

PROJECT PLAN

TAX INCREMENTAL DISTRICT NO. 94

CITY OF MILWAUKEE

(1st and Becher)

Public Hearing Held: September 11, 2018

Redevelopment Authority Adopted : September 11, 2018

Common Council Adopted:

Joint Review Board Approval:

I. DESCRIPTION OF PROJECT

A. Introduction

Section 66.1105(4)(d), Wis. Stats. Requires the "preparation and adoption of a project for each tax incremental district." This Project Plan is submitted in accordance with this statutory requirement.

B. District Boundaries & Compliance with Statutory Eligibility Criteria

The 1st and Becher Tax Incremental District ("District" or "TID") is comprised of five properties. The District is shown in Map No. 1, "Boundary and Existing Land Use," and described more precisely in Exhibit 1, "Boundary Description." The area consists solely of whole units of property as are assessed for general tax purposes and which are bounded on one or more sides by railroad rights of way, highways or rivers. A complete list of properties in the District is provided in Exhibit 2, "Property Characteristics."

The District contains property totaling 6.18 acres (269,371 square feet), exclusive of public streets and alleys. 100% (269,371 square feet) of the real property located within the District was found to be in need of rehabilitation or conservation work, as defined in Section 66.1337(2m) Wisconsin Statutes. Exhibit 2 illustrates how the properties in the District meet the statutory criteria for Tax Incremental Districts.

The replacement cost value of the structural improvements on the parcels is more than the fair market value of the land. Accordingly, the District contains no "vacant" property, as provided in section 66.1105(4)(gm)(1).

C. Project Plan Goals and Objectives

Goals and objectives for the District are:

1. To provide a \$3.4 million cash grant to assist in the construction of 1,030 linear feet of new Riverwalk along the Kinnickinnic River. These improvements will be constructed in conjunction with the development of a 130,000 square foot office building and associated parking.
2. Ensure public access to the Kinnickinnic River with the construction of public access routes to a Riverwalk from 1st and Becher Streets.
3. Provide a \$400,000 cash grant to assist with costs associated with the environmental remediation of the district.
4. Provide funding necessary to make public infrastructure improvements.
5. Eliminate obsolete conditions and blighting influences that impede development and detract from the functionality, aesthetic appearance and economic welfare of this section of the City.

D. Existing Land Uses and Conditions in the District

As discussed above, the District consists of 6.18 acres and contains 30,318 square feet within 11 underutilized buildings.

The District is bound on the north and west by the Kinnickinnic River, on the east by South 1st Street and on the south by West Becher Street.

There are no active uses within the District.

II. PROJECT PLAN PROPOSALS

- A.** Section 66.1105(4)(f), Wisconsin Statutes, requires that a Project Plan for a Tax Incremental District shall include:

“...a statement listing the kind, number and location of all proposed public works or improvements within the district or, to the extent provided in subsection (2)(f)1.k., outside the district, an economic feasibility study, a detailed list of estimated project costs, and a description of the methods of financing all estimated project costs and the time when the costs or monetary obligations related thereto are to be incurred. The plan shall also include a map showing existing uses and conditions of real property in the district; a map showing proposed improvements and uses in the district; proposed changes of zoning ordinances, master plan, if any, map building codes and city ordinances; a list of estimated non-project costs; and a statement of a proposed method for the relocation of any persons displaced. The plan shall indicate how creation of the tax incremental district promotes the orderly development of the city.”

- B.** Compliance with Statutory Requirements

The statements, maps and exhibits are provided in compliance with the statutory requirements.

1. “Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements.”
 - a. This plan includes public improvements described in general below. The specific kind, number, and locations of public improvements will be based on detailed final plans, specifications and budget estimates as approved by the Department of City Development for project and site development.
 1. Construct approximately 1,030 linear feet of riverwalk along the west and north boundaries of the property located between West

Becher Street, South 1st Street and the Kinnickinnic River within the district.

2. Construct ADA accessible walkways, to serve as public access connections from the Riverwalk to West Becher and South 1st Streets.
3. Make public infrastructure improvements within one half mile of the district’s boundaries.

b. The number and location of proposed public works and improvements are shown in Map No. 3, “Proposed Uses and Improvements”

2. “Detailed List of Estimated Project Costs”

The costs included in this subsection and detailed in Table “A” which follows are, without limitation hereof because of enumeration, claimed as eligible Project Costs as defined under Section 66.1105(2)(f) and , if appropriate, in any Agreement(s) presently or subsequently entered into by and between the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee, and/or eligible, designated developer(s), which agreements are incorporated herein by reference, provided further that such expenditures are necessitated by this Project Plan

Table A
Lists of Estimated Project Costs

A	Capital: Riverwalk, public access connections, infrastructure improvements, environmental remediation, cash grant to developer & issuance costs	\$6,830,000
B	Other: Administrative, professional, & legal	\$250,000
	Total Estimated Project Costs, excluding financing	\$7,080,000
C	Financing: Interest payment on bonds (Incl. capitalized interest)	\$3,096,491

3. “Description of Timing and Methods of Financing”
 - a. Estimated Timing of Project and Financing Costs

All expenditures for the Riverwalk, and access improvements are expected to be incurred in 2019-2020.

- b. Project costs are to be financed as follows:
 - i. \$3.4 million developer-financed
 - ii. \$3.28 million GO bonds
 - iii. \$400,000 Redevelopment Authority Brownfield Revolving Loan Fund

4. “Economic Feasibility Study”
The Economic Feasibility Study for the District, is attached hereto as **Exhibit 4**. Based upon the anticipated tax incremental revenue to be generated by the projects, the District is financially feasible and is likely to be retired on or before the year 2036.

5. “Map Showing Existing Uses and Conditions.”

Please refer to **Map No. 1, “Boundary and Existing Land Use,”** and **Map No. 2, “Structure Condition”** and **Exhibit 3, “Parcel Owners”** in the Exhibits Section which follows.

6. “Map Showing Proposed Uses and Improvements”
Please refer to **Map No. 3, “Proposed Uses and Improvements,”** in the Exhibits Section which follows.

7. “Proposed Change of Zoning Ordinances, Master Plan Building Codes and City Ordinances.”

