

081627



Department of City Development

City Plan Commission
Historic Preservation Commission
Neighborhood Improvement
Development Corporation
Redevelopment Authority

Rocky Marcoux
Commissioner

Martha L. Brown
Deputy Commissioner

November 24, 2010

Mr. Ronald D. Leonhardt
City Clerk
City Hall, Room 205
Milwaukee, WI 53202

Dear Mr. Leonhardt:

Enclosed is a fully executed copy of each of the following documents as they pertain to the City Lights Project, Contract No. 10-040 (RA):

1. Development Agreement
2. Memorandum of Development Agreement
3. Grant of Easement Agreement
4. Collateral Assignment and Subordination of development Agreement
5. Emerging Business enterprise Agreement
6. Guaranty of Completion
7. Mortgage

Please insert these documents into Common Council Resolution File No.081627, approved October 28, 2010. -

Sincerely,

Scott Stange
Compliance Officer

Enclosure

Contract No: 10-040 (RA)

**DUPLICATE
ORIGINAL**

DEVELOPMENT AGREEMENT

(City Lights Project)

TABLE OF CONTENTS

I.	<u>DEFINITIONS AND RULES OF CONSTRUCTION</u>	2
II.	<u>PROJECT DESCRIPTION</u>	4
III.	<u>DEVELOPER OBLIGATIONS</u>	5
IV.	<u>EASEMENTS AND DEDICATIONS</u>	6
V.	<u>CITY OBLIGATIONS</u>	6
VI.	<u>RACM OBLIGATIONS</u>	7
VII.	<u>CITY INVESTMENT</u>	7
VIII.	<u>DISBURSEMENT OF FUNDS</u>	8
IX.	<u>GUARANTY OF TAX INCREMENTAL REVENUE</u>	9
X.	<u>HUMAN RESOURCES</u>	9
XI.	<u>PREVAILING WAGES</u>	10
XII.	<u>BIDDING</u>	10
XIII.	<u>PAYMENT OF TAXES</u>	10
XIV.	<u>BOOKS AND ACCOUNTS</u>	10
XV.	<u>FINANCIAL REPORTING</u>	11
XVI.	<u>FORCE MAJEURE</u>	11
XVII.	<u>INSPECTIONS</u>	11
XVIII.	<u>CERTIFICATE OF COMPLETION</u>	12
XIX.	<u>ENVIRONMENTAL MATTERS</u>	12
XX.	<u>INSURANCE</u>	13
XXI.	<u>INDEMNITY</u>	13
XXII.	<u>CITY AND RACM NOT JOINT VENTURERS</u>	13

XXIII.	<u>CONFLICT OF INTEREST</u>	13
XXIV.	<u>ASSIGNMENT</u>	14
XXV.	<u>MORTGAGEES NOT OBLIGATED TO CONSTRUCT</u>	14
XXVI.	<u>NOTICES</u>	15
XXVII.	<u>DEFAULT</u>	15
XXVIII.	<u>RESTRICTIONS ON USE</u>	16
XXIX.	<u>APPROVALS</u>	16
XXX.	<u>BINDING EFFECT; AMENDMENT</u>	16
XXXI.	<u>EXHIBITS AND RECITALS</u>	17
XXXII.	<u>CAPTIONS</u>	17
XXXIII.	<u>SEVERABILITY</u>	17
XXXIV.	<u>GOVERNING LAW</u>	17
XXXV.	<u>COUNTERPARTS</u>	17
XXXVI.	<u>TERM</u>	17
XXXVII.	<u>NO PERSONAL LIABILITY</u>	18
XXXVIII.	<u>PROJECT SIGNS</u>	18

SCHEDULE OF EXHIBITS

EXHIBIT A..... Project Site

EXHIBIT B..... Term Sheet

EXHIBIT C..... Completion Certificate

EXHIBIT D..... Project Documents

EXHIBIT E..... Project Site Plan

EXHIBIT F..... Project Timetable

EXHIBIT G..... Public Infrastructure Budget

EXHIBIT H..... Public Walk Easement

EXHIBIT I..... EBE/RPP Agreement

EXHIBIT J..... Forecast

EXHIBIT K..... Project Plan

DEVELOPMENT AGREEMENT

(City Lights Project)

This DEVELOPMENT AGREEMENT (this "Agreement") is made as of the 29th day of September, 2010, by and among Giuffre VIII LLC, a Wisconsin limited liability company, ("Developer"), the City of Milwaukee, a Wisconsin municipal corporation, (the "City") and the Redevelopment Authority of the City of Milwaukee, a public body corporate and politic organized and existing under the laws of the State of Wisconsin, ("RACM").

WITNESSETH:

WHEREAS, Developer intends to convert five existing buildings from warehouse use to office and commercial use (the "Private Project") over three phases on property more fully described on attached Exhibit A (the "Project Site"); and

WHEREAS, the Project Site will include significant open spaces available for public use; and

WHEREAS, such open spaces will include the construction of a new street from North 25th Street to provide vehicular access to the Private Project (the "Street Extension"), which Street Extension shall be dedicated to the City and will be public roadway; and

WHEREAS, such open spaces will also include construction of an approximately 1,450 foot public walkway (the "Public Walk") from North 25th Street east and parallel to the Street Extension, located approximately 30 feet north of the riverbank, which Public Walk shall be dedicated to the City and will be public right of way; and

WHEREAS, Developer is to landscape the area from the Public Walk to the riverbank (the "Open Area" and with the Street Extension and the Public Walk, the "Public Amenities") for public access by the grant to the City of an easement thereon (the "Open Area Easement"); and

WHEREAS, in addition to the Public Amenities to be constructed by Developer, the Developer will construct certain sanitary sewers, storm sewers and water utilities within the Street Extension (the "City Utilities"); and

WHEREAS, the Common Council of the City adopted File No. 081627 on September 16, 2009, which approved a Term Sheet for City Lights Project Development Agreement TID-73 (City Lights Project), a copy of which is attached hereto as **Exhibit B**, and authorized execution of this Agreement; and

WHEREAS, the Commissioners of RACM approved Resolution No. 10087 on May 21, 2009, authorizing the funding of the Project and authorizing execution of this Agreement; and

WHEREAS, the Developer has authorized execution of this Agreement; and

WHEREAS, the parties hereto desire to enter into this Agreement in order to provide for implementation of the Project.

NOW THEREFORE, the Developer, City and RACM, in consideration of the mutual promises and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, mutually agree as follows:

I.

DEFINITIONS AND RULES OF CONSTRUCTION

1.1. **Definitions.** In addition to the words and terms elsewhere defined in this Agreement, the following words and terms when used in this Agreement shall have the following meanings:

“City Investment” means up to the amount of \$2,500,000, of which \$2,000,000 is to be made available by City from Tax Incremental Bond Account No. TD _____ (the “Increment”), up to \$500,000 of which has been appropriated by action of the Common Council or such other sources as may be determined by City, in order to allow the City, RACM and the Developer to implement the Project in accordance with this Agreement. References in this Agreement to City Investment shall include the Initial City Investment and Subsequent City Investment. The City Investment excludes capitalized interest and/or any costs incurred by the City in obtaining such funds.

“City Utilities” means certain sanitary sewers, storm sewers and water utilities to be located within the Street Extension as provided in the Public Infrastructure Budget.

“Commissioner” means City’s Commissioner of City Development.

“Completion Certificate” means a certificate in substantially the form attached as Exhibit C.

“Developer Guaranty” means the Guaranty executed by Developer in favor of the City as one of the Project Documents.

“Disbursing Agreement” means the Commercial Escrow Disbursement Agreement by and among Title Company, the Developer, City and RACM dated even herewith providing that RACM shall disburse portions of the City Investment to the Developer based upon the progress of the work completed on the Public Infrastructure and based upon receipt of satisfactory documentation of expenditures.

“Environmental Laws” means all federal, state and local laws including statutes, regulations, ordinances, codes, rules and other governmental restrictions and requirements relating to the discharge of air pollutants, water pollutants or process waste water or otherwise relating to the environment or hazardous substances including, but not limited to, the Federal Solid Waste

Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Responsibility Cleanup Liability Act of 1980, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Agency, and regulations of any state department of natural resources or state environmental protection agency now or at any time hereafter in effect.

“Executive Director” means RACM’s Executive Director.

“Grants” means any brownfield or other grant funding obtained by the Developer to assist the Project.

“Open Area Easement” means the Non-Exclusive Easement Agreement between the Developer and the City dated of even date herewith and in substantially the form attached as Exhibit H.

“Phase” means each phase of the Private Project currently contemplated by the Developer as depicted on the Project Site Plan and described on the Project Timetable. The Phases may be revised from time to time during the term of this Agreement with the written approval of the Commissioner as required under Section III F.

“Project” means the Private Project and the Public Infrastructure, all as described in Article II hereof.

“Project Documents” means the instruments, agreements and documents listed on Exhibit D.

“Project Plans” means plans and specifications for the Project, including separate plans and specifications for each Phase of the Project, which are subject to the approval of the Commissioner in consultation with City officials or departments.

“Project Site” means the real property described on Exhibit A attached hereto.

“Project Site Plan” means a site plan for the Project Site depicting Phases as currently contemplated by the Developer and the location of the Public Amenities, attached as Exhibit E. The Project Site Plan may be revised from time to time during the term of this Agreement with the written approval of the Commissioner as required under Section III(F).

“Project Timetable” means the preliminary schedule for implementation of the Project attached as hereto as Exhibit F. The Project Timetable may be revised from time to time during the term of this Agreement provided that material changes shall be subject to the written approval of the Commissioner.

“Public Amenities” means improvements within the Project Site constructed for the benefit of the public and dedicated to the City or subjected to easements for public use, consisting of the Public Walk, the Open Area and the Street Extension. The areas upon which the Public Amenities are to be constructed are depicted on the Project Site Plan.

"Public Infrastructure" means the City Utilities and the Public Amenities.

"Public Infrastructure Budget" means the overall budget for the Public Infrastructure, not to exceed \$2,500,000, including hard and soft costs, but excluding capitalized interest and TID administrative expenses as approved by the Commissioner in accordance with this Agreement. A copy of the approved Public Infrastructure Budget is attached as EXHIBIT G.

"Public Walk" means the approximately 1,450 foot walkway traversing a portion of the Project Site 30 feet north of the Menomonee River, as depicted on the Project Site Plan.

"TID-73" means Tax Incremental District No. 73 (City Lights).

"Title Company" means Landmark Title Company, Kenosha, Wisconsin.

1.2. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

- (a) Words importing the singular number shall include the plural number and vice versa.
- (b) The table of contents, captions, and headings herein are solely for convenience of reference only and shall not constitute a part of this Agreement nor shall they affect its meaning, construction, or effect.
- (c) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and words of the neuter gender shall be deemed and construed to include correlative words of the masculine and feminine genders.
- (d) The Term Sheet attached hereto as Exhibit B shall serve as a guide to the construction of this Agreement.

II.

PROJECT DESCRIPTION

The Project utilizes existing warehouse-style buildings for conversion to office and commercial purposes. Five buildings on the western portion of the Project Site owned by Developer with aggregate space totaling 70,600 square feet are to be converted to 98,000 square feet of office and flex space for small business. The initial Phase of the Private Project will take the building at 200 North 25th Street, known as the "Retort Building," and convert same into 43,000 square feet of office space for Zimmerman Architectural Studios, Inc. Developer intends to restore the façade of the Retort Building, replace the roof and expand the interior of the building from the current 26,400 square feet to a proposed 43,000 square feet by construction of a mezzanine.

Construction of the Public Amenities will enhance public access to the Menomonee River and the City Utilities will serve the Private Project. A public street will be constructed across the western half of the Project Site to provide vehicular access to the five existing buildings located

thereon. Sanitary sewer service will be upgraded, including installation of a lift station on the Project Site. Storm sewer service will similarly be improved, including installation of catch basins for the collection of stormwater. A portion of stormwater runoff from the Project Site will flow through biofiltration areas to be constructed thereon prior to draining into the catch basins. New water and gas connections will be installed to serve the Project Site.

To enhance public access to the Menomonee River, 3,793 linear feet of public walkway will be constructed along the southerly boundary of the Project Site. The walkway will be integrated into the design of the public street to provide both vehicular and pedestrian activity along the Menomonee River.

The Project is more fully described in the Project Plan attached hereto as Exhibit K.

III.

DEVELOPER OBLIGATIONS

3.1. Developer Obligations. During the term of this Agreement, and with respect to each Phase, Developer shall, in accordance with the Project Timetable:

A. Submit any revisions to the Public Infrastructure Budget, excluding the City Utilities, to the City for approval in writing by the Commissioner.

B. Submit to the Commissioner, in a form reasonably satisfactory to the Commissioner, evidence that the Developer has received all federal, state and local agency approvals which are necessary to undertake the construction of the Public Infrastructure.

C. Secure the written approval of the Commissioner, in consultation with the Commissioner of the City Department of Public Works, of final plans and specifications for the Public Infrastructure.

D. Secure the written approval of the Commissioner for all contracts entered into by the Developer to undertake construction of the Public Infrastructure for which City funds are to be disbursed.

E. Undertake the Project in Phases and in a manner generally consistent with the Project Site Plan, and substantially complete each such Phase in accordance with the Project Timetable, including without limitation substantial completion of the initial Phase of the Private Project within 12 months of the date of this Agreement, all as more fully set forth in the Developer Guaranty.

F. As development of the Project proceeds, submit to the Commissioner, as appropriate and required, copies of any material changes, additions, and/or refinements to the plans and specifications for the Project and, with respect to any change, addition, or refinement that constitutes a material modification to the Project description, as theretofore revised or amended, obtain the prior written consent of the Commissioner.

G. Execute and deliver all Project Documents to which it is a party.

H. Fully and timely fulfill and perform all of Developer's obligations under the terms of the EBE/RPP Agreement.

I. Construct and install the Public Infrastructure on and in accordance with the Project Timetable and obtain the Commissioner's approval and acceptance of same.

