms, conditions and covenants contained in this Agreement.

e. Entire Agreement. This Agreement and the documents executed pursuant to this Agreement contain the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, promises, warranties, covenants or undertakings other than those expressly set forth in this Agreement and the documents executed in connection

with this Agreement. This Agreement and the documents executed in connection herewith supersede all prior negotiations, agreements and undertakings between the parties with respect to the subject matter hereof.

f. No Third-Party Beneficiaries. This Agreement is intended solely for the benefit of Developer and the City, and no third party shall have any rights or interest in any provision of this Agreement, or as a result of any action or inaction of the City in connection therewith. Without limiting the foregoing, no approvals given pursuant to this Agreement by Developer or the City, or any person acting on behalf of any of them, shall be available for use by any contractor or other person in any dispute relating to the Project.

g. Severability. If any covenant, condition, provision, term or agreement of this Agreement is, to any extent, held invalid or unenforceable, the remaining portion thereof and all other covenants, conditions, provisions, terms, and agreements of this Agreement will not be affected by such holding, and will remain valid and in force to the fullest extent by law.

h. Governing Law. This Agreement is governed by, and must be interpreted under, the internal laws of the State of Wisconsin. Any suit arising or relating to this Agreement must be brought in Marathon County, Wisconsin.

i. Time is of the Essence; Deadlines. Time is of the essence with respect to this performance of every provision of this Agreement in which time of performance is a factor. In the event a deadline herein falls on a non-business day, the deadline shall be deemed to fall on the next following business day.

j. Relationship of Parties. This Agreement does not create the relationship of principal and agent, or of partnership, joint venture, or of any association or relationship between the City and Developer.

k. Captions and Interpretation. The captions of the articles and sections of this Agreement are to assist the parties in reading this Agreement and are not a part of the terms of this Agreement. Whenever required by the context of this Agreement, the singular includes the plural and the plural includes the singular.

l. Counterparts/Electronic Signature. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which counterparts collectively shall constitute one instrument representing the agreement among the parties. Facsimile signatures and PDF email signatures shall constitute originals for all purposes.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date first printed above.

DEVELOPER:

[_____]

By: _____

Name: Roland Lokre

Title: Member

ROLAND LOKRE, individually

JIM FRINKS, individually

CITY:

CITY OF WAUSAU

By: _____
Katie Rosenberg, Mayor

Attest: _____
Leslie M. Kremer, Clerk

EXHIBIT A

LEGAL DESCRIPTION OF THE PARENT PARCEL

[To be inserted.]

EXHIBIT B

FORM OF MEMORANDUM

[Attach to this cover page.]

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

**JOINT RESOLUTION OF THE ECONOMIC DEVELOPMENT
AND FINANCE COMMITTEES**

Approving tax increment financing incentives not to exceed 10% of new construction value for proposed multifamily residential units as part of a major redevelopment of the existing Plaza Hotel site at 201 N 17th Avenue and related budget modification.

Committee Action: ED: Approved 4-1
FIN: Approved 5-0

Fiscal Impact: \$900,000 for Phase 1; \$800,000 for Phase 2 of the multifamily residential development

File Number: 20-0410

Date Introduced: April 14, 2020

FISCAL IMPACT SUMMARY

COSTS	Budget Neutral	Yes ☐ No ☒	
	Included in Budget:	Yes ☐ No ☒	Budget Source: TID #8
	One-time Costs:	Yes ☒ No ☐	Amount:
	Recurring Costs:	Yes ☐ No ☐	Amount:
SOURCE	Fee Financed:	Yes ☐ No ☒	Amount:
	Grant Financed:	Yes ☐ No ☒	Amount:
	Debt Financed:	Yes ☒ No ☐	Amount: \$450,000 Annual Retirement: \$52,500
	TID Financed:	Yes ☒ No ☐	Amount: \$450,000
	TID Source: Increment Revenue ☒ Debt ☒ Funds on Hand ☐ Interfund Loan ☐		

RESOLUTION

WHEREAS, the City of Wausau has a long track record of successful public-private partnerships to facilitate quality redevelopment activities that increase economic benefits to the City of Wausau and further economic development goals; and

WHEREAS, the Plaza Hotel has needed renovation and redevelopment, having gone through foreclosure and seen a lack of investment for many years; and

WHEREAS, the owner has presented a proposal to renovate part of the hotel, and sell the rest for its redevelopment into other complimentary uses; and

WHEREAS, the redevelopment of the Plaza Hotel site:

- Would not occur without the financial assistance from the City of Wausau financed from Tax Increment District Number Eight.
- That the financial assistance will be supported by a development agreement and other related documents signed by the developer.

- That the development incentives and developer payments are eligible expenses under the tax increment financing laws.
- That the redevelopment of the existing Plaza Hotel site furthers the purposes of tax increment financing and the objectives of Tax Increment District Number Eight.
- That development incentives were listed as project plan costs within the Tax Increment District Eight Project Plans.
- That the incentive to the developer is necessary and convenient to effectuate the purposes for which Tax Increment District Number Eight were created.
- That the City will initiate and/or complete a Project Plan amendment to add this property to the district's boundaries.
- That redevelopment of the Plaza Hotel site is in the best interest of the City and its residents in accordance with the public purpose and conditions of applicable state and local laws and the standards under which the tax increment district was undertaken and implemented; and

WHEREAS, the following budget modification is required to fund the developer incentives:

Increase 148-348497200	TID 8 Developer Incentives	\$450,000
Increase 148-351289120	TID 8 Debt Proceeds	\$450,000

NOW, THEREFORE, BE IT RESOLVED, the Wausau Common Council approves tax increment financing incentives not to exceed 10% of new construction value for the construction of proposed multifamily residential units with a minimum construction value of \$17,000,000 in substantial conformance with the plans presented and the term sheet herein; and

BE IT FURTHER RESOLVED, that the Wausau Common Council approves the Mayor and other proper city officials to execute development agreements and loan documents in substantial conformance with the proposal and term sheet herein for the development of the proposed multifamily residential units; pursue debt financing and publish any required budget modifications to facilitate said grants and reverse increment payments.

Approved:



Robert B. Mielke, Mayor

Plaza Hotel Multifamily Redevelopment Term Sheet

The Developer shall construct a residential multifamily development with a minimum construction value of \$17,000,000 on the site.

- Phase 1 of the residential multifamily building shall commence before December 31, 2020 and complete the project before December 31, 2022; subject to final site plan, zoning approvals, and tax increment district amendments.
- Phase 2 of the residential multifamily building shall commence before December 31, 2022 and complete the project before December 31, 2023; subject to final site plan, zoning approvals, and tax increment district amendments.

The City shall provide the Developer a \$450,000 grant towards site improvements and the demolition of existing ballroom, pool and motel areas of the existing Plaza Hotel as part of Phase 1 residential multifamily construction.

The City shall provide the Developer 50% of available increment annually for 5 years not to exceed \$450,000 as part of Phase 1 of the residential multifamily redevelopment.

The City shall provide the Developer 70% of available increment annually for 7 years not to exceed \$800,000 as part of Phase 2 of the residential multifamily redevelopment.