Please refer to **Map No. 4, “Existing Zoning,”** in the Exhibits Section which follows. The proposed project is consistent with the existing zoning, and the existing master plan, map, building codes, and other city ordinances. The project should not require amendments to their provisions.

8. “List of Estimated Non-Project Costs.”

Estimated costs to construct the private 130,000 square foot office building and associated parking are shown in **Exhibit 5**.

9. “Proposed Method for Relocation.”

This Plan does not anticipate the acquisition of property by the City of Milwaukee or by the Redevelopment Authority. Accordingly, no relocation activities or expenditures for relocation payments or services are provided herein.

10. “Statement Indicating How District Creation Promotes Orderly City Development.”

The Project Plan for the District anticipates the redevelopment of an underutilized, former light industrial and commercial properties into a 130,000 square foot, 8-story office building, with associated indoor parking and 1,030 linear feet of new Riverwalk and public access connections. The project, therefore, adds tax base as well as employment opportunities during and after construction.

11. “Opinion of the City Attorney”

Please refer to **Exhibit 6**

12. Term Sheet for Development Agreement

The City, Redevelopment Authority, and Developer shall enter into a Development Agreement for the Project, which is consistent with the Term Sheet attached as **Exhibit 7**.

APPENDIX

List of Exhibits

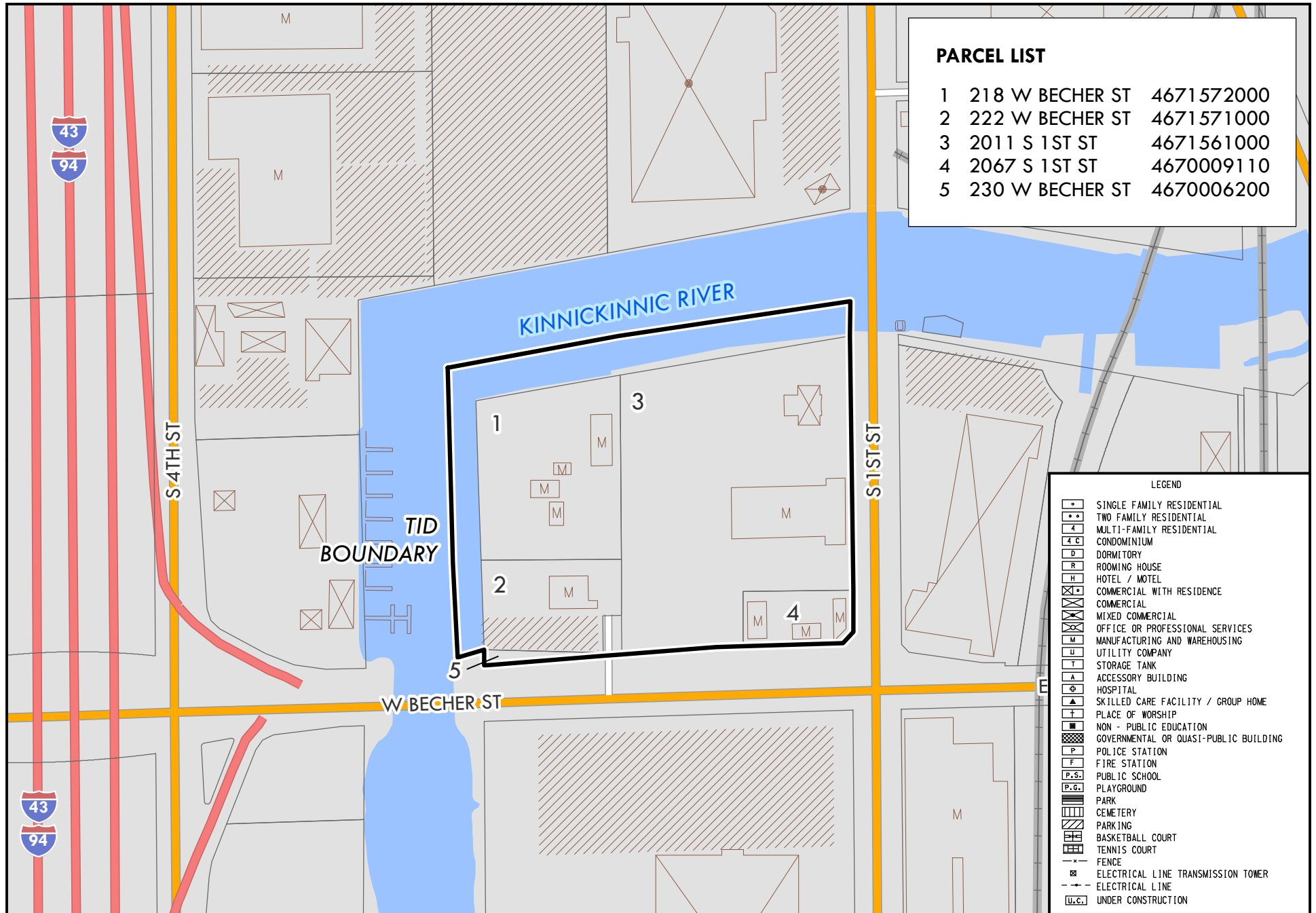
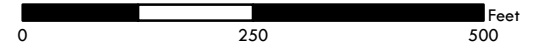
- Map 1: Boundary and Existing Land Use
- Map 2: Site and Structure Condition
- Map 3: Proposed Uses and Improvements
- Map 4: Existing Zoning
- Exhibit 1: Boundary Description
- Exhibit 2: Property Characteristics
- Exhibit 3: Parcel Owners
- Exhibit 4: Economic Feasibility Analysis
- Exhibit 5: Non-Project Costs
- Exhibit 6: Opinion of the City Attorney
- Exhibit 7: Term Sheet for Development Agreement

FIRST AND BECHER TID

MAP 1: BOUNDARY AND EXISTING LAND USE

Prepared by the Dept. of City Development Planning Division, 8/3/2018
 Source: City of Milwaukee Information Technology Management Division

N



PARCEL LIST

1	218 W BECHER ST	4671572000
2	222 W BECHER ST	4671571000
3	2011 S 1ST ST	4671561000
4	2067 S 1ST ST	4670009110
5	230 W BECHER ST	4670006200