IV.

EASEMENTS AND CONVEYANCES

4.1 Pursuant to the terms of this Agreement, Developer will grant an easement to CITY to accommodate public access to the Open Area. Contemporaneously with the execution and delivery of this Agreement, Developer will execute and record the Open Area Easement.

4.2 Pursuant to the terms of this Agreement, upon completion of construction of the Street Extension and the Public Walk, the Developer shall, at its sole expense, take all steps necessary to effect a dedication of the Street Extension and the Public Walk to the City for public right of way, including without limitation preparing, approving and recording a plat or certified survey map of the Property which includes the Street Extension and Public Walk designated therein as public right of way.

4.3 CITY and RACM shall assist the Developer in the foregoing and the finalization of all easements, conveyances, plats and certified survey maps necessary to implement the Project and effect the grants and dedications described above.

V.

CITY OBLIGATIONS

During the term of this Agreement City shall undertake the following in accordance with the Project Timetable:

A. City Investment. Directly fund City obligations hereunder and make funds available to RACM, for disbursement to the Developer in order to allow the Developer to commence the Project as provided herein in accordance with the provisions of Article VI of this Agreement.

B. Assist the Developer in obtaining as expeditiously as possible, all permits, approvals, variances, licenses, certificates, inspections, and consents that may be necessary or desirable to enable the Developer to commence and carry out all obligations and actions under this Agreement and the Project Documents; provided that nothing contained herein shall be deemed to limit or waive the City's independent right and authority to review and consider each request for such approvals.

C. Undertake good faith efforts with the Developer to obtain any Grants available for the Project.

D. Within twenty (20) business days following submission of final plans and specifications for each Phase by the Developer, either provide the Developer with the Commissioner's written approval of said plans and specifications or a written explanation of the modifications necessary in order to secure such approval.

E. Execute and deliver all Project Documents to which it is a party.

VI.

RACM OBLIGATIONS

During the term of this Agreement, RACM shall undertake the following in accordance with the Project Timetable:

A. Assist the Developer in obtaining as expeditiously as possible, all permits, approvals, variances, licenses, certificates, inspections, and consents that may be necessary or desirable to enable the Developer to commence and carry out all obligations and actions under this Agreement and the Project Documents.

B. Through the provision of staff assistance, aid the Developer in the finalization of any Developer actions required by this Agreement.

C. Make portions of the City Investment available, pursuant to the Disbursing Agreement and Articles VI and VII hereof, in order to fund the Developer's implementation of the Project.

D. Execute and deliver all Project Documents to which it is a party.

VII.

CITY INVESTMENT

7.1 The City shall make the City Investment available for costs of the Public Infrastructure.

7.2 Notwithstanding anything to the contrary in this Agreement, the Commissioner may waive the obligations of the Developer described in section 3.1 of this Agreement to the extent they are not applicable to the work described in this Article VII.

7.3 The City Investment shall be reduced or adjusted by a percentage of the net proceeds of Grants available for Project costs equal to the percentage in which the City contributed funding for the type of improvement the Grants are used for. For the purposes of the foregoing sentence, "net proceeds" shall mean the amount of Grant funds that may be applied to Project costs, less the direct costs of securing such Grant funds.

VIII.

DISBURSEMENT OF FUNDS

8.1 The City Investment will be disbursed to the Developer for the payment of certain Project costs pursuant to the Disbursing Agreement. Prior to the City funding any draw requests, the Project architect or engineer shall have certified in writing to the Commissioner that the work subject to the draw request has been completed in accordance with the Project Plans and any Public Infrastructure costs which are included in the draw request shall have been fully substantiated by the Developer on the appropriate AIA form. Draw requests shall be presented to the Commissioner no more than once per month on AIA Document G702 or its equivalent. Draws of the City Investment for the Public Infrastructure shall be calculated substantially as follows:

A. The City shall fund 100% of all eligible costs arising from or related to the construction of the Public Amenities.

B. The City shall fund 100% of the eligible costs arising from or related to the construction of the City Utilities.

C. In no event shall the City be obligated to fund eligible cost in excess of the City Investment.

8.2 No disbursement of any portion of the City Investment shall be made until all of the following shall have occurred:

A. Developer shall have obtained all federal, state and local governmental permits, approvals and authorizations necessary to undertake construction of the initial Phase of the Private Project and the Public Infrastructure.

B. The Commissioner shall have approved the final Project Plans.

C. City shall have received and approved an executed EBE/RPP Agreement.

D. City shall have been provided a copy of a fully executed lease between Developer as Lessor and Zimmerman Architectural Services, Inc. as lessee covering the entirety of the initial Phase of the Private Project and providing for rental of not less than \$10.25, subject to a decrease due to a reduction in the cost of construction thereof, per square foot of leased space and for a term of not less than 15 years.

E. Developer shall have obtained a commitment for financing the initial Phase of the Private Project and provided the City with proof of same and the ability to meet or satisfy any conditions or contingencies therein provided.

IX

GUARANTY OF TAX INCREMENTAL REVENUE

9.1 Attached hereto as Exhibit J is a Forecast of District Property Value and Forecast of District Cash Flow (the "Forecast"). In the event there is a shortfall (a "Shortfall") for any year in the tax increment revenue from that set forth in the Forecast, then the Developer shall pay the City an amount equal to the Adjusted Shortfall no later than February 1 of the that year . As used herein, "Adjusted Shortfall" shall mean an amount equal to (i) the Shortfall, less (ii) the cumulative amount by which actual tax increment revenue has exceeded the amount of the Forecast for all prior years (and not previously counted in computing an earlier Adjusted Shortfall). Notwithstanding the foregoing, however, the Adjusted Shortfall can never be less than \$00.00.

9.2 Developer's obligation to pay the amount of any Shortfall shall continue until the year in which (i) the amount of the City Investment, plus interest on borrowings incurred by the City, has been repaid in full, or (ii) TID-73 has expired, whichever occurs first.

9.3 If the amount of the City Investment is reduced from \$2,500,000, then the amount of any Shortfall to be repaid by the Developer shall be reduced proportionally. Payment of a Shortfall shall constitute a payment in lieu of taxes. The Forecast shall in no way limit the actual valuation of the Project Site at any time by the City Assessor.

9.4 Developer's payment obligation under this Article IX and Developer's further obligations pursuant to the Developer Guaranty shall be secured by a mortgage lien on the Project Site, subordinated in a manner satisfactory to the City to the prior lien of any one or more construction lenders (including the lien of any term lender which refinances the amount of any construction loan indebtedness outstanding).

X.

HUMAN RESOURCES

The Developer shall enter into an EBE/RPP Agreement substantially in the form attached hereto as Exhibit I which places a mandatory 25% EBE requirement and a 40% Resident Preference requirement on the construction of the Public Infrastructure, and a 18% best efforts EBE requirement and a 21% best efforts Resident Preference requirement on the Private Project. The Developer shall hire an EBE coordinator to oversee the EBE and RPP components of the Project.

XI.

PREVAILING WAGES

The Developer and the Developer's contractors shall pay prevailing wages for construction of the Public Infrastructure and the Developer shall provide or cause to be provided, reports to the Commissioner on forms specified therefor by the Commission.

XII.

BIDDING

All contracts for the construction of new Public Infrastructure shall be bid out unless otherwise approved in writing by the Commissioner and the bidder chosen shall be subject to the written approval of the Commissioner.

XIII.

PAYMENT OF TAXES

The Developer will pay (or cause to be paid) all *ad valorem* property taxes properly assessed against each portion of the Project Site owned by the Developer during the life of TID-73 before such taxes become delinquent. The foregoing provision shall not prohibit the Developer, or any owner of the Project Site from contesting, in good faith, the assessed value of the Project Site or any part thereof. In the event any portion of the Project Site becomes exempt from the payment of such property taxes pursuant to Wisconsin Statutes Section 70.11 or any successor statute, then the Developer, or any subsequent owner of such portion of the Project Site shall make payments to the City annually in an amount equal to the amount that would otherwise be payable. This obligation shall be a permanent and ongoing obligation which shall run with the land and be evidenced by a separate agreement for payments in lieu of taxes in the form contained in Exhibit D to be placed of record in the real estate records.

XIV.

BOOKS AND ACCOUNTS

The Developer shall keep (and shall require its Affiliates, contractor(s) and subcontractor(s) to keep) accurate, full and complete books and accounts showing operations, transactions, and financial conditions of their business affairs relating to all aspects of the implementation of the Project and this Agreement. All books, accounts, and financial statements kept or prepared by or for the Developer shall be in accordance with generally accepted or tax basis accounting principles consistently applied. Said records and accounts shall be kept for a period of seven (7) years subsequent to substantial completion of the Project. During such seven (7) year period, City and RACM or any authorized representative of City and RACM, including but not limited to the City Comptroller, shall, at the City's or RACM's sole expense, have the

right, upon reasonable written notice to the Developer, to examine and audit the foregoing books, accounts, and records during normal business hours.

XV.

FINANCIAL REPORTING

With respect to the Project, the Developer shall provide the Commissioner with copies including the following financial reports:

A. The Developer shall provide the Commissioner with annual, internally generated financial reports for all components or Phases of the Project in which the Developer have a majority ownership interest. All such financial reports shall be certified by an officer of the controlling member of the Developer or another person satisfactory to the Commissioner and shall be provided within one hundred twenty (120) days following the end of each fiscal year.

B. Upon the City's request, the Developer shall provide the Commissioner with independently audited financial reports of the Developer with respect to which reporting is required within one hundred twenty (120) days following the end of any fiscal year. Such reports shall be requested at the City's sole discretion and prepared at the City's sole expense.

C. Financial reporting with respect to any Phase shall terminate upon issuance of a Certificate of Completion for such Phase.

XVI.

FORCE MAJEURE

If any party is delayed or prevented from the performance of any act required by this Agreement or the Project Documents by reason of fire, earthquake, war, flood, riot, strikes, labor disputes, judicial orders, public emergency or regulations, or other causes beyond the reasonable control of the party obligated to perform, then performance of such act shall be excused for the period of such delay, and the time for the performance of any such act shall be extended for a period equivalent to such delay.

XVII.

INSPECTIONS

A. The City, RACM, or their designees, may make reasonable inspections of the Public Infrastructure during construction thereof, provided that such inspections do not interfere with the progress of the work and are substantially consistent with the inspections typically performed by the City in the course of other similar construction projects in the City.

B. In the event that the City or RACM determine, in their reasonable judgment, as a result of the inspections made by them or otherwise, that the Developer's contractors or

subcontractors are not constructing the Public Infrastructure in substantial accordance with the terms of this Agreement and the final plans and specifications approved by the Commissioner, then RACM and/or the City, acting through the Commissioner shall promptly inform the Developer in writing of said noncompliance, and the Developer shall, as soon as reasonably possible, require its contractors or subcontractors to remedy said noncompliance to the reasonable satisfaction of the Executive Director and Commissioner

XIII.

CERTIFICATE OF COMPLETION

The parties acknowledge that ultimate development of the Project is to be conducted in Phases by the Developer on separate sites within the Project Site. Each Phase or portion thereof in the discretion of the Executive Director, will be deemed substantially completed upon: (a) issuance by the architect, or other person acceptable to the Executive Director, of a certificate of substantial completion for such Phase (except for tenant improvements and the like and weather-related delays of landscaping and related exterior work); and (b) issuance by the City of an occupancy certificate for such Phase. Upon submission of the foregoing and at the written request of the Developer for such Phase, the Executive Director shall execute and deliver to the Developer a certificate in substantially the form attached as EXHIBIT C confirming Substantial Completion of such Phase. Upon the issuance of a Certificate of Completion for each Phase or portion thereof the real property subject to the Certificate of Completion shall be released of record from the terms of this Agreement.

XIX.

ENVIRONMENTAL MATTERS

The Developer covenants and agrees to comply with all Environmental Laws applicable to the Developer's activities at the Project Site and to use the State of Wisconsin VPLE Program for all environmental remediation on the Project Site. The Developer also covenants and agrees to indemnify and hold RACM and City harmless from and against any and all losses, liabilities, damages, costs, expenses (including reasonable legal, consulting, and engineering fees), and awards of every type and nature arising from any third party claims or causes of action for any violations or alleged violations of Environmental Laws by the Developer. RACM, City, and the Developer shall provide to one another, immediately upon receipt, copies of any correspondence, notice, pleading, citation, indictment, complaint, order, decree, or other document from any source asserting or alleging a circumstance or condition which constitutes a violation of any Environmental Laws on the Project Site or requires or may require a clean-up, removal, remedial action, or other response by or on the part of the Developer or any other person under Environmental Laws or which seeks damages or civil, criminal, or punitive penalties from RACM, City, the Developer, or any other person for an alleged violation of Environmental Law on the Project Site.

XX.

INSURANCE

The Developer shall provide, at its own expense, insurance in such types and amounts as it may require during construction of the Project, and the Developer shall furnish the City with Certificates of Insurance, in a form and substance reasonably satisfactory to the Commissioner, naming the City and RACM as additional insureds with respect to the liability insurance provided pursuant to this Article. Such Certificates shall provide that the insurance company will furnish the City and RACM with a 30-day written notice of cancellation, non-renewal, or material change. The above insurance requirements shall include the City and RACM, to the extent the City and RACM have an insurable interest.

XXI.

INDEMNITY

The Developer shall indemnify and hold harmless City and RACM from and against any and all losses, liabilities, damages, costs, and expenses, including reasonable attorneys' fees and costs, arising out of any third party claims, causes of action, or demands made against or suffered by City or RACM on account of this Agreement, unless such claims, causes of action, or demands (i) relate to City or RACM failing to perform their obligations to the Developer, or (ii) arise out of any negligence or willful misconduct of City or RACM. At City's request, the Developer shall appear for and defend City or RACM at the Developer's expense, in any action or proceeding to which City or RACM may be made a party by reason of any of the foregoing.

