

TERM SHEET

**TID NO. 45
“WILSON COMMONS”**

Project: A 243 unit elderly residential development with associated parking landscaping, and associated common areas.

Project Budget: Total Project Budget of \$24 million per TID Project Plan.

Developer: Tarantino and Company, LLC.

Project Financing: Developer to advance all funding for the design, engineering, demolition construction and administration of the Project, including the City Contribution as set forth below. Any cost savings, after the entire project has achieved full stabilized occupancy, shall be shared 50%/50% between the City and the Developer.

City Contribution: City contribution to consist of a limited and conditional Monetary Obligation to repay Developer in an amount equal to TID 45 Project Costs, in the maximum amount of \$1,460,000, plus interest at the Interest Rate. Payments are to be made annually, but only in an amount equal to the tax incremental revenue actually received by the City from TID 45. Tax incremental revenue will not be pledged to the payment of the Monetary Obligation and the Monetary Obligation shall not constitute a general obligation of the City, or count against its statutory debt limits.

Interest Rate: The interest rate to be paid on the City’s Monetary Obligation shall be the net interest cost, as estimated from interest rates prevailing in the market as of the first date the City Contribution, or any portion thereof, is made, for an issue of taxable municipal Revenue Bonds having substantially equal annual payments of principal and interest, maturing over fifteen years, and rated AA by Standard and Poor’s Corp.

Disbursing: The City Contribution portion of the funding advanced by the Developer shall be disbursed after the Developer has advanced equity and loan proceeds in an amount not less than \$3,000,000.

Maximum Term of TIF District: The maximum term of Tax Incremental District No. 45, shall be December 31, 2021 at which time any unpaid principal and interest on the City’s Monetary Obligation shall be extinguished. The City may not otherwise terminate the District, unless the Monetary Obligation is paid in full, or a Material Disturbance exists, as provided below.

Material

Disturbance: If the Project is not completed in substantial conformity to the plans and specifications that have been submitted to the City, the Common Council may adopt a resolution to terminate future payments on the Monetary Obligation.

Disadvantaged
Business

Enterprise: Developer shall utilize Disadvantaged Business Enterprises, as defined in Chapter 360, Milwaukee Code of Ordinances, for 18% of the on-site construction work for the Project.

General: This Term Sheet does not constitute an agreement with the Developer. The terms set forth herein, and other provisions customary for a transaction of this sort, shall be incorporated in a Cooperation, Contribution and Redevelopment Agreement for Tax Incremental District No. 45 to be entered into between the Developer, the City and the Redevelopment Authority.