LEGEND

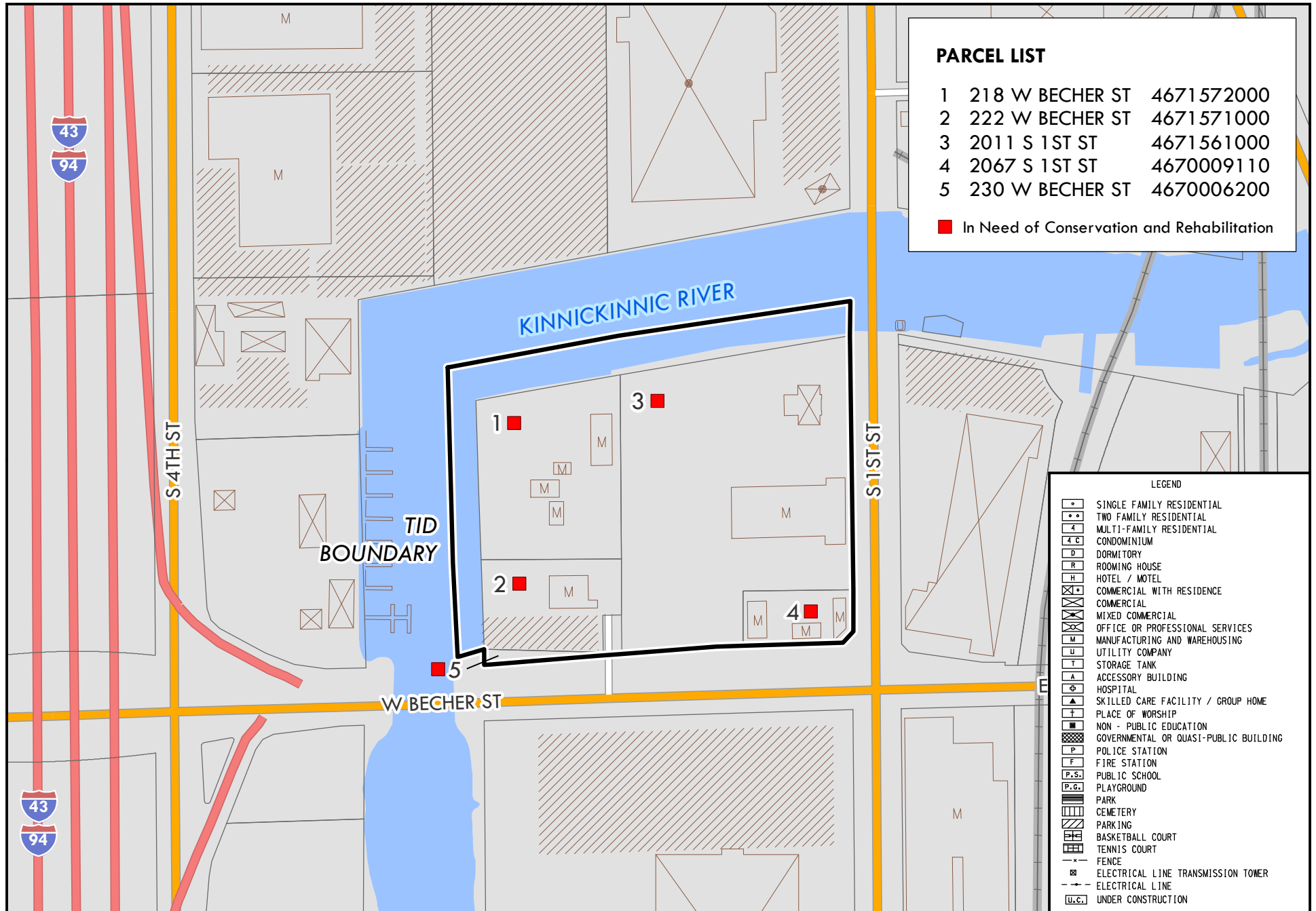
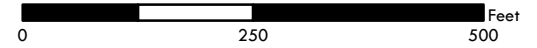
- SINGLE FAMILY RESIDENTIAL
- TWO FAMILY RESIDENTIAL
- MULTI-FAMILY RESIDENTIAL
- CONDOMINIUM
- DORMITORY
- ROOMING HOUSE
- HOTEL / MOTEL
- COMMERCIAL WITH RESIDENCE
- COMMERCIAL
- MIXED COMMERCIAL
- OFFICE OR PROFESSIONAL SERVICES
- MANUFACTURING AND WAREHOUSING
- UTILITY COMPANY
- STORAGE TANK
- ACCESSORY BUILDING
- HOSPITAL
- SKILLED CARE FACILITY / GROUP HOME
- PLACE OF WORSHIP
- NON - PUBLIC EDUCATION
- GOVERNMENTAL OR QUASI-PUBLIC BUILDING
- POLICE STATION
- FIRE STATION
- PUBLIC SCHOOL
- PLAYGROUND
- PARK
- CEMETERY
- PARKING
- BASKETBALL COURT
- TENNIS COURT
- FENCE
- ELECTRICAL LINE TRANSMISSION TOWER
- ELECTRICAL LINE
- UNDER CONSTRUCTION

FIRST AND BECHER TID

MAP 2: STRUCTURE CONDITIONS

Prepared by the Dept. of City Development Planning Division, 8/3/2018
 Source: City of Milwaukee Information Technology Management Division

N



PARCEL LIST

1	218 W BECHER ST	4671572000
2	222 W BECHER ST	4671571000
3	2011 S 1ST ST	4671561000
4	2067 S 1ST ST	4670009110
5	230 W BECHER ST	4670006200