XXII.

CITY AND RACM NOT JOINT VENTURERS

It is expressly understood and agreed by all parties that nothing in this Agreement shall be deemed to place City or RACM in the relationship of partner or joint venturer with the Developer.

XXIII.

CONFLICT OF INTEREST

No council member, commissioner, officer, or employee of City or RACM, during such person's tenure or for one (1) year thereafter, shall have any financial interest, direct or indirect, in the Project, this Agreement, or the proceeds hereof.

XXIV.

ASSIGNMENT

No party to this Agreement may assign any of its interest herein or obligations hereunder, without the prior written consent of all other parties hereto; provided, however, that the Developer may collaterally assign certain of its rights and obligations in this Agreement to its lender or lenders for the Project without the consent of City, provided that those documents and instruments evidencing such collateral assignment that require execution by RACM shall be reasonably acceptable in form and substance to the Commissioner. In accordance with the foregoing, no lender may assign its interests herein, whether or not such lender has exercised its remedies against the Developer, any successor or assign of the Developer or the Project Site, to any successor or assign without the prior written consent of the Commissioner to such assignment and such assignee. Furthermore, this Agreement shall not be construed or interpreted to impose any burdens or obligations upon any purchaser of a condominium unit from the Developer.

XXV.

MORTGAGEES NOT OBLIGATED TO CONSTRUCT

It is understood and agreed that the Developer and their successors and assigns may mortgage the Project Site or portions thereof to provide financing for the Project. Notwithstanding any of the provisions of this Agreement, including but not limited to those which are intended to be covenants running with the land, the holder of any mortgage authorized by this Agreement (including any holder who obtains title to the Project Site or any part thereof as a result of foreclosure proceedings, or action in lieu thereof, but not including (a) any other party who thereafter obtains title to the Project Site or such part from or through such holder or (b) any other purchaser at foreclosure sale other than the holder of the mortgage itself, except and to the extent such party or purchaser shall have been approved by the City and RACM as an assignee hereof pursuant to Section XXIV above) shall not be obligated by the provisions of this Agreement affecting the obligations hereunder of the Developer, whether to complete the construction, to guarantee such construction, to pay the Shortfall or otherwise; nor shall any covenant or any other provision in this Agreement be construed to so obligate such holder.

XXVI.

NOTICES

Any written notice required to be sent to the parties shall be forwarded to the following:

If to City:

City of Milwaukee
809 North Broadway
Milwaukee, WI 53202
Attn: Commissioner of City Development

With a copy to:

City of Milwaukee
City Attorney's Office
200 East Well Street
Milwaukee, WI 53202
Attn: Kevin P. Sullivan, Esq.

If to RACM:

Redevelopment Authority of the
City of Milwaukee
809 North Broadway
Milwaukee, WI 53202
Attn: Executive Director/Secretary

With a copy to:

City of Milwaukee
City Attorney's Office
200 East Wells Street, Suite 800
Milwaukee, WI 53202
Attn: Kevin P. Sullivan, Esq.

If to Developer:

Mr. Frank Giuffre, Managing Member
Giuffre VIII, LLC
445 West Oklahoma Ave.
Milwaukee, WI 53207

With a copy to:

Mr. Richard Kobriger
Cramer, Multhauf & Hammes, LLP
1601 East Racine Avenue, Suite 200
P.O. Box 558
Waukesha, WI 53187-0558

XXVII.

DEFAULT

If any party hereto defaults in the performance of any of its obligations under this Agreement or any of the Project Documents, or any party shall default in the performance or observance of any of the covenants, agreements, or conditions on the part of such party set forth in this Agreement or any of the Project Documents and such default continues for thirty (30) days following receipt and written notice from another party specifying such default and requesting that it be corrected without the defaulting party diligently pursuing such a cure within 30 days of receiving such notice; then the other parties hereto shall have all rights and remedies available at law or in equity in connection therewith.

In addition, if any one or more of the following events occur, it is hereby defined as and declared to be and to constitute an event of default under and for purposes of this Development Agreement:

Any party shall:

(a) Make a general assignment for the benefit of creditors or to an agent authorized to dissolve a substantial amount of its property; or

(d) Become subject (either voluntarily or involuntarily) to an order for relief within the meaning of the bankruptcy code, and in the case of an involuntary action, such order is not vacated within sixty (60) days after entry; or

(e) File a petition to effect a plan or other arrangement with creditors; or

(f) File an answer to a creditor's petition, admitting the material allegations thereof, for dissolution, reorganization, or to effect a plan or other arrangements with creditors; or

(g) Apply to a court for the appointment of a receiver for any of its assets; or

(h) Have a receiver appointed for any of its assets (with or without consent) and such receiver shall not be discharged within sixty (60) days after appointment.

XXVIII.

RESTRICTIONS ON USE

The Developer agrees for itself and its successors and assigns, and every successor in interest to the Project Site or any part thereof, to:

(a) Devote the Project Site only to and in accordance with the uses specified in this Agreement, including without limitation preparing the initial Phase of the Private Project for initial use and occupancy in a manner consistent with the lease described above in Section 8.2(D) and, thereafter, in accordance with any other legal and conforming use; and

(b) Not discriminate upon the basis of race, color, creed, sex, national origin, or sexual orientation in the sale, lease, rental, use, or occupancy of the Project Site, the Project, or any improvements located or to be erected thereon or any part thereof.

XXIX.

APPROVALS

Whenever in this Agreement the consent or approval of any party is required or the discretion of any party may be exercised, such consent or approval shall not be unreasonably withheld, conditioned, or delayed, and any such discretion shall be exercised in good faith and in a commercially reasonable manner. Whenever in this Agreement the consent or approval of RACM is required or the discretion of RACM may be exercised, the Executive Director shall have the authority to provide such consent or approval or to exercise such discretion. Whenever in this Agreement the consent or approval of City is required or the discretion of City may be exercised, the Commissioner shall have the authority to provide such consent or approval or to exercise such discretion.

XXX.

BINDING EFFECT; AMENDMENT

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement shall be amended or modified only as expressly provided in a writing signed by all parties.

XXXI.

EXHIBITS AND RECITALS

The various exhibits appended to this Agreement and the opening recitals herein are incorporated herein and for all purposes are a part of this Agreement.

XXXII.

CAPTIONS

The captions or headings placed upon Articles or sections of this Agreement are for convenience only, do not constitute a part of this Agreement, and shall not limit or affect in any way the interpretation or construction of this Agreement.

XXXIII.

SEVERABILITY

If any part of this Agreement shall be found to be invalid or unenforceable, such finding shall not affect the validity or enforceability of any other provisions hereof which can be given effect in the absence of the parts determined to be invalid or unenforceable.

XXXIV.

GOVERNING LAW

All matters relating to the making, enforcement, and performance of this Agreement shall be governed by the internal laws of the State of Wisconsin.

XXXV.

COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall constitute an original and all of which shall constitute one and the same Agreement.

XXXVI.

TERM

The term of this Agreement shall commence on the date hereof and expire upon the termination of TID-73 or the issuance of Certificates of Completion for all Phases of the Project, whichever shall occur later.

XXXVII.

NO PERSONAL LIABILITY

Under no circumstances shall any officer, official, director, commissioner, member, agent, or employee of City, RACM, or the Developer have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

XXXIII.

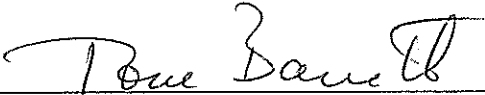
PROJECT SIGNS

The Developer agrees that, during the construction period and at the Developer's expense, a Project sign identifying the participation of CITY and RACM in the Project shall be placed upon the Project, consistent with such reasonable criteria which may be established by RACM. Such identification signage may be part of an overall Project construction/development sign.

[SIGNATURE PAGES FOLLOW THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the day and year first above written.

CITY OF MILWAUKEE

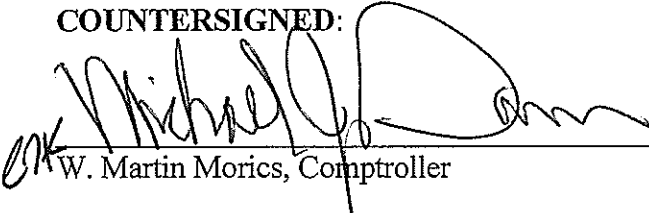


Tom Barrett, Mayor



Ronald D. Leonhardt, City Clerk

COUNTERSIGNED:




W. Martin Morics, Comptroller

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE**

By: 


Lois A. Smith, Chair

Attest: 

David P. Misky
Assistant Executive Director/Secretary

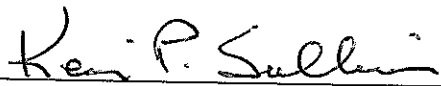
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the day and year first above written.

GIUFFRE VIII, LLC

By: 
Its: MSR

Approved as to form and execution.

This 29th day of September, 2010


Assistant City Attorney

1050-2009-2827:151647

EXHIBIT A
to Development Agreement
Project Site



Exhibit A
12.4.09.doc

Exhibit A
The Project Site

The real property located at 200 N 25th Street:

LEGALS LANDS IN SW ¼ SEC 30-7-22

DESCRIPTION LANDS BETW N LI N MENOMONEE CANAL – E LI N 25th St-S LI
CMSTP & P RR ROW & A LI 288.27' W of E LI SD ¼ SEC

For the real property located at 2001 West Mt Vernon Avenue:

LEGALS LANDS IN SW ¼ SEC 30-7-22

DESCRIPTION COM 573' N OF SE COR SD ¼ SEC-TH W 288.27'-TH N 326.96'-TH
E 123.27'-TH N 28.82'-TH E 165'-TH S 358.59' TO PT OF COM

For the real property located at 1601 West Mt Vernon Avenue:

LEGALS ROGERS SUBD (OUT LOTS) IN SW ¼ 29 & SE ¼ SEC 30-7-22

DESCRIPTION W 1285' OUT LOT 14 EXC (N 30' OF E 325' OF W 1285' FOR ST &
S 70' FOR CANAL).

EXHIBIT B
to Development Agreement
Term Sheet



Exhibit B Term
Sheet 12.4.09.D...

Exhibit B
TERM SHEET
City Lights Public Infrastructure/Riverwalk
Development Agreement
TID - 73

Project Description: Giuffre VIII, LLC, proposes the conversion of existing warehouse-style buildings for office and commercial purposes. The initial phase of the project will convert the former Wisconsin Gas Light Co. Retort Building at 200 N. 25th St. into approximately 43,000 square feet of office area for Zimmerman Architectural Studios, Inc. In addition, Developer will convert four other buildings on the Site (the Purifier House, the Engine House, the Condenser House and the Machine Shop) into approximately 55,000 square feet of leaseable office and commercial space. Collectively, the renovation and conversion of the five buildings on the Site shall be referenced as the “Private Project.” The initial phase of the Private Project will restore the Retort Building façade to a state much closer to its original condition. New windows will be installed based on the configuration of the originals. The façade will be cleaned, tuck-pointed and restored in a manner consistent with the Department of the Interior’s historic restoration standards.

A new public street, public walk and utilities (the “Public Project”) will be constructed by City to serve the Private Project.

Developer will dedicate the right-of-way or grant easements necessary for the Public Project. At City’s option and upon City’s request Developer shall construct the Public Project. Developer shall also indemnify City or cause City to be indemnified by a reasonably acceptable entity for costs incurred to remediate environmental conditions within any dedicated right-of-way.

Existing utilities serving the Site are not functioning at necessary levels and must be replaced entirely. A new sanitary lift station, in conjunction with a sanitary & storm sewer and a water main will serve the Private Project. The newly constructed underground City utilities, public street, public walk and related public infrastructure such as lighting will be located within dedicated right-of-way or easements the details of which shall be detailed in the Development Agreement.

As the Site is located along the Menomonee River, a public walk will be built along the river frontage associated with the initial phase of the Private Project, extending for approximately 450 linear feet. The public walk will be an outdoor space open to the general public. The new public street will be integrated into the Public Project design, creating both pedestrian and vehicular activity along the Menomonee River in an effort to promote the public access to the river frontage. A public access easement will be granted to City for the approximately thirty (30) foot wide area between the public walk and the edge of the river.

Tax Increment District Project Plan: City shall create a Tax Increment District (“TID-73”) to partially fund the Public Project as outlined below.

Developer: Developer is Giuffre VIII, LLC

Site: The entire area included in TID-73.

Project Budget: See TID-73 Project Plan, Exhibit 2

Completion Guaranty: Developer shall provide City with a guaranty of completion of the initial phase of the Private Project (the "Developer Guaranty"). The Developer Guaranty shall be a recourse obligation secured by a mortgage on the Site running to City.

Guaranty of Tax Incremental Revenue: Developer shall guaranty that the incremental revenue realized annually from Tax Incremental District 73 shall be as set forth in the Forecast of District Cash Flow included in the TID 73 Project Plan.

Should actual incremental revenue received by the City from the District be less than the Forecast of District Cash Flow, in any given year (terminating in 2036), Developer shall pay such shortfall to the City by February 1st of that year.

Developer's obligation to make such payments shall be a recourse obligation secured by a mortgage, reasonably acceptable to Developer's lender(s), on the Site. City shall also have the option to assess Developer's obligation as a special assessment on the Site.

If the cost of the City Investment funded through TID 73 (\$2 million) is reduced, the Development Agreement shall provide that the tax increment revenues guaranteed by the Developer shall be proportionately reduced.

City Investment: The City Investment relative to the initial phase of the Public Project will be a maximum of \$2.5 million for construction costs for the new public street, the public walk, sanitary sewers, storm sewers, water utilities and ancillary infrastructure work. A portion of the City Investment, initially in an amount not to exceed \$2 million, excluding financing costs, will be funded through the creation of TID-73. The Department of Public Works ("DPW") will provide additional capital funding in an amount not to exceed \$500,000. The DPW funding may also be recovered through excess increments generated by TID-73.

