

Final Term Sheet for Consolidated Cooperation Agreement

Tax Incremental District No. 53 (Menomonee Valley)
\$10 million Menomonee Valley Section 108 Loan
\$2 million Brownfields and Economic Development Initiative Grant

Project: The project is set forth in the Project Plan for Tax Incremental District No. 53 (Menomonee Valley).

Parties: City of Milwaukee (“City”); and, Redevelopment Authority of the City Milwaukee (“RACM”).

Project Implementation: RACM shall implement the Project Plan as agent for the City.

Project Borrowing: RACM to issue up to \$16,000,000 of Redevelopment Authority variable rate revenue bonds (“Revenue Bonds”), plus amounts necessary for capitalized interest, insurance premium, debt service reserve and issuance costs, to finance the Project Costs as set forth in the Project Plan.

Alternatively, at the determination of the City Comptroller, following consultation with the Commissioner of City Development, the City may issue general obligation bonds, pursuant to existing budgetary authority, to finance Project Costs, as set forth in the Project Plan.

As interim financing, for a period of not more than two years, RACM may borrow up to \$10 million, pursuant to the Section 108 Loan Program, of the Community Development Block Grant Program (“108 Loan”). This loan shall be secured by an encumbrance of general obligation borrowing authority in an amount sufficient to fully redeem the 108 Loan.

Tax Increment

Revenue: As long as the Revenue Bonds, if any, and/or the 108 Loan shall remain outstanding, City shall assign to RACM, or the bond trustee or paying agent for the obligations, all incremental revenue generated by the District for the purpose of making debt service payments on the obligations.

Moral

Obligation: City shall provide its moral obligation to appropriate sufficient funds to make payments, when due, on the Revenue Bonds should the tax increment revenue be insufficient to meet annual debt service thereon. The granting of such moral obligation pledge is contingent upon future action of the Common Council.

Other: The Cooperation Agreement shall also provide for:

- The administration of the \$2 million Brownfields and Economic Development Initiative (“BEDI”) Grant approved pursuant to Common Council Resolution File No. 031042;
- The administration of the \$10 million Section 108 Loan approved pursuant to Common Council Resolution File No. 031042.