■ In Need of Conservation and Rehabilitation

LEGEND

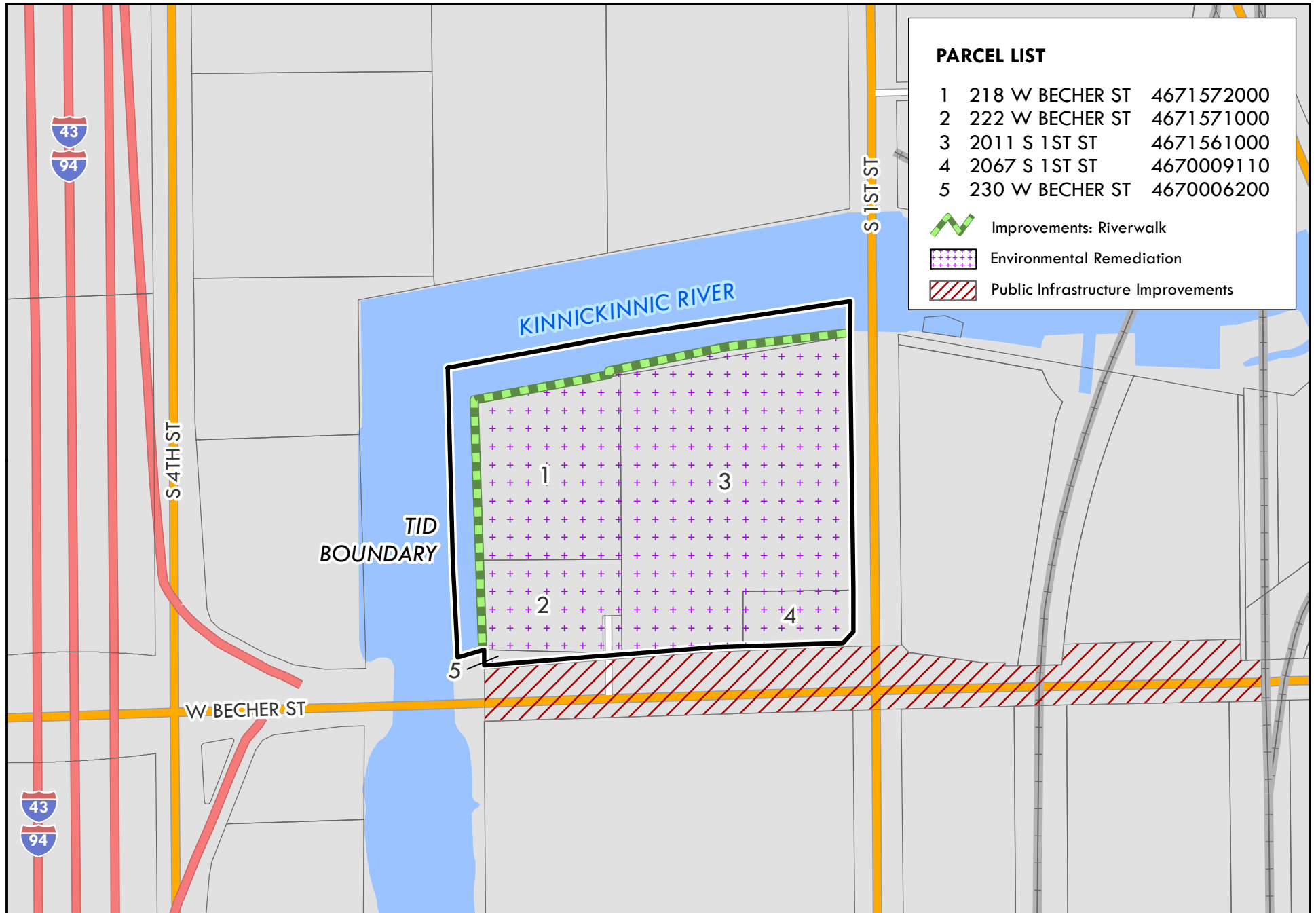
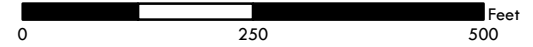
	SINGLE FAMILY RESIDENTIAL
	TWO FAMILY RESIDENTIAL
	MULTI-FAMILY RESIDENTIAL
	CONDOMINIUM
	DORMITORY
	ROOMING HOUSE
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	POLICE STATION
	FIRE STATION
	PUBLIC SCHOOL
	PLAYGROUND
	PARK
	CEMETERY
	PARKING
	BASKETBALL COURT
	TENNIS COURT
	FENCE
	ELECTRICAL LINE TRANSMISSION TOWER
	ELECTRICAL LINE
	UNDER CONSTRUCTION

FIRST AND BECHER TID

MAP 3: PROPOSED USES AND IMPROVEMENTS




Prepared by the Dept. of City Development Planning Division, 8/22/2018
 Source: City of Milwaukee Information Technology Management Division

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PARCEL LIST

1	218 W BECHER ST	4671572000
2	222 W BECHER ST	4671571000
3	2011 S 1ST ST	4671561000
4	2067 S 1ST ST	4670009110
5	230 W BECHER ST	4670006200

-  Improvements: Riverwalk
-  Environmental Remediation
-  Public Infrastructure Improvements

FIRST AND BECHER TID

MAP 4: CURRENT ZONING

Prepared by the Dept. of City Development Planning Division, 8/3/2018
 Source: City of Milwaukee Information Technology Management Division