The City will allocate funds from Tax Incremental District Bond Account No. ___ and from DPW Account No. ___ for the initial phase of the Public Project, as more specifically outlined in the Project Plan.

For purposes of the Development Agreement and notwithstanding any of the foregoing to the contrary, it is anticipated that additional TID-73 funds for the extension of public infrastructure improvements on the approximately 12 acres identified as 2001 and 1601 West Mt. Vernon Street (Tax Key Nos: 400-9995-118 and 398-0906-111) will be considered by City at such time as Developer can demonstrate and substantiate that additional incremental revenue will be generated from new development on such parcels in an amount sufficient to permit City to amortize all TID-73 costs from available tax increment revenue, by 2030.

(NOTE: The term "City" when used herein may mean the City of Milwaukee and/or the Redevelopment Authority of the City of Milwaukee ("RACM") as those parties will allocate responsibilities in the Development Agreement. It is understood that City approvals, whenever possible, shall be the responsibility of its Commissioner of Public Works, or its Commissioner of City Development.)

RACM Responsibilities: RACM shall cooperate with City and Developer in implementation of the Private Project and the Public Project.

Developer Responsibilities: Developer shall construct the Private Project and, at City's request the Public project, according to plans and specifications approved in writing by City which approval shall not be unreasonably withheld or delayed.

Development Schedule: Developer will substantially complete the initial phase of the Private Project within twelve months of the execution of the Development Agreement, subject to extension necessitated by *force majeure*. An overall Project schedule is attached as EXHIBIT "A".

Disbursement of Funds: Prior to disbursement of the City Investment, the following actions must occur:

- A. Developer shall have received all federal, state and local agency approvals which are necessary to undertake the construction of the initial phase of the Private Project.
- B. City, shall have approved the final plans and specifications for the initial phase of the Private Project.
- C. City shall have received and approved a signed EBE Agreement.
- D. City shall have received a fully executed lease for the initial phase of the Private Project between Developer and Zimmerman Architectural Services, Inc. for a rent not less than \$10.25 per square foot and a term not less than 15 years.
- E. City shall have received commitments for financing sufficient to construct the initial phase of the Private Project.

PILOT Payments: The Development Agreement will require payments in lieu of taxes with respect to any parcel or building within TID-73 that subsequently becomes exempt from real property taxes. This provision shall be incorporated into covenants running with the land for all phases of the Private Project.

Competitive Bidding: Contracts for the Public Project must be bid out and the bidder chosen pursuant to a format and protocol acceptable to City.

Prevailing Wages: Developer and Developer's contractors and subcontractors shall pay prevailing wages for all Public Project costs and shall provide any necessary reports on forms specified by the City.

Development Agreement: City, DPW, Developer, and RACM shall enter into a development agreement ("Development Agreement") containing terms consistent with this Term Sheet and customary for such development agreements. The Development Agreement may not be assigned by Developer to unrelated third parties without the written consent of City, which shall not be unreasonably withheld.

Financial Statements: Developer shall provide annual, internally generated financial statements for the Private Project, certified as to accuracy by a representative of Developer acceptable to City. At its discretion and expense, City may request independently audited financial statements to be provided within ninety days of the close of any fiscal year.

Human Resource Requirements: Developer will enter into an EBE agreement that places a mandatory 25% EBE requirement and 40% Resident Preference requirement on all phases of the Public Project and an 18% EBE requirement and 21% Resident Preference requirement on all phases of the Private Project.

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 in one or more agreements, including the Development Agreement mentioned above, among City, RACM, and Developer. Resolutions approving the Term Sheet may also provide for the execution of all additional documents and instruments necessary to implement the Project.

All other customary provisions (Comptroller audit rights, Commissioner review and approval of the Private Project budget and design, etc.) will also be included in the Development Agreement.

August 20 2009 DRAFT

1050-2009-1193:149178

EXHIBIT "A"

(EXHIBIT "A" consists of an overall project schedule)

**EXHIBIT C
to Development Agreement
Completion Certificate**

Document Number	CERTIFICATE OF COMPLETION Document Title
CERTIFICATE OF COMPLETION City Lights Project (Phase __)	
Recording Area Name and Return Address	

Parcel Identification Number (PTN)

Property Address	
Developer:	
Development Agreement:	Development Agreement dated as of July __, 2010
Legal Description:	See attached Exhibit "A"

THIS IS TO CERTIFY that the undersigned, on behalf of RACM, caused the inspection of the above-described real estate and physical improvements constructed thereon, and that construction of said physical improvements has been substantially completed in accordance with construction plans submitted pursuant to the Development Agreement.

Construction was deemed by RACM to be completed on _____, 200__.

THIS CERTIFICATE when signed and bearing the seal of RACM shall constitute a conclusive determination of satisfaction and termination of the covenants in the Development Agreement with respect to the Developer's obligation to construct improvements on the above-described real estate and the date for completion thereof.

Upon recording of this CERTIFICATE, the real estate described above shall specifically be "released" of record from the Development Agreement and the restrictions against the real estate set forth therein.

This CERTIFICATE relates only to the real estate described above and does not apply to any other parcel in the North End Project.

Dated at Milwaukee, Wisconsin this _____ day of _____, 200__.

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE**

By: _____
Name Printed: _____

Attest: _____
Name Printed: _____
Title: _____

STATE OF WISCONSIN)
)
MILWAUKEE COUNTY)

Personally came before me this _____ day of _____, 200__,
_____ and _____, the _____
and _____, respectively of the above-named Redevelopment
Authority of the City of Milwaukee (RACM), to me know to be the persons and officers who
executed the foregoing instrument, and acknowledged that they executed the foregoing
instrument as such officers as the deed of RACM by its authority.

(Seal)

Notary Public
Milwaukee County, Wisconsin
My Commission _____

This document was drafted by Kevin P. Sullivan, Assistant City Attorney, State Bar No. 1005018
1050-2009-2827

**EXHIBIT D
to Development Agreement**

(City Lights Project)

Project Documents

1. PILOT Agreement
2. Memorandum for Recording
3. Anti-Slavery Affidavit
4. Developer Guaranty
5. Mortgage

PILOT AGREEMENT

Document Title

Document Number

PILOT AGREEMENT

Recording Area

Name and Return Address

Kevin P. Sullivan
Assistant City Attorney
Office of the City Attorney
200 East Wells Street, Suite 800
Milwaukee, WI 53202

Parcel Identification Number (PIN)

PILOT AGREEMENT

OWNER: Giuffre VIII, LLC, a Wisconsin limited liability company

OWNER ADDRESS: _____

PROPERTY ADDRESS: _____

PROPERTY PARCEL IDENTIFICATION NO.: _____

This AGREEMENT for payments in lieu of taxes ("PILOT Payments") is made by and between Giuffre VIII, LLC, a Wisconsin limited liability company, ("TAX-EXEMPT") and the City of Milwaukee, a Wisconsin municipal corporation ("CITY"), as of the ____ day of July, 2010.

WITNESSETH

WHEREAS, TAX-EXEMPT owns the real property which is legally described in Exhibit A attached hereto (the "PROPERTY"); and

WHEREAS, CITY has determined that, under the facts and circumstances currently disclosed or known to the CITY and the law currently existing, and under TAX-EXEMPT'S intended ownership, occupancy and usage, the PROPERTY may qualify for new real property tax exemptions under § 70.11 (4), Wis. Stats., as of January 1, ____; and

WHEREAS, TAX-EXEMPT recognizes that, notwithstanding property tax status of the PROPERTY, valuable government services and benefits will be provided to it and the PROPERTY, which services and benefits directly or indirectly relate to the public health, safety and welfare, and which include, but are not limited to fire and police protection, paved streets and sidewalks, street lights and snow removal; and

WHEREAS, TAX-EXEMPT agrees for itself and its successors and assigns to make PILOT Payments to CITY in recognition of such services and benefits.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. INCORPORATION OF WHEREAS CLAUSES.

The parties hereby acknowledge that the above clauses are part of this AGREEMENT.

2. CITY SERVICES.

A. Services Typically Covered by Property Tax.

It is the parties' intent that CITY will provide public services to TAX-EXEMPT and the PROPERTY subject to the same terms and conditions as apply to properties owned by citizens or the public generally. Such services and benefits include, but are not limited by specific enumeration herein, those typically covered by the property tax such as fire and police protection, and on public streets, snow removal, street and sidewalk maintenance, and street lighting. CITY shall not have breached its obligations hereunder if it is prevented from providing benefits and/or services to TAX-EXEMPT or the PROPERTY because of typical *force majeure* reasons (e.g., war, flood, fire, labor dispute, supply shortage, act of God, natural disaster, etc.), because of budgetary constraints, or because any person or entity shall assert a right which prevents delivery of such benefits and/or services.

B. Special Assessments, Special Charges and Fees.

Notwithstanding paragraph 2.A., or property tax status of the PROPERTY, TAX-EXEMPT understands that it may be subject to special charges, and special taxes as defined in §74.01, Wis. Stats. (and as also referred to in Ch. 66, Wis. Stats.) and fees charged by CITY in the same manner that such special assessments, special charges, special taxes, and fees are charged for similar services and/or undertakings to commercial buildings within CITY. This provision shall not affect CITY's powers, consistent with the law, to determine the services and benefits (other than those typically covered by the property tax) that shall be provided to the PROJECT and the PROPERTY and/or similarly situated property pursuant to this paragraph 2B. Nothing contained herein shall preclude TAX-EXEMPT from appealing, as provided by law, the imposition of such special assessments, special charges, special taxes, or fees by CITY.

3. PILOT PAYMENTS.

A. Calculation for 2010 and Subsequent Years.

In recognition of those services and benefits covered by paragraph 2.A. of this AGREEMENT, beginning for tax year 2010 until termination of this AGREEMENT, TAX-EXEMPT agrees to pay CITY an annual PILOT Payment for the PROPERTY for each tax year (or portion thereof).

The PILOT Payment for 2010 shall be \$_____. In each subsequent year of this AGREEMENT the PILOT Payment shall be adjusted according to the increase in the Consumer Price Index for all Urban Consumers (U.S. City Average All Items [1982-84 equals 100]) published by the Bureau of Labor Statistics ("CPI") in effect on December 1 for the tax year which the PILOT Payment is to be adjusted. In the event that the CPI is changed or discontinued, the term CPI shall mean a comparable index, as reasonably approved by CITY's Assessment Commissioner.

B. Payment Due Date.

PILOT Payments for the tax year 2010 and subsequent years shall be due and payable (i) in full on or before January 31 of the year following the tax year for which the PILOT Payment was calculated, or (ii) if TAX-EXEMPT elects to pay in installments, according to the following schedule: One-tenth of the PILOT Payment by the last day of each month for the first 10 months in the year following the tax year for which the PILOT Payment was calculated. TAX-EXEMPT shall be deemed to have elected to pay the PILOT Payment in installments by making the first full installment payment on or before January 31 in the respective year in which the PILOT Payment is due.

C. Use of PILOT Payment.

CITY may use and expend PILOT Payments hereunder in such manner and for such purposes as CITY determines.

D. Mandatory Payment for Services to Offset PILOT Payment.

Notwithstanding anything herein to the contrary, if the State of Wisconsin enacts a mandatory payment for municipal services to be paid by owners of property exempt from general property tax or similarly situated owners of exempt property, PILOT Payments shall be reduced by any such mandatory payment paid by TAX-EXEMPT or its successors or assigns to CITY.

4. EXEMPT STATUS.

CITY has determined that, if TAX-EXEMPT uses the PROPERTY for the purposes described in its preliminary application for exemption, the PROPERTY may qualify for real and personal property tax exemption under Wisconsin law. TAX-EXEMPT understands and acknowledges that: (i) the earliest date that the PROPERTY can qualify for a new tax exemption is January 1, 2010; (ii) under the preamble to § 70.11, Wis. Stats., TAX-EXEMPT must, as a condition to securing an exemption, timely file an exemption application with CITY's Assessor; and (iii) CITY reserves all rights under Wisconsin law to grant or deny TAX-EXEMPT's application for exemption. In the event that CITY grants TAX-EXEMPT's application for exemption, CITY Assessor's Office may review and reconsider the PROPERTY's exempt status under §70.11, Wis. Stats., from time to time with the respective January 1 dates being the reference dates for those exemption reviews.

If for any reason, CITY determines that all or any portion of the PROPERTY does not qualify for exemption from property tax: (i) CITY shall provide written notice of such

determination to TAX-EXEMPT no later than May 31 of that year; (ii) no PILOT Payment shall be due under this AGREEMENT with respect to any year for which exemption, in full or in part, does not apply; (iii) if a PILOT Payment has been paid for such tax years, CITY shall promptly refund such PILOT Payments or, at the option of CITY, offset such PILOT Payments against any property taxes due on the PROPERTY, in which case CITY will treat such offset as having been made under protest, and (iv) the PROPERTY, or any portion thereof which does not qualify for exemption, shall be placed on the property tax rolls for that and any subsequent years for an exemption has been determined not to apply. If TAX-EXEMPT disagrees with CITY's determination that the PROPERTY or any part thereof no longer qualifies for tax exemption, TAX-EXEMPT may challenge such determination by following any procedure provided by Wisconsin law.

5. TERM.

A. Termination of AGREEMENT.

This AGREEMENT shall terminate on the soonest of any of the following described dates:

(i) The day before the respective January 1 of the year for which the CITY determines that the PROPERTY no longer qualifies for property tax exemption.

(ii) The effective date of an enactment by the State of Wisconsin of a mandatory payment for municipal services by owners of property exempt from the general property tax or similarly situated owners of exempt property for the type of municipal services covered by this AGREEMENT.

(iii) The effective date of a repeal by the State of Wisconsin of the property tax exemption for the PROPERTY and other similarly situated property.

(iv) Upon a determination by the CITY that continuation of the AGREEMENT is not in the best interest of the CITY and after 30 days written notice to TAX-EXEMPT.

B. Payments Due and Payable at Termination Survive Termination.

Notwithstanding any termination of this AGREEMENT, TAX-EXEMPT shall continue to be liable to the CITY for all PILOT Payments due and payable under this AGREEMENT until the effective date of termination hereof.¹

6. DOCUMENTS, INSPECTION, COOPERATION.

TAX-EXEMPT agrees to cooperate with CITY (including, but not limited to, the City Assessor's Office, the City Attorney's Office, and the City Comptroller's Office) with respect to this AGREEMENT by allowing inspections of the PROPERTY upon reasonable written request of CITY and such documents that CITY and TAX-EXEMPT may reasonably agree are relevant to exemption and valuation determinations. Notwithstanding the foregoing, CITY reserves all its rights in law and equity to inspect and to obtain disclosure, documents, inspection, and information.

7. AMENDMENT.

This AGREEMENT may be modified and amended from time to time as CITY and TAX-EXEMPT shall mutually agree in writing, executed by both parties.

8. SEVERABILITY; GOVERNING LAW.

If any provision hereof is duly held by a court of competent jurisdiction to be invalid with respect to any circumstance or otherwise, the remainder of this AGREEMENT and/or the application of the AGREEMENT to any other circumstance, shall not be affected thereby. The

¹ For example, if for year 2010, the CITY agrees that TAX-EXEMPT is exempt from property tax, then TAX-EXEMPT would owe the CITY a PILOT Payment for the tax year 2010, payable in calendar year 2011. TAX-EXEMPT would remain liable to pay said PILOT Payment for tax year 2010 DURING 2011 even though the AGREEMENT terminates pursuant to paragraph 5. A. of this AGREEMENT for tax year 2011.

parties intend that the laws of the State of Wisconsin and ordinances and regulations of the City of Milwaukee shall be the governing law with respect to this AGREEMENT.

9. BINDING EFFECT/NOTICE.

This AGREEMENT shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. Successors and assigns referred to in this AGREEMENT include any owner of the PROPERTY or improvements thereon. TAX-EXEMPT and its successors and assigns shall include a reference to this AGREEMENT in each future conveyance of all or any portion of the PROPERTY in order to give express notice of this AGREEMENT.

10. AUTHORITY.

TAX-EXEMPT represents and warrants to CITY that its representative executing this AGREEMENT have been duly authorized to so execute and to cause TAX-EXEMPT to enter this AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed by duly authorized representatives as of the date and year first written above.

CITY OF MILWAUKEE

GIUFFRE VIII, LLC

By: _____
Tom M. Barrett, Mayor

By: _____

Attest: _____
Ronald D. Leonhardt, City Clerk

COUNTERSIGNED:

By: _____
W. Martin Morics, City Comptroller

CITY ATTORNEY'S OFFICE

Approved as to form and execution
this ____ day of _____, 2010.

[AUTHENTICATIONS AND NOTARY BLOCK ON NEXT PAGE]

Signatures of Tom Barrett, Mayor, Ronald Leonhardt, City Clerk and W. Martin Morics, Comptroller authenticated this ____ day of _____, 2010.

Kevin P. Sullivan, Assistant City Attorney
State Bar No. 1005718

STATE OF WISCONSIN)
) ss:
MILWAUKEE COUNTY)

Personally came before me this ____ day of _____, 2009, _____,
the _____ of the Giuffre VIII, LLC, to me known to be the person who executed the
foregoing instrument on behalf of such corporation.

Subscribed and sworn to before me
this ____ day of _____, 20__.

NOTARY PUBLIC, State of Wisconsin
My Commission: _____

Prepared by:
Kevin P. Sullivan, Assistant City Attorney
Milwaukee, Wisconsin

1050-2009-2827:153002

EXHIBIT A
to PILOT Agreement

Parcel Identification Numbers:

Legal Description:

MEMORANDUM OF
DEVELOPMENT AGREEMENT
(City Lights)
Document Title

Document Number

MEMORANDUM OF
DEVELOPMENT AGREEMENT
(City Lights Project)

Recording Area

Name and Return Address

Attorney Kevin P. Sullivan,
Assistant City Attorney
City Attorney's Office
200 East Wells Street, Room 800
Milwaukee, WI 53202

Parcel Identification Number (PIN)

THIS MEMORANDUM OF DEVELOPMENT AGREEMENT ("Memorandum"), effective as of _____, 2010, by and between Giuffre VIII LLC, a Wisconsin limited liability company ("Developer"), the REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE, a public body corporate and politic organized and existing under the laws of the State of Wisconsin ("RACM"), and THE CITY OF MILWAUKEE, a Wisconsin municipal corporation ("CITY").

WITNESSETH:

WHEREAS, Developer, RACM and the City of Milwaukee have entered into a Development Agreement dated as of _____, 2010 (the "Development Agreement"); and

WHEREAS, The purpose of the Development Agreement is the implementation of the City Lights Project as described therein and on the real property described in the legal description attached as Exhibit "A" (the "Project"); and

WHEREAS, The parties desire to enter into this Memorandum for the purpose of recording the same in order to give notice to the public of the Development Agreement.

IT IS, THEREFORE, In consideration of the premises, the mutual promises and covenants contained herein and in the Development Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by and between the parties hereto, each being legally bound hereby, as follows, to wit:

1. Memorandum of Development Agreement. This Memorandum has been executed for purposes of public recording to give public notice of the Development Agreement and for no other purpose. The provisions of this Memorandum do not in any way change, alter, or affect the terms, covenants or conditions of the Development Agreement, the terms, covenants and conditions of which shall remain in full force and effect.

IN WITNESS WHEREOF, The parties hereto have caused this Memorandum to be duly executed, under seal, and delivered in Milwaukee, Wisconsin as of the ____ day of _____, 2010.

CITY OF MILWAUKEE

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE**

TOM BARRETT, Mayor

LOIS A. SMITH, Chairman

RONALD D. LEONHARDT, City Clerk

ROCKY MARCOUX
Executive Director/Secretary

COUNTERSIGNED:

GIUFFRE VIII LLC

W. MARTIN MORICS, Comptroller

By:
Its: Manager

Signatures of Tom Barrett, Mayor and Ronald Leonhardt, City Clerk and W. Martin Morics, Comptroller authenticated this ____ day of _____, 2010.

Kevin P. Sullivan, Assistant City Attorney
State Bar No. 1005718

Signatures of Kathryn M. West, Chair and Rocky Marcoux, Executive Director/Secretary of the Redevelopment Authority of the City of Milwaukee authenticated this ____ day of _____, 2010.

Kevin P. Sullivan, Assistant City Attorney
State Bar No. 1005718

STATE OF WISCONSIN)
) ss:
MILWAUKEE COUNTY)

Personally came before me this ____ day of _____, 2010, _____,
Manager of the above-named Giuffre VIII LLC, to me known to be the person who executed the
foregoing instrument and acknowledged that he executed the foregoing instrument as such officer.

Approved as to form and execution this
_____ day of _____, 2010.

Kevin P. Sullivan
Assistant City Attorney

Prepared by Kevin P. Sullivan
Assistant City Attorney
Milwaukee, Wisconsin

1050-2009-2827:160313

EXHIBIT A

Legal Description of the Project

Exhibit A
The Project Site

The real property located at 200 N 25th Street:

LEGALS LANDS IN SW ¼ SEC 30-7-22

DESCRIPTION LANDS BETW N LI N MENOMONEE CANAL - E LI N 25th St-S LI
CMSTP & P RR ROW & A LI 288.27' W of E LI SD ¼ SEC

For the real property located at 2001 West Mt Vernon Avenue:

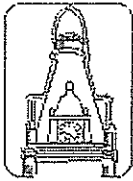
LEGALS LANDS IN SW ¼ SEC 30-7-22

DESCRIPTION COM 573' N OF SE COR SD ¼ SEC-TH W 288.27'-TH N 326.96'-TH
E 123.27'-TH N 28.82'-TH E 165'-TH S 358.59' TO PT OF COM

For the real property located at 1601 West Mt Vernon Avenue:

LEGALS ROGERS SUBD (OUT LOTS) IN SW ¼ 29 & SE ¼ SEC 30-7-22

DESCRIPTION W 1285' OUT LOT 14 EXC (N 30' OF E 325' OF W 1285' FOR ST &
S 70' FOR CANAL)



City
of
Milwaukee

CITY OF MILWAUKEE - DEPARTMENT OF ADMINISTRATION
PROCUREMENT SERVICES SECTION

AFFIDAVIT OF COMPLIANCE
DISCLOSURE OF PARTICIPATION IN OR PROFITS DERIVED FROM SLAVERY BY CONTRACTORS

COMPANY NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

This affidavit of compliance will be the contractor's sworn statement that publicly discloses any slavery policies sold by any companies, or profits from slavery by industries or their predecessors who are doing business with the City of Milwaukee as defined in the Milwaukee Code of Ordinances 310-14.

Please check one:

_____ This business was not in existence prior to the slavery era (1865).

_____ This business was in existence prior to the slavery era (1865). I have searched any and all records for records of investments or profits from slavery, and have found no such records.

_____ This business was in existence prior to the slavery era (1865). I have searched any and all records for records of investments or profits from slavery, and am disclosing the following findings (attach additional pages, if necessary):

I hereby declare that all statements are true, accurate and complete as of the date furnished to the City of Milwaukee.

AUTHORIZED SIGNATURE: _____

PRINTED NAME: _____

DATE: _____



Subscribed to before me on this _____ day of _____, 20____, at _____
County, _____ State.

NOTARY PUBLIC SIGNATURE: _____
(SEAL)

PRINT NAME: _____

My commission expires: _____

PLEASE RETURN THIS FORM TO:
200 E. WELLS STREET, ROOM 601, MILWAUKEE, WI 53202
OR FAX TO 414-286-5976

GUARANTY OF COMPLETION

CITY LIGHTS PROJECT

THIS GUARANTY OF COMPLETION, dated as of September ____, 2010, by Giuffre VIII, LLC, a Wisconsin limited liability company, (“Guarantor”) to the Redevelopment Authority of the City of Milwaukee, (“RACM”).

WITNESSETH:

WHEREAS, Guarantor and RACM have entered into a Development Agreement, City Lights Project dated as of September ____, 2010 (the “Development Agreement”); and

WHEREAS, It is a condition of RACM to enter into the Development Agreement that Guarantor shall guarantee completion of the Project.

NOW, THEREFORE, In consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor unconditionally and irrevocably guarantees to RACM, its successors and assigns, as follows:

1. As used in this Guaranty, all terms capitalized herein, defined in the Development Agreement and not otherwise defined herein shall have the same meaning as set forth in the Development Agreement.
2. Guarantor shall not abandon construction of Phase 1 of the Project nor fail to complete Phase 1 of the Project in accordance with Article III of the Development Agreement (unless the time for completion has been extended by RACM), nor fail to pay all construction costs associated with the Project, nor fail to perform and complete all of its obligations as set forth in this Development Agreement as and when the same are due. Guarantor agrees to assume all responsibility for the completion of Phase 1 of the Project and, at Guarantor’s own cost and expense, to pay all amounts due pursuant to Article III of the Development Agreement, and to pay all bills incurred in connection with the construction of Phase I of the Project. Guarantor’s obligations hereunder shall be limited recourse obligations secured by all of Guarantor’s investments and interests in the Project and by the Mortgage but by no other assets of Guarantor.
3. Guarantor hereby waives notice of acceptance of this Guaranty by RACM and any and all notices, presentment and demands of every kind (except as provided elsewhere herein) which may be required to be given by any statute or rule of law and agrees that Guarantor’s liability hereunder shall be in no way affected, diminished or released by an extension of time or forbearance which may be granted by RACM under the Development Agreement) or any waiver under the Development Agreement or by reason of any change or modification in the Development Agreement or by the acceptance by RACM of additional security or any increase, substitution or changes therein, or by the release by RACM of any security or any withdrawal thereof or decrease therein.

4. This is a guaranty of payment and not of collection; Guarantor agrees that this Guaranty may be enforced by RACM without the necessity, at any time, of resorting to or exhausting any other security or collateral or any remedy through recourse to the Project. Guarantor further agrees that nothing contained herein shall prevent RACM from suing on or foreclosing (by exercise of the power of sale or otherwise) under the Mortgage or the Development Agreement, or from exercising any other rights available to it under the Development Agreement, and the exercise of any of the aforesaid shall not constitute a discharge of any of Guarantor's obligations hereunder; it being the purpose and intent of Guarantor that Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances.
5. If it becomes necessary for RACM to employ counsel to enforce the obligations of Guarantor hereunder, Guarantor agrees to pay reasonable counsel fees together with all reasonable expenses in connection therewith.
6. If any provision or portion thereof of this Guaranty is declared or found by a court of competent jurisdiction to be unenforceable or null and void, such provision or portion thereof shall be deemed stricken and severed from this Guaranty, and the remaining provisions and portions thereof shall continue in full force and effect.
7. This Guaranty shall terminate upon the date on which a certificate of occupancy is issuable for Phase I of the Project and all work has been completed in accordance with the plans and specifications for Phase I of the Project.
8. Notice to Guarantor hereunder shall be given in writing. Notwithstanding anything set forth in this Guarantee to the contrary, RACM shall forbear from exercising its remedies under this Guaranty or the Development Agreement until: (a) thirty (30) days following delivery to Guarantor of notice of any failure by Guarantor to pay any construction costs within ten (10) days of the date when due, if Guarantor has not cured such failure by such date; or (b) thirty (30) days following delivery to Guarantor of notice of failure to complete construction or otherwise fail to perform any obligation under the Development Agreement. Notice to Guarantor hereunder shall be given in writing and in accordance with the terms of the Development Agreement.