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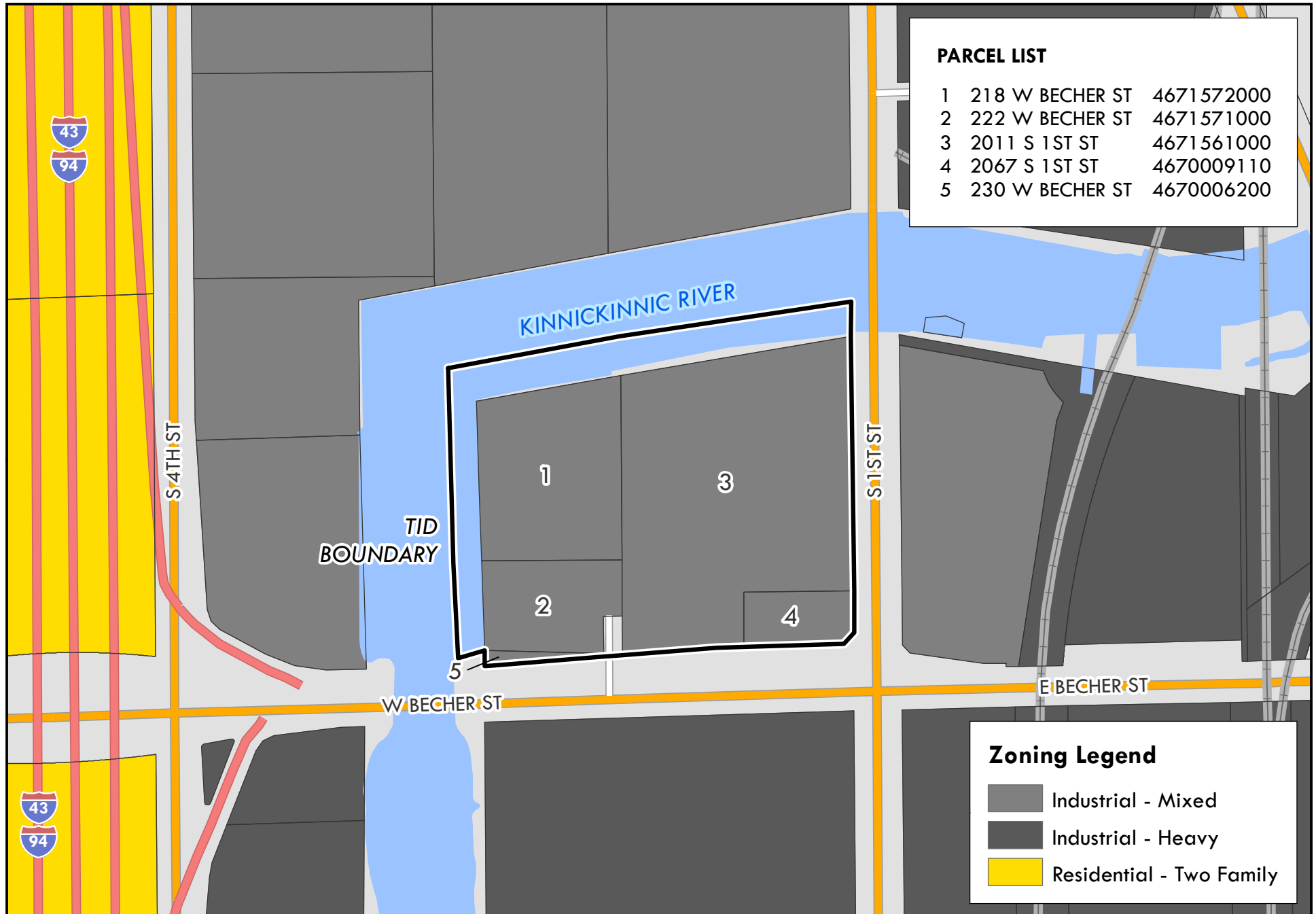
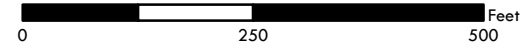


EXHIBIT 1

Boundary Description

Beginning at a point at the intersection of the west line of South 1st Street with the north line of West Becher Street;

Thence, west, north and west along the north line of West Becher Street extended to the intersection with the center line of the Kinnickinnic River;

Thence, north and east along the center line of the Kinnickinnic River to the intersection with the west line of South 1st Street extended;

Thence, south along the west line of South 1st Street to the point of beginning and more particularly depicted in Map 1 of this Project Plan.

EXHIBIT 2
Property Characteristics

Findings substantiating that not less than 50%, by area, of the real property within the proposed district is in need of conservation or rehabilitation within the meaning of Section 66.1105(4)a, Wisconsin Statutes

		Assessed Valuation 1/1/2018					
Parcel No.	Tax Key No.	Land	Improvements	Total	Total Area (sq. ft.)	In need of conservation or rehabilitation	Vacant Property/Property Standing Vacant
1	4671572000	\$ 313,700	\$ 48,600	\$ 362,300	62,683	62,683	
2	4671571000	\$ 153,700	\$ 350,300	\$ 504,000	30,710	30,710	
3	4671561000	\$ 789,600	\$ 1,259,400	\$2,049,000	157,774	157,774	
4	4670009110	\$ 61,200	\$ 179,300	\$ 240,500	15,312	15,312	
5	4670006200	\$ -	\$ -	\$ -	2,892	2,892	
Total		\$1,318,200	\$1,837,600	\$3,155,800	269,371	269,371	
Percentage					100%	100%	0%

EXHIBIT 3

Parcel Owners

<u>Parcel Number</u>	<u>Tax Key</u>	<u>Low</u>	<u>High</u>	<u>Dir</u>	<u>Street</u>	<u>ST</u>	<u>Owner Name</u>
1	4671572000	218	218	W	Becher	ST	222 Becher St LLC
2	4671571000	222	222	W	Becher	ST	222 Becher St LLC
3	4671561000	2011	2011	S	1st	ST	Becher Development LLC
4	4670009110	2067	2067	S	1st	ST	Becher Development LLC
5	4670006200	230	230	W	Becher	ST	City of Milwaukee