IN WITNESS WHEREOF, This Guaranty has been executed as of the day and year set forth above.

GUARANTOR:

GIUFFRE VIII, LLC

By: _____
Name Printed: _____

1050-2009-2827:152958

Mortgage



Mortgage.pdf

otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Mortgagee deems the restoration or repair to be economically feasible.

e. **OTHER COVENANTS.** Mortgagor covenants not to commit waste nor suffer waste to be committed on the Property, to keep the Property in good condition and repair, to keep the Property free from future liens superior to the lien of this Mortgage and to comply with all laws, ordinances and regulations affecting the Property. Mortgagor shall pay when due all indebtedness which may be or become secured at any time by a mortgage or other lien on the Property superior to this Mortgage and any failure to do so shall constitute a default under this Mortgage.

2. **DEFAULT AND REMEDIES.** Mortgagor agrees that time is of the essence with respect to payment of principal and interest when due, and in the performance of the terms, conditions and covenants contained herein or in the Obligation secured hereby. In the event of default, Mortgagee may, at its option, declare the whole amount of the unpaid principal and accrued interest due and payable, and collect it in a suit at law or by foreclosure of this Mortgage or by the exercise of any other remedy available at law or equity. If this Mortgage is subordinate to a superior mortgage lien, a default under the superior mortgage lien constitutes a default under this Mortgage.

3. **NOTICE.** Unless otherwise provided in the Obligation secured by this Mortgage, prior to any acceleration (other than under paragraph 9, below) Mortgagee shall mail notice to Mortgagor specifying: (a) the default; (b) the action required to cure the default; (c) a date, not less than 15 days from the date the notice is mailed to Mortgagor by which date the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration.

4. **EXPENSES AND ATTORNEY FEES.** In case of default, whether abated or not, all costs and expenses, including, but not limited to, reasonable attorney fees, to the extent not prohibited by law shall be added to the principal, become due as incurred, and in the event of foreclosure be included in the judgment.

5. **FORECLOSURE WITHOUT DEFICIENCY.** Mortgagor agrees to the provisions of Sections 846.101 and 846.103, Wis. Stats., as may apply to the Property and as may be amended, permitting Mortgagee in the event of foreclosure to waive the right to judgment for deficiency and hold the foreclosure sale within the time provided in such applicable Section.

6. **RECEIVER.** Upon default or during the pendency of any action to foreclose this Mortgage, Mortgagor consents to the appointment of a receiver of the Property, including homestead interest, to collect the rents, issues and profits of the Property during the pendency of such an action, and such rents, issues and profits when so collected shall be held and applied as the court shall direct.

7. **WAIVER.** Mortgagee may waive any default without waiving any other subsequent or prior default by Mortgagor.

8. **MORTGAGEE MAY CURE DEFAULTS.** In the event of any default by Mortgagor of any kind under this Mortgage or any Obligation secured by this Mortgage, Mortgagee may cure the default and all sums paid by Mortgagee for such purpose shall immediately be repaid by Mortgagor with interest at the rate then in effect under the Obligation secured by this Mortgage and shall constitute a lien upon the Property.

9. **CONSENT REQUIRED FOR TRANSFER.** Mortgagor shall not transfer, sell or convey any legal or equitable interest in the Property (by deed, land contract, option, long-term lease or in any other way) without the prior written consent of Mortgagee, unless either the indebtedness secured by this Mortgage is first paid in full or the interest conveyed is a mortgage or other security interest in the Property, subordinate to the lien of this Mortgage. The entire indebtedness under the Obligation secured by this Mortgage shall become due and payable in full at the option of Mortgagee without notice, which notice is hereby waived, upon any transfer, sale or conveyance made in violation of this paragraph. A violation of the provisions of this paragraph will be considered a default under the terms of this Mortgage and the Obligation it secures.

10. **ASSIGNMENT OF RENTS.** Mortgagor hereby transfers and assigns absolutely to Mortgagee, as additional security, all rents, issues and profits which become or remain due (under any form of agreement for use or occupancy of the Property or any portion thereof), or which were previously collected and remain subject to Mortgagor's control following any default under this Mortgage or the Obligation secured hereby and delivery of notice of exercise of this assignment by Mortgagee to the tenant or other user(s) of the Property in accordance with the provisions of Section 708.11, Wis. Stats., as may be amended. This assignment shall be enforceable with or without appointment of a receiver and regardless of Mortgagee's lack of possession of the Property.

11. **ENVIRONMENTAL PROVISION.** Mortgagor represents, warrants and covenants to Mortgagee that (a) during the period of Mortgagor's ownership or use of the Property no substance has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about the Property in a form, quantity or manner which if known to be present on, under, in or about the Property would require clean-up, removal or other remedial action ("Hazardous Substance") under any federal, state or local laws, regulations, ordinances, codes or rules ("Environmental Laws"); (b) Mortgagor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner of or person using the Property; (c) without limiting the generality of the foregoing, Mortgagor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components ("PCBs") or underground storage tanks; (d) there are no conditions existing currently or likely to exist during the term of this Mortgage which would subject Mortgagor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claims relating to any Hazardous Substance; (e) Mortgagor is not subject to any court or administrative proceeding, judgment, decree, order or citation relating to any Hazardous Substance; and (f) Mortgagor in the past has been, at the present is and in the future will remain in compliance with all Environmental Laws. Mortgagor shall indemnify and hold harmless Mortgagee from all loss, cost (including reasonable attorney fees and legal expenses), liability and damage whatsoever directly or indirectly resulting from, arising out of or based upon (i) the presence, use, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, (ii) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, storage, deposit, treatment, recycling or disposal of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, or (iii) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Mortgagor shall immediately notify Mortgagee in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance on, in, under or about the Property.

12. **SECURITY INTEREST ON FIXTURES.** To further secure the payment and performance of the Obligation, Mortgagor hereby grants to Mortgagee a security interest in:

CHOOSE ONE OF THE FOLLOWING OPTIONS; IF NEITHER IS CHOSEN, OPTION A SHALL APPLY:

- A. All fixtures and personal property located on or related to the operations of the Property whether now owned or hereafter acquired.
- B. All property listed on the attached schedule.

This Mortgage shall constitute a security agreement within the meaning of the Uniform Commercial Code with respect to those parts of the Property indicated above. This Mortgage constitutes a fixture filing and financing statement as those terms are used in the Uniform Commercial Code. This Mortgage is to be filed and recorded in the real estate records of the county in which the Property is located, and the following information is included: (1) Mortgagor shall be deemed the "debtor"; (2) Mortgagee shall be deemed to be the "secured party" and shall have all of the rights of a secured party under the Uniform Commercial Code; (3) this Mortgage covers goods which are or are to become fixtures; (4) the name of the record owner of the land is the debtor; (5) the legal name and address of the debtor are _____;

(6) the state of organization and the organizational identification number of the debtor (if applicable) are _____;

(7) the address of the secured party is _____; and

13. **SINGULAR; PLURAL.** As used herein, the singular shall include the plural and any gender shall include all genders.

14. **JOINT AND SEVERAL/LIMITATION ON PERSONAL LIABILITY.** The covenants of this Mortgage set forth herein shall be deemed joint and several among Mortgagors, if more than one. Unless a Mortgagor is obligated on the Obligation secured by this Mortgage, Mortgagor shall not be liable for any breach of covenants contained in this Mortgage.

15. **INVALIDITY.** In the event any provision or portion of this instrument is held to be invalid or unenforceable, this shall not impair or preclude the enforcement of the remainder of the instrument.

16. **MARITAL PROPERTY STATEMENT.** Any individual Mortgagor who is married represents that the obligation evidenced by this instrument was incurred in the interest of Mortgagor's marriage or family.

Dated _____

GIUFFRE VIII, LLC

(SEAL) _____ (SEAL)
* _____ *

(SEAL) _____ (SEAL)
* _____ *

AUTHENTICATION

ACKNOWLEDGMENT

Signature(s) _____

authenticated on _____

STATE OF WISCONSIN)
) ss.
_____ COUNTY)

* _____
TITLE: MEMBER STATE BAR OF WISCONSIN
(If not, _____
authorized by Wis. Stat. § 706.06)

Personally came before me on _____,
the above-named _____
to me known to be the person(s) who executed the
foregoing instrument and acknowledged the same.

THIS INSTRUMENT DRAFTED BY:
Kevin P. Sullivan, Assistant City Attorney

* _____
Notary Public, State of Wisconsin
My Commission (is permanent) (expires: _____)

(Signatures may be authenticated or acknowledged. Both are not necessary.)

NOTE: THIS IS A STANDARD FORM. ANY MODIFICATIONS TO THIS FORM SHOULD BE CLEARLY IDENTIFIED.

MORTGAGE

STATE BAR OF WISCONSIN

FORM NO. 21-2003

* Type name below signatures.

EXHIBIT E
to Development Agreement
Project Site Plan



Exhibit E
Project Site Plan
Phases I - III

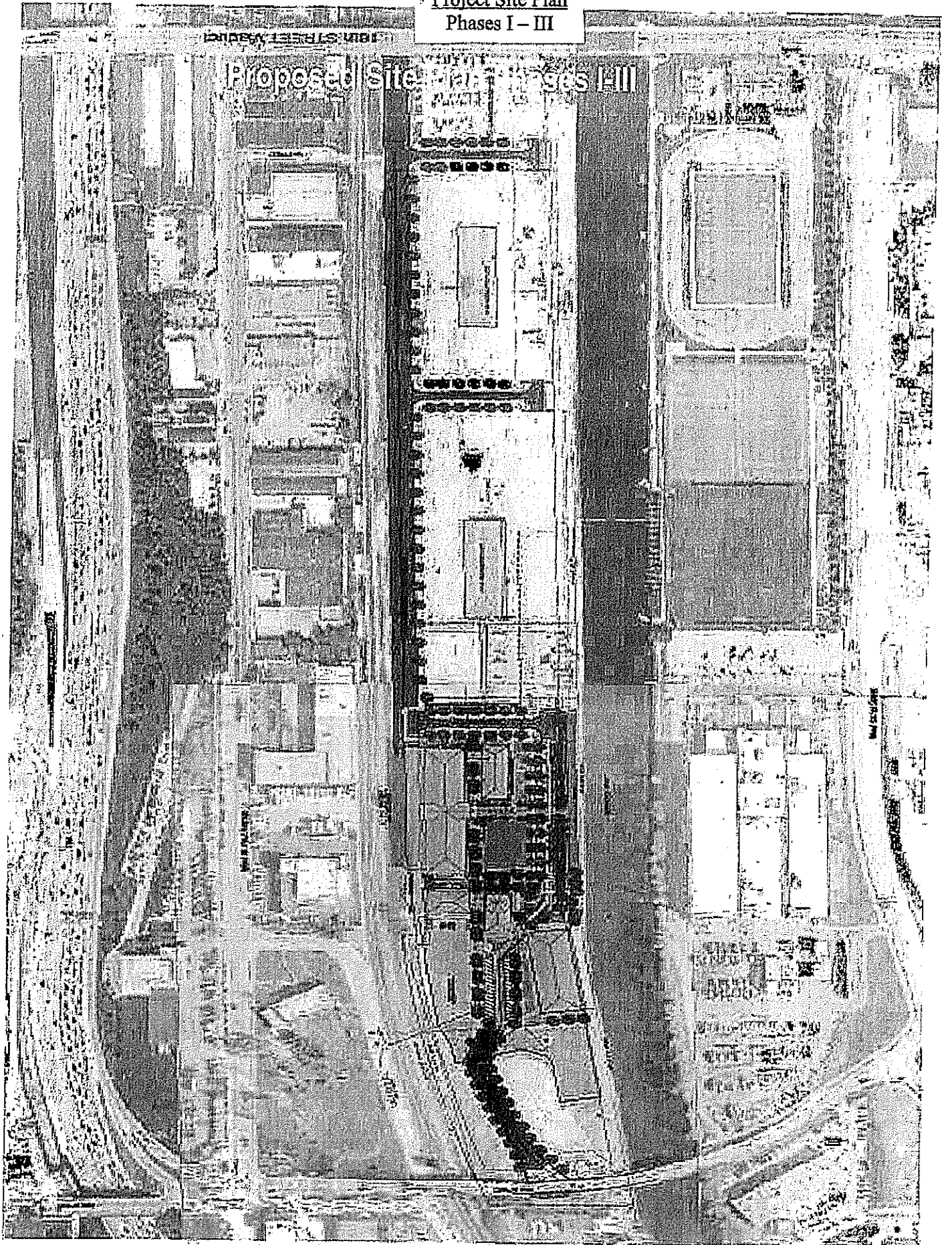


EXHIBIT F
to Development Agreement
Project Timetable

**City Lights Development
Private and Public Project Timeline
Phase I**

Completed as of 8/20/10	Duration of Work				
	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10

Private Project Timeline

	Completed as of 8/20/10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Demo & Abatement	Yes					
Masonry Cleaning, Restoration and Tuckpointing	No					
Roof Installation	No					
HVAC, Electrical, Plumbing and Fire Rough In	No					
HVAC, Electrical, Plumbing and Fire Finish	No					
Concrete	No					
Interior Buildout, Steel, Drywall, Paint, Flooring	No					
Window Blocking and Installation	No					
Final City Inspections/Tenant Move In	No					

Public Project/Site Work Timeline

Site Development Design

	Completed as of 8/20/10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Site Plan	Yes					
WE Energies Gas & Electric Site Plan	Yes					
AT&T and Time Warner Site Plans	Yes					
Pot Hole existing gas & electric for depth	No					
City Interdepartmental Plan Review	Yes					

Site Development Preconstruction

	Completed as of 8/20/10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
WE Energies ROW Approvals	Yes					
WE Energies Gas & Electric Plan Approvals	Yes					
AT&T and Time Warner Plan Approvals	Yes					
WDNR Sewer, Water & Lift Station Approvals	Yes					
City of Milwaukee Approvals for Street Address, Water Plan, Sanitary Plan, Storm Sewer Plans, Street Lighting Plan, Street Plan, ROW Enviro	Yes					
EBE/RPP Public Notice and Forum	Yes					
RFP, Bid Qualification and Contract Awards	No					