EXHIBIT 4

**Economic Feasibility Study For:
1st and Becher**

EXHIBIT 4
TID Feasibility

No.	Assessment Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Increment	Developer	RLF Loan	Debt Service	Total		After reserving for remaining debt Surplus/(deficit)	TID Payoff
							Financed Loan (70%)			Cash flow	Cum. Cash Flow		
							\$3,400,000	\$400,000	\$3,280,000				
1	2019	2020	1,318,200				-	(20,000)	(132,512)	(152,512)	(152,512)	(4,862,878)	
2	2020	2021	1,318,200				-	(20,000)	(132,512)	(152,512)	(305,024)	(10,176,491)	No
3	2021	2022	1,318,200	23,250,000	21,931,800	657,954	(460,568)	(20,000)	(132,512)	44,874	(260,150)	(9,518,537)	No
4	2022	2023	1,318,200	23,482,500	22,164,300	664,929	(465,450)	(20,000)	(132,512)	46,967	(213,183)	(8,853,608)	No
5	2023	2024	1,318,200	23,717,325	22,399,125	671,974	(470,382)	(42,582)	(331,756)	(172,746)	(385,929)	(8,181,635)	No
6	2024	2025	1,318,200	23,954,498	22,636,298	679,089	(475,362)	(42,582)	(331,756)	(170,612)	(556,541)	(7,502,546)	No
7	2025	2026	1,318,200	24,194,043	22,875,843	686,275	(480,393)	(42,582)	(331,756)	(168,456)	(724,997)	(6,816,270)	No
8	2026	2027	1,318,200	24,435,984	23,117,784	693,534	(485,473)	(42,582)	(331,756)	(166,278)	(891,275)	(6,122,737)	No
9	2027	2028	1,318,200	24,680,344	23,362,144	700,864	(490,605)	(42,582)	(331,756)	(164,079)	(1,055,355)	(5,421,873)	No
10	2028	2029	1,318,200	24,927,147	23,608,947	708,268	(495,788)	(42,582)	(331,756)	(161,858)	(1,217,213)	(4,713,604)	No
11	2029	2030	1,318,200	25,176,418	23,858,218	715,747	(501,023)	(42,582)	(331,756)	(159,614)	(1,376,827)	(3,997,858)	No
12	2030	2031	1,318,200	25,428,183	24,109,983	723,299	(375,000)	(42,582)	(331,756)	(26,039)	(1,402,866)	(3,274,558)	No
13	2031	2032	1,318,200	25,682,464	24,364,264	730,928		(42,582)	(331,756)	356,589	(1,046,276)	(2,543,630)	No
14	2032	2033	1,318,200	25,939,289	24,621,089	738,633		(42,582)	(331,756)	364,294	(681,982)	(1,804,998)	No
15	2033	2034	1,318,200	26,198,682	24,880,482	746,414		(42,582)	(331,756)	372,076	(309,906)	(1,058,583)	No
16	2034	2035	1,318,200	26,460,669	25,142,469	754,274		(42,582)	(331,756)	379,936	70,029	(304,309)	No
17	2035	2036	1,318,200	26,725,275	25,407,075	762,212		(42,582)	(331,756)	387,874	457,903	457,903	YES
18	2036	2037	1,318,200	26,992,528	25,674,328	770,230				770,230	1,228,133	1,228,133	YES
19	2037	2038	1,318,200	27,262,453	25,944,253	778,328				778,328	2,006,461	2,006,461	YES
20	2038	2039	1,318,200	27,535,078	26,216,878	786,506				786,506	2,792,967	2,792,967	YES
21	2039	2040	1,318,200	27,810,429	26,492,229	794,767				794,767	3,587,734	3,587,734	YES
22	2040	2041	1,318,200	28,088,533	26,770,333	803,110				803,110	4,390,844	4,390,844	YES
23	2041	2042	1,318,200	28,369,418	27,051,218	811,537				811,537	5,202,380	5,202,380	YES
24	2042	2043	1,318,200	28,653,113	27,334,913	820,047				820,047	6,022,428	6,022,428	YES
25	2043	2044	1,318,200	28,939,644	27,621,444	828,643				828,643	6,851,071	6,851,071	YES
26	2044	2045	1,318,200	29,229,040	27,910,840	837,325				837,325	7,688,396	7,688,396	YES
27	2045	2046	1,318,200	29,521,331	28,203,131	846,094				846,094	8,534,490	8,534,490	YES
						18,710,982	(4,700,044)	(633,570)	(4,842,878)	8,534,490			

Annual appreciation	1.010
Interest Rate	4.00%
Base Value	1,318,200
Projected Value	23,250,000
Property Tax rate	3.000%
Issuance Costs	32,800
Project Costs	3,280,000

NPV @ 4.5% \$3,410,008.72

RLF loan @ 5% 400,000

EXHIBIT 5

Non-Project Costs

Becher Development, LLC proposes to construct a 8-story, 130,000 square foot office building and associated parking structure at a cost of \$49,000,000.

EXHIBIT 6

Opinion of the City Attorney

GRANT F. LANGLEY
City Attorney

MIRIAM R. HORWITZ
ADAM B. STEPHENS
MARY L. SCHANNING
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August 16, 2018

Rocky Marcoux, Commissioner
Department of City Development
809 North Broadway, 2nd Floor
Milwaukee, WI 53202

Re: Project Plan for Tax Incremental District No. 94
(1st and Becher)

Dear Commissioner Marcoux:

Pursuant to your request, we have reviewed the Project Plan for the above-referenced Tax Incremental District No. 94 (the "Plan").

Based upon that review, it is our opinion that the Plan is complete and complies with the provisions of Wis. Stat. § 66.1105(4)(f).

Very truly yours,


GRANT F. LANGLEY
City Attorney


JEREMY R. MCKENZIE
Assistant City Attorney

1050-2018-639:251774



EXHIBIT 7

Term Sheet

11/19/18

TERM SHEET

(1st and Becher – TID 94)

PROJECT

Becher Development LLC (the "Developer") is an affiliate of Wisconsin-based Michels Corporation, a family-owned utility, engineering, design, and construction contractor that operates in 50 states (the "Company"). The Company fulfills needs for energy, transportation, distribution, and communications customers in the US and Canada. Through more than a dozen divisions and close to 8,000 employees world-wide and over 1,600 in the State and using its cache of more than 12,000 pieces of equipment, the Company offers a variety of services including horizontal directional drilling, underground pipe repair, tunneling, engineering, paving, and materials production. The Company also provides wind farm construction through a wind energy division. Founded in 1959, the Company originally got its start installing and servicing natural gas pipelines in Wisconsin.

The Company is considering constructing a Milwaukee office to include its Infrastructure Division Headquarters in the City of Milwaukee on an approximately six-acre site at 1st and Becher, with an initial budget, which has not been finally designed, nor hard bid, of approximately \$49 million. The scope of the initial investment is comprised of the following (collectively, the "Project"): (a) approximately 130,000 square feet of office space; not including tenant build out, (b) 500 stalls of structured parking to serve that office space only; (c) a publicly accessible riverwalk abutting the development; and (d) public access connections to the riverwalk. The Developer will carry out the development of the Project on behalf of the Company.

A preliminary site plan of the Project is attached as Exhibit A. As further noted herein, the Company may subsequently expand its operations and investment at this location.