Site Development Construction

	Completed as of 8/20/10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Earthwork Rough Grading	No					
Underground Sewer Water and Storm	No					
Underground Electric and Gas	No					
Underground Communications	No					
Site Lateral Installations	No					
Lift Station Installation	No					
Street and Sidewalk Rough Grading	No					
Underground Street Lighting Installation	No					
Final Street and Sidewalk Grading	No					
Install Street Curbs, Road Paving and Sidewalks	No					
Install Street Lights and Signage	No					
Install Landscaping	No					
Final City Inspections and as Built Survey Work	No					

EXHIBIT G
to Development Agreement
Public Infrastructure Budget



City Lights				Revised 04-28-09 by TBO (w/City costs)			
Milwaukee, Wisconsin							
Preliminary Opinion of Probable Cost			Qty.	Unit	Unit Cost	Total Cost (\$)	Revised per DPW
Public Right-of-Way Items Only							
Sewer and Water Utilities							
8" Watermain (D.I.)	1,075	LF	\$154.00			\$165,550	
6" Watermain (D.I.)	320	LF	\$100.00			\$32,000	
Viton Gaskets for Watermain	1	LS	\$10,000.00			\$10,000	
Fire Hydrant with auxiliary valve	5	EA	\$3,000.00			\$15,000	
8" Gate valve	2	EA	\$2,000.00			\$4,000	
Service Valves	4	EA	\$1,000.00			\$4,000	
Watermain Directional Boring/Auger & Case	100	LF	350.00			\$35,000	
Watermain testing and Sampling	1	LS	\$1,200.00			\$1,200	
8" Sanitary Sewer Main (PVC)	197	LF	100.00			\$19,700	
8" Sanitary Sewer Main - Class C Bedding	1,200	LF	300.00			\$360,000	
Sanitary Manhole (48")	5	EA	5,000.00			\$25,000	
Sewer Manhole Castings	5	EA	175.00			\$875	
Sanitary Directional Boring/Auger & Case	100	LF	450.00			\$45,000	
Sanitary Lift Station w/Valve Vault	1	EA	150,000.00			\$150,000	
Generator Set	1	EA	25,000.00			\$25,000	
Sanitary testing	1	LS	2,600.00			\$2,600	
Barricading	1	LS	7,000.00			\$7,000	
Sewer Exams by CCTV - Post Construction	1,300	LF	6.00			\$7,800	
Sewer and Water Utilities Sub-total						\$909,725	\$1,325,000
Grading and Restoration				Unit	Total	see below	
Item	Qty.	Unit	Cost	Cost (\$)			
Construction Entrance	1	EA	3,000.00	\$3,000			
Cut/Fill (Onsite)	4,000	CY	4.00	\$16,000			
Cut Material and Export offsite*	4,000	CY	20.00	\$80,000			
Import Fill (structural)	0	CY	30.00	\$0			
Export Excess Fill (pulverized pavement)*	4,000	CY	20.00	\$80,000			
Grading and Restoration Sub-total						\$179,000	\$179,000
*These items are estimates only, actual quantity may vary in field							
Stormwater and Drainage				Unit	Total		
Item	Qty.	Unit	Cost	Cost (\$)			
6" Perforated Storm Sewer	408	LF	35.00	\$14,280			
10" Storm Sewer (PVC)	239	LF	60.00	\$14,340			
12" Storm Sewer (PVC)	450	LF	80.00	\$36,000			
15" Storm Sewer (PVC)	415	LF	97.00	\$40,255			
18" Storm Sewer (PVC)	138	LF	115.00	\$15,870			
Catch Basin	24	EA	3,500.00	\$84,000			
Storm Manhole	1	EA	2,500.00	\$2,500			
Silt Fence	1,000	LF	2.50	\$2,500			
Erosion Control Matting (Class 1; Type A)	600	SY	4.00	\$2,400			
Erosion Control Matting (Permanent)	0	SY	8.00	\$0			
Ditch Checks	0	EA	25.00	\$0			
Inlet Sediment Guards	24	EA	100.00	\$2,400			
Stormwater and Drainage						\$214,545	In sewer est.

Paving and Roadway				Unit	Total
Item	Qty.	Unit	Cost	Cost (\$)	
Asphalt-Heavy Duty Pavement Section (5")	1,123	Ton	68.00	\$76,364	
Aggregate Base Course (12" Installed)	2,597	Ton	25.00	\$64,925	
Pulverize Existing Pavement	14,432	SY	3.00	\$43,296	
Concrete Curb and Gutter	3,184	LF	15.00	\$47,760	
Concrete Walkways	10,039	SF	4.50	\$45,176	
Concrete Pavement (Parking Areas)	1,500	SY	40.00	\$60,000	
Concrete Pavement (Decorative)	900	SF	16.00	\$14,400	
Handicap Truncated Domes (for ramps)	2	EA	400.00	\$800	
Handicap Signs	3	EA	150.00	\$450	
Other Signs	3	EA	150.00	\$450	
Paving and Roadway Sub-total				\$353,621	\$275,000
Landscape				Unit	Total
Item	Qty.	Unit	Cost	Cost (\$)	
Topsoil Import & Spread In Turf Areas (12" Depth)	800	CY	\$35	\$28,000	
Engineered Soil backfill In Biofiltration areas (3' Depth)	720	CY	\$25	\$18,000	
Structural Topsoil In Tree Pits (4' Sq x 4' Depth)	290	CY	\$35	\$10,150	
Tree Grates	12	EA	\$1,500	\$18,000	
Shade Trees (3' Cal.)	42	EA	\$450	\$18,900	
Turf (Sod)	2,700	SY	\$7	\$18,900	
Biofiltration Plantings	6,000	SF	\$5	\$30,000	
Landscape Sub-total				\$2,057	\$141,950
Other Items				Unit	Total
Item	Qty.	Unit	Cost	Cost (\$)	
City Sanitary Dept. Engineering and Inspection	1	LS	47,825.00	\$47,825	
City Water Dept. Engineering and Inspection	1	LS	30,270.00	\$30,270	
Soil Borings (pre-construction)	1	LS	7,000.00	\$7,000	
Geotechnical Observation and Testing (during construction)	1	LS	8,000.00	\$8,000	
Light poles	32	EA	\$3,000	\$96,000	
Riverwalk	3793	LF	\$12	\$45,516	
Other Items Sub-total				\$234,611	\$201,000
Fire and Police Communication					\$96,000
*These items are estimates only, actual quantity may vary in field					
Sub-total Construction Costs =				\$2,033,452	\$2,217,000
Contingency =				\$305,018	\$221,700
Total Preliminary Opinion of Probable Cost =				\$2,338,469	\$2,438,700

EXHIBIT H
to Development Agreement
Public Walk Easement

GRANT OF
EASEMENT AGREEMENT

Document Number

Document Title

**GRANT OF
EASEMENT AGREEMENT**

Recording Area

Name and Return Address

Kevin P. Sullivan
Assistant City Attorney
800 City Hall
200 East Wells Street
Milwaukee, WI 53202

Parcel Identification Number (PIN)

Drafted by:
Kevin P. Sullivan, Assistant City Attorney
City of Milwaukee City Attorney's Office

GRANT OF EASEMENT AGREEMENT

This Grant of Easement Agreement is made as of this ____ day of _____, 2010 by and between Giuffre VIII, LLC, a Wisconsin limited company (“Grantor”), and the City of Milwaukee, a Wisconsin municipal corporation (the “City”).

WHEREAS, Grantor is the owner of certain property located along the Menomonee River in the City of Milwaukee, State of Wisconsin more particularly described on *Exhibit A* attached hereto (the “Property”); and

WHEREAS, pursuant to the terms of a Development Agreement dated as of _____ (the “Development Agreement”) by and between Grantor, the Redevelopment Authority of the City of Milwaukee (“RACM”) and the City, certain public walk improvements identified on *Exhibit B* attached hereto (the “Public Walk”) were constructed on a portion of the Property located approximately 30 feet to the north of the Menomonee River; and

WHEREAS, the Development Agreement imposes upon Grantor certain responsibilities with respect to the construction, development, maintenance and repair of that portion of the Property from the Public Walk south to the north bank of the Menomonee River, as more fully described on *Exhibit C* (the “Public Frontage”); and

WHEREAS, the parties enter into this Grant of Easement Agreement to secure for the general public pedestrian and other access to the Public Frontage.

NOW, THEREFORE, in consideration of the above Recitals and the terms and conditions of the Development Agreement, the parties hereto agree as follows:

1. Grantor hereby conveys to City a nonexclusive easement upon and across the Public Frontage and, solely to the extent reasonably necessary to carry out the activities described in subparagraph (b) below, upon and across other portions of the Property, for the following purposes:

a. pedestrian access, for the benefit of the public, across the Public Frontage in accordance with the terms of this Agreement;

b. maintenance, repair or replacement of all or any portion of the Public Walk or Public Frontage by Grantee and the City in accordance with the terms of this Agreement; and

c. installation and removal of holiday, seasonal or thematic decorations, banners, plantings and similar items (collectively, the "Decorations") by Grantee and the City in accordance with the terms of this Agreement.

2. Throughout the term of this Agreement, Grantor shall maintain (a) comprehensive liability insurance, naming the City, their officers, agents and employees, as additional insureds, against all claims, demands, actions for personal injury to or death in an amount not less than \$1,000,000 for each personal injury to or death of one person in any one accident; \$5,000,000 for personal injury or death of more than one person in any one accident; and in an amount not less than \$5,000,000 for damage to property in any one accident; and (b) comprehensive "all risk" insurance, insuring against fire or other casualty, vandalism and malicious mischief, with extended coverage, in an amount equal to 100% of the full replacement cost of any improvements located on the Public Frontage and sufficient to avoid all co-insurance provisions of the subject insurance policy. Grantor shall have the right to maintain the insurance coverages required to be maintained hereunder under umbrella or blanket insurance coverages covering other premises so long as such umbrella or blanket insurance policies expressly provide coverage for the requirements provided under this Agreement.

City reserves the right to secure and maintain the insurance described in this paragraph 2 and, in the event City obtains such insurance, then the cost of same shall be for the account of Grantor and shall be specially assessed against Grantor and the Property by City as authorized by law.

3. Grantor shall be responsible to maintain the Public Frontage in accordance with

the maintenance standards set forth on *Exhibit D* attached hereto and shall undertake all necessary capital repairs and replacements when and as necessary. If Grantor fails to maintain the Public Frontage in the condition required by this Agreement, the City may provide Grantor with a written notice setting forth the maintenance or repair work that such party reasonably determines has not been done. If the Grantor does not commence such maintenance or repair work within thirty (30) days from the date of receipt of the aforesaid written notice, and such failure to commence such maintenance or repair work is not as a result of causes beyond Grantor's reasonable control, then City may perform such work and shall be reimbursed for all reasonable costs incurred in performing such work by specially assessing Grantor and the Property for the cost of such work in accordance with the law.

4. The City shall, at all times, make the Public Frontage available for use by members of the public, except for such times as any portion of the Public Frontage must be closed for landscaping, maintenance or repair or to avoid the acquisition of adverse or prescriptive rights. Grantor shall have the right periodically (i.e., not more than once a year and not more than 24 hours at a time) to close off the Public Frontage in order to prevent the acquisition of any adverse or prescriptive rights.

5. The City shall have the right from time to time, and upon at least 72 hours prior written notice to Grantor; to enter upon the Public Frontage to install and remove Decorations. Such installations and removals shall not materially interfere with the lawful use of the Property by Grantor or any tenant, licensee or occupant of the Property.

6. Grantor shall pay for all electricity, water and other utilities used for lighting, cleaning and watering of flowers and other plant materials on the Public Frontage (including as such may be necessary for Decorations and as such may be used for maintenance and repairs to the Public Frontage).

7. Grantor shall not make any structural or landscaping alterations or modifications to the Public Frontage without the prior written consent of the City. Further, Grantor shall not

install any decorative elements or attach any fixtures to or upon the Public Frontage without the prior written consent of the City. Any request by Grantor for installation of decorative elements or attachment of fixtures must be in writing, and the City shall approve or disapprove such request in writing within 15 business days following receipt. Failure of the City to deliver a written response within such time period shall constitute approval of the request. Other than installation and removal of Decorations as provided herein, the City shall not make any changes to the Public Frontage without the prior written approval of Grantor.

8. This Agreement shall run with the land, encumbering the Public Frontage with permanent easement rights of access, and shall be binding on and shall inure to the benefit of the parties hereto and to the City and their respective heirs, successors and assigns. In no event shall the pedestrian easement granted to the public under paragraph (a) of this Agreement terminate.

9. All notices to be given by one party to the other under this Agreement shall be in writing and given either by personal delivery or certified mail, postage prepaid, to the addresses set forth in this paragraph. A notice shall be deemed delivered either upon actual receipt or upon refusal by a party to accept delivery. Either party may change its address for purposes of receiving notice by delivering written notice thereof in accordance with the requirements of this paragraph.