The City proposes to assist the Company in the following ways:

- City Site. City will convey an approximately .066 acre parcel, located at 230 E. Becher Street (the "City Site") to the Developer at no charge. Developer will be responsible for all out-of-pocket costs associated with the conveyance. As part of the conveyance of the City Site, Developer shall grant an easement to the City over a portion of the City Site to allow the City access to perform maintenance on the Becher Street bridge over the Kinnickinnic River.
- Environmental Remediation Grant. City will advance to Developer up to \$400,000 in the form of a grant to pay for environmental remediation costs as such costs are incurred.

- Monetary Obligation. Company or Developer will advance and City will reimburse Company or Developer up to \$ \$3,400,000 for up to 70% of eligible costs to construct a public riverwalk along the Project site, including the public access connections along E. Becher and S. 1st Streets (collectively, the "Monetary Obligation"). The Monetary Obligation will bear annual interest at 4.5% and will be repaid as further provided herein.
- Becher Street Improvements. The City will make improvements to East Becher Street identified on Exhibit B, attached hereto, on the timetable set forth on Exhibit B (the "Becher Street Project").

The City intends to create a new Tax Incremental District No. 94 (1st and Becher) (the "TID") to fund the above costs, as set forth in the TID Project Plan. The Company's and Developer's decision to proceed with the Project will be dependent upon creation of the TID.

APPROXIMATE PROJECT DEVELOPMENT SCHEDULE

Commence Construction: On or before January 1, 2019 subject to receipt of permits
 Substantial Completion: June 30, 2020, subject to *force majeure*.

DESIGN REVIEW

Plans and specifications for the Project shall be subject to the reasonable review and approval of City's Commissioner of City Development (the "Commissioner"). City and Developer shall cooperate in the design of streetscape elements of the Becher Street Project. A Certified Survey Map for the Project has been finalized.

PARTIES

The City, Redevelopment Authority of the City of Milwaukee ("RACM") and Developer shall enter into a development agreement incorporating and setting forth in greater detail the provisions of this Term Sheet.

DEVELOPER'S OBLIGATIONS

In order to receive the financial assistance described above, Developer must fulfill the following obligations:

- A. Developer shall assemble the land through a CSM for the Project site, obtain building permits for the construction of the Project and substantially complete construction of the Project by June, 30 2020, subject to force majeure.
- B. Developer shall enter into a Human Resources Agreement with the City that will require Developer to use best efforts to utilize certified Small Business Enterprises ("SBE") for 25% of construction and supply costs and 18% of

professional services costs on the riverwalk portion of the Project and utilize unemployed and underemployed residents, pursuant to the City's Resident Preference Program ("RPP"), for no less than 40% of total "worker hours" expended on construction of the riverwalk portion of the Project. If Developer does not demonstrate that it used best efforts to meet those anticipated SBE and RPP percentages in accordance with the terms of the Human Resources Agreement, then sanctions may be imposed pursuant to MCO 355-17.

- C. Developer shall enter into a payment in lieu of taxes ("PILOT") agreement with the City agreeing to make PILOT payments to the City for the full property tax rate in the event that the Project or Project Site ever become exempt from the payment of real property taxes during the life of the TID.
- D. Developer shall provide the City a permanent public access easement running the approximate length of and across the width of the riverwalk component, including the public access connections to the riverwalk, of the Project.

CITY SITE

The City will convey the City Site to the Developer at no charge, and Developer will be responsible for all associated fees to convey. As part of the conveyance of the City Site, Developer shall grant an easement to the City over a portion of the City Site to allow the City to access to perform maintenance on the Becher Street Bridge over the Kinnickinnic River. If the Developer does not move forward with the Project, and conveys the City Site to an unrelated third party, then Developer shall pay to the City the pro rata share of the sales price of the entire site attributable to the City Site.

The Developer agrees to accept the City Site "as-is, where is". If site work or construction of the Project needs to commence prior to conveyance of the City Site, City will provide a right-of-entry to the Developer onto the City Site until such approvals are in place.

MONETARY OBLIGATION

Prior to substantial completion of the Project, City will deposit an amount equal to 70% of the tax incremental revenue actually received by City from the TID, less City's annual expenses of \$7,500, into a special fund established for the TID. Upon substantial completion of the Project such amount shall be disbursed to the Company or Developer and applied to reduce the principal balance of the Monetary Obligation.

Subsequent to substantial completion of the Project, following the deduction of City's annual expenses (not to exceed \$7500 per year), 70% of the remaining incremental tax revenue collected from the TID will be allocated to repay the Monetary Obligation. The remaining 30% of incremental tax revenue will be allocated to repayment of City costs incurred for the Becher Street Project and TID administration.

The Monetary Obligation consists of a limited and conditional obligation to repay Company or Developer an amount up to \$3,400,000, plus interest on the outstanding balance of the Monetary Obligation at 4.5% per year for up to 16 years following substantial completion of the Project. Payments on the Monetary Obligation are to be made annually following substantial completion of the Project but only in an amount equal to 70% of tax incremental revenue actually received by the City from the TID (after deduction of City's annual expenses). Interest on the Monetary Obligation shall not begin to accrue until substantial completion of the Project. City may, at any time or from time to time, without notice, penalty, or fee, prepay all or any portion of the Monetary Obligation. In the event that City prepays a portion of the Monetary Obligation, the 70% of tax incremental revenue allocated to payment of the Monetary Obligation shall be proportionately reduced to reflect such prepayment. 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 City or count against its statutory debt limits.

All City payments of tax incremental revenue received by City from the TID shall be subject to annual appropriation. If not appropriated, City shall not expend such tax increments for any other TID project costs.

MONETARY OBLIGATION EARNED

Upon substantial completion of the Project, Developer shall submit a certification detailing Project costs theretofore incurred (together with copies of records, invoices and/or AIA documentation evidencing such expenditures). The amount of the Monetary Obligation shall be deemed earned upon approval of such certification by the Commissioner of the Department of City Development, and interest will begin to accrue on the Monetary Obligation as of the date of substantial completion of the Project.

IDLE SITES GRANT

City and Developer will work together to secure a WEDC Idle Sites Grant for the Project in an amount equal to or greater than \$500,000. City shall submit a letter to the WEDC in support of the Idle Sites Grant. The Idle Sites Grant is in addition to the City's Environmental Remediation Grant referenced above.

TERMS OF PAYMENTS

City payments on the Monetary Obligation will terminate: (i) at the time the Monetary Obligation is fully paid; or (ii) with the payment derived from the 2034 tax levy, payable in 2035, whichever occurs first.

OTHER ENTITLEMENTS OR APPROVALS

The City and RACM will work with the Developer to secure any zoning changes, right-of-way vacations, right-of-way dedications and any other approvals or entitlements required for the Project.

FUTURE DEVELOPMENT

Company anticipates that substantial expansion of its division headquarters may occur subsequent to completion of the Project. City agrees to consider in good faith future requests from Company or Developer for additional financial support for such expansion (for example, for extension of the riverwalk) as may be warranted.

GENERAL

This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort, shall be incorporated into a development agreement, a human resources agreement, a PILOT agreement and any other documents or agreements necessary to accomplish the objectives described above. In recognition that there may be adjustments of the dates and descriptions herein as well as administrative approvals which will require the exercise of reasonable discretion on behalf of the City or RACM, the Commissioner of City Development and Executive Director of RACM will be authorized under these agreements to exercise such discretion and grant such approvals.

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Exhibit A: Project Site Plan

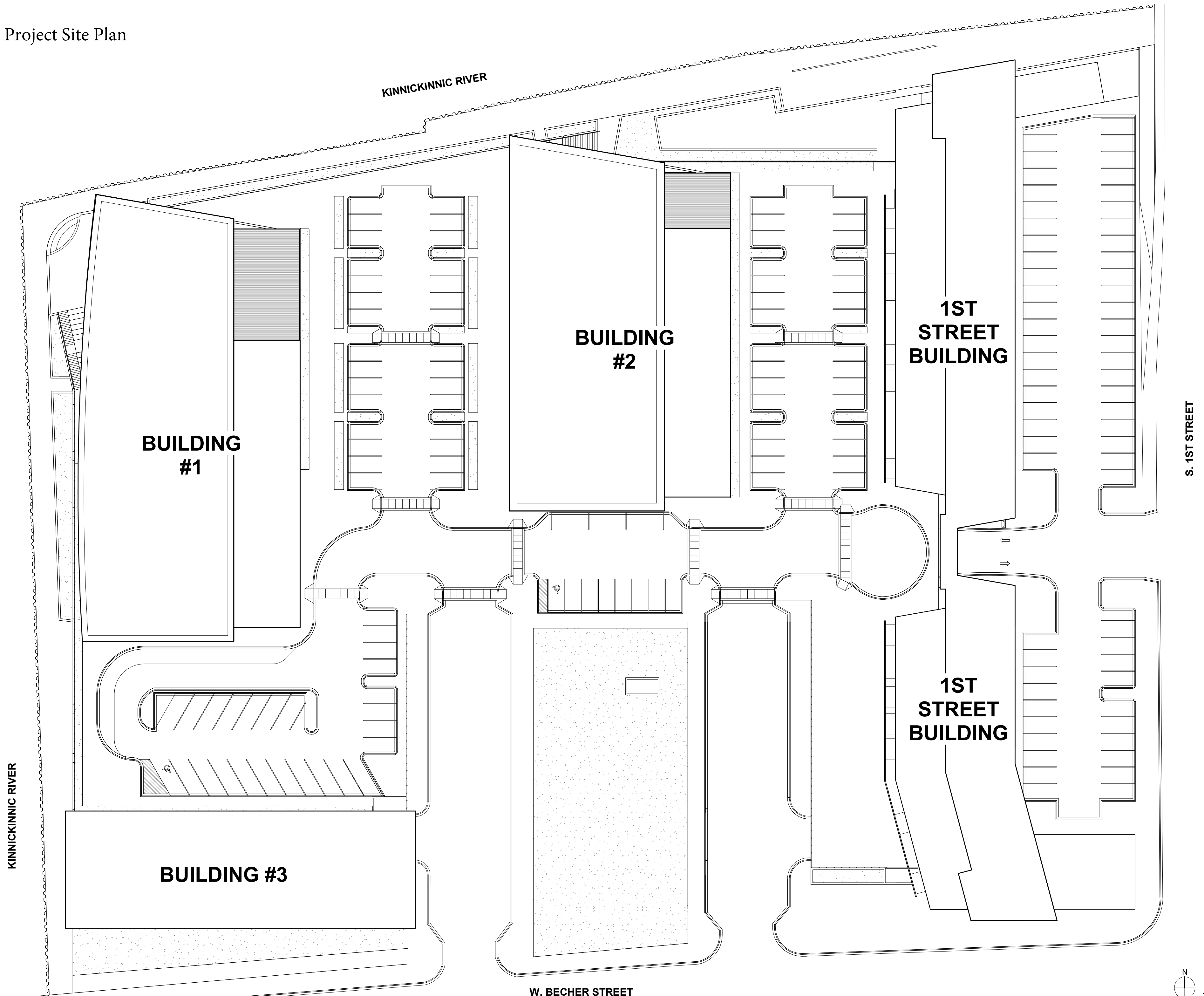


Exhibit B

**Public Infrastructure Project Budget Estimate - Becher Street, River to KK Avenue
Anticipated Completion - Summer 2020**

Item

Pre-Construction

Design	\$310,100
<i>(street, street lighting, utilities)</i>	

Total Pre-Construction Costs	\$310,100
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Construction Hard Costs

Paving	\$920,000
<i>(street, curb/gutter/sidewalk, pavers, curb cuts, sod, inspection & review)</i>	

Pavement Markings and Crosswalks	\$35,000
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Landscaping	\$40,000
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Street Lighting	\$950,000
<i>(high level overhead LED & pedestrian lighting)</i>	

Traffic Signals	\$90,000
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Public Utilities - Water	\$165,000
<i>(11 hydrant alterations)</i>	

Bike Amenities	\$15,000
<i>(racks)</i>	

Total Construction Hard Costs	\$2,215,000
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Sub-Total	\$2,525,100
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Contingency	-
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Total Project Budget Estimate	\$2,525,100
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