To Grantor:

Giuffre VIII, LLC

With a copy to:

To the City:

Commissioner of City Development
809 North Broadway
Milwaukee, WI 53202

EXHIBIT A
To Grant of Easement Agreement
Description of Property

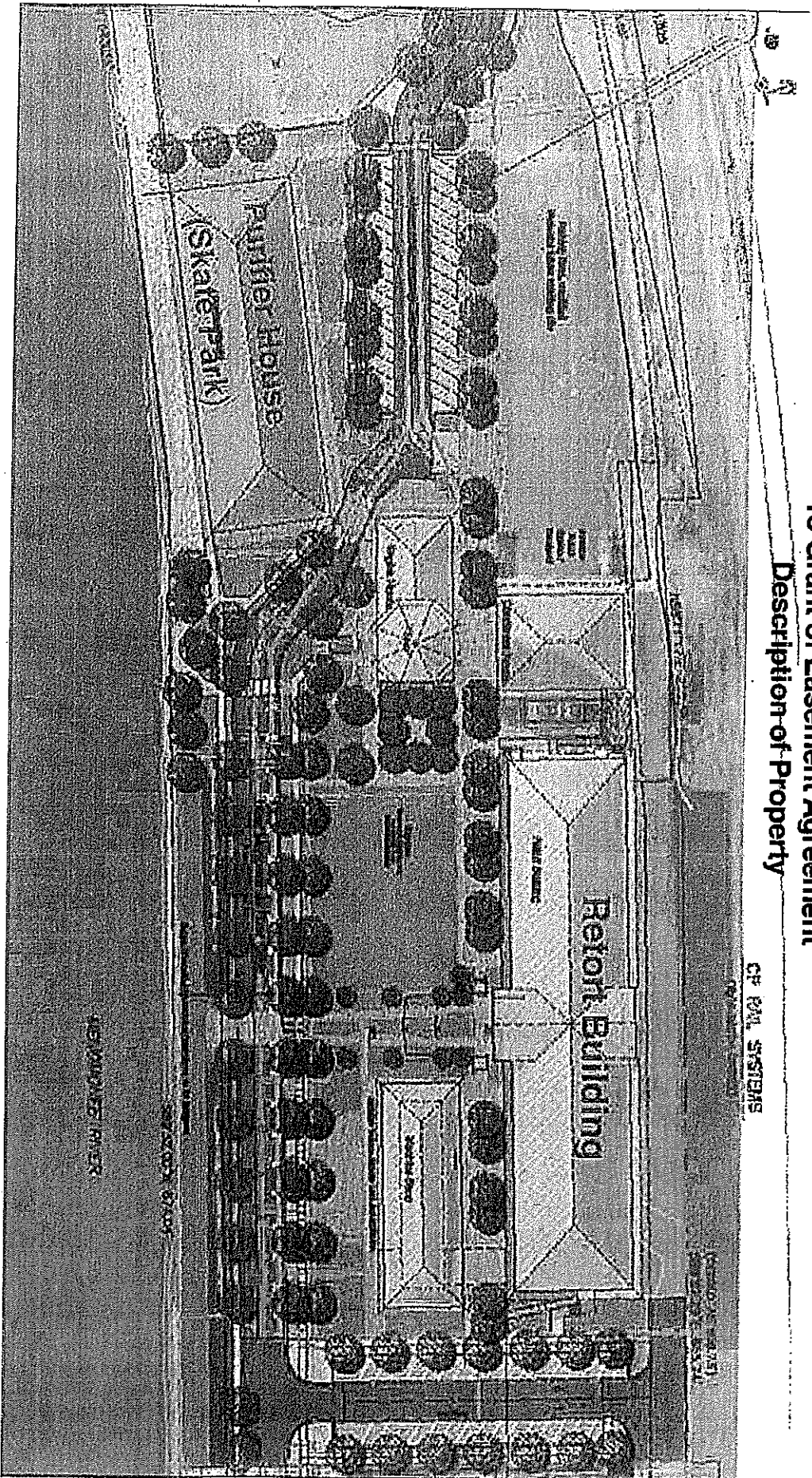
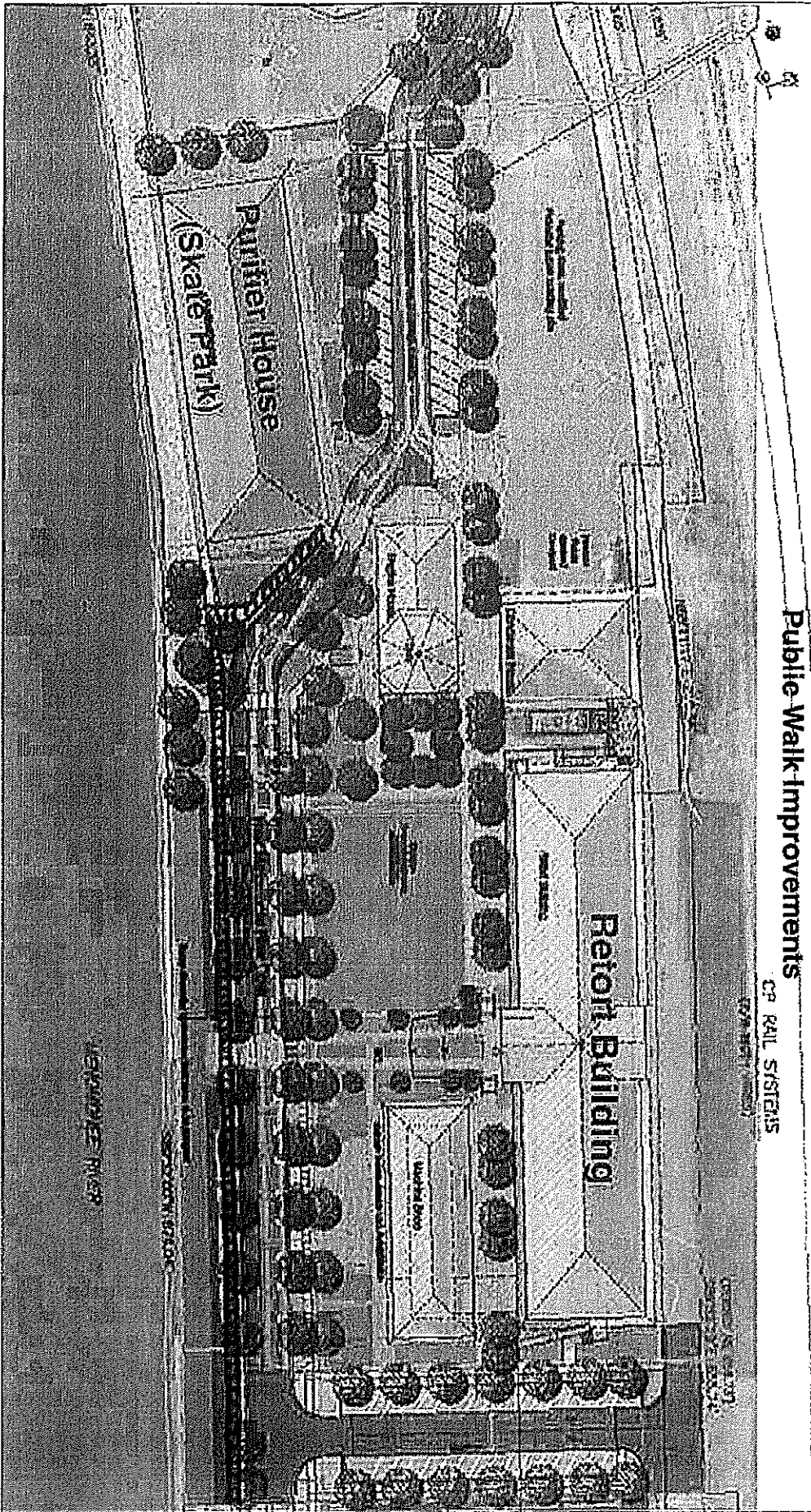


EXHIBIT B
to Grant of Easement Agreement
Public Walk Improvements



Public Walk Improvements

EXHIBIT D
To Grant of Easement

Public Frontage
Maintenance and Operation Criteria

1. Open for use at all times except as it relates to adverse possession and times of maintenance and repair.
2. Maintain lighting during hours of darkness for security and safety (same burn time as City street lighting – minimum).
3. Cut the grass as needed to maintain the public's ability to access and enjoy the public space.
 - Area drains, if any, kept open at all times
4. Keep Public Frontage generally clean of litter on a daily basis.
 - Empty trash receptacles as necessary
5. Keep benches and other amenities in good, safe repair at all times.
6. Paint benches, and other amenities as necessary to maintain a pleasing aesthetic quality, consistent with approved color schemes.
 - Remove graffiti as soon as practical (as weather permits)
7. Inspect structural integrity of facility semi-annually and as necessary if other problems occur.

**EXHIBIT I
to Development Agreement**

EBE/RPP Agreement



Exhibit I EBE
agreement.doc

EXHIBIT I
To the Development Agreement

EMERGING BUSINESS ENTERPRISE AGREEMENT
FOR THE
CITY LIGHTS PROJECT

This Emerging Business Enterprise Agreement is entered into by and between the CITY OF MILWAUKEE (hereinafter the "CITY"), and Giuffre VIII LLC, a Wisconsin Limited Liability Company (hereinafter "DEVELOPER").

WHEREAS, the aforementioned parties to this Agreement acknowledge and understand that this Agreement shall become part of any development and/or financing agreement to be signed by the aforementioned parties.

WHEREAS, DEVELOPER acknowledges that the CITY have established policies regarding the utilization of Emerging Business Enterprises ("EBEs") which are consistent with Chapter 360 of the Milwaukee Code of Ordinances (Copy available upon request).

WHEREAS, DEVELOPER agrees that the provision of the above-referenced offer was conditioned upon the DEVELOPER and its agents agreeing to reach a requirement of 25% EBE participation in the construction of said PROJECT.

I. DEFINITIONS

- A. EMERGING BUSINESS ENTERPRISE ("EBE") is a small business concern that is owned, operated and controlled by one or more individuals who are at a disadvantage, as defined in Chapter 360 of the Milwaukee Code of Ordinances. The individuals must have day-to-day operational and managerial control, interest in capital, financial risks and earnings commensurate with the percentage of their ownership. Emerging Business Enterprises are certified as such by the City of Milwaukee Certification Program. **Note: Businesses that were certified under the old name (Disadvantaged Business Enterprise (DBE)) will continue to qualify for the program.**
- B. JOINT VENTURE is an association of two (2) or more persons or businesses to carry out a single business enterprise for profit for which purpose they combine their property, capital, efforts, skills and/or knowledge.

II. EMERGING BUSINESS ENTERPRISE PROGRAM

The DEVELOPER shall utilized EBE's, as defined in Chapter 360, Milwaukee Code of Ordinances, in developing and constructing the PROJECT for an amount equal to 25% of the total PROJECT costs deemed eligible pursuant to EBE guidelines.

- A. Demonstrable efforts, when exercised by the DEVELOPER in conjunction with the PROJECT, are defined as DEVELOPER completing the following activities:

1. Advertise in general circulation and trade association media, as well as in community newspapers regarding contracting and subcontracting opportunities. Advertising in the Daily Reporter and two other publications shall be the minimum acceptable level of performance (**Exhibit A “EBE Marketing Plan – Publications/Advertising Contacts”**).
2. Provide interested EBEs and the agencies listed in **Exhibit B “EBE Marketing Plan – Community Agency Contacts**, with adequate information about PROJECT plans, specifications, and contract/subcontract requirements at least two (2) weeks prior to the contract bidding process. DEVELOPER shall document Community Agency Contacts by completing the Contact Sheet attached as Exhibit B1 and submitting the completed Contact Sheet to EBEP prior to commencement of bidding.
3. Submit **EBE Participation Form A (Exhibit C)** to EBEP. This form must be submitted with the prime contractor’s bid.
4. Conduct pre-bid conferences and a pre- bid walk-through two (2) weeks in advance of the contract bid date.
5. Provide written notice to all pertinent construction trades and professional services EBEs listed in the current City of Milwaukee Directory, soliciting their services in sufficient time (at least 2 weeks) to allow those businesses to participate effectively in the contract bidding process. To identify EBEs for the PROJECT, utilize the current *Official City of Milwaukee EBE Directory* published by the City of Milwaukee Emerging Business Enterprise (EBE) Program. The directory can be accessed on-line at: www.milwaukee.gov/ebe

Follow-up with EBEs who show an interest in the PROJECT during the initial solicitation process (**Exhibit D “EBE Solicitation Form”**).

6. Select trade and professional service areas for EBE awards wherein the greatest number of EBEs exist to perform the work. Thereby, the likelihood of contracts or subcontracts being awarded to EBE businesses would increase. Include where appropriate, the breaking down of contracts or subcontracts into smaller, economically feasible units to facilitate EBE participation.
7. Negotiate in "good faith" with interested EBEs, not rejecting EBE bids as unqualified or too high without sound reasons based on a thorough review of the bid submitted and maintain documentation to support the rejection of any EBE bid. Bids that are not cost effective, and/or time prohibitive will be considered “rejectable” bids. (**Exhibit E “ Bid Rejection Form”**).
8. Utilize the services available from public or private agencies and other organizations in identifying EBEs available to perform the work.

9. Include in PROJECT bid documents and advertisements an explanation of PROJECT requirements for EBE participation to prospective contractors and subcontractors.
 10. As necessary and when ever possible, facilitate the following:
 - a) Joint ventures, limited partnerships or other business relationships intended to increase EBEs' areas of expertise, bonding capacity, credit limits, etc.
 - b) Training Relationships
 - c) Mentor/protege Agreements
- B. If the DEVELOPER completes the aforementioned activities and demonstrates "good cause" for not meeting the 25% requirement for EBE participation, it shall be deemed that the DEVELOPER has acted in "good faith" to achieve the requirement.
- C. If at any point during this contract term, the DEVELOPER meets or exceeds the 25% EBE requirement in conjunction with said PROJECT, it shall be deemed that the DEVELOPER has achieved or exceeded the CITY's EBE requirement, for the purposes of fulfilling the terms of this Agreement.
- D. Contract or subcontract amounts awarded to EBE suppliers, that do not manufacture products they supply, may only be counted for up to 20% of the 25% EBE participation requirement.

III. REPORTING

DEVELOPER agrees to report to the City's EBEP Manager on Developer's utilization of EBEs in its contracting activities of the aforementioned PROJECT, pursuant to Chapter 360 of the Milwaukee Code of Ordinances. In order to monitor the Project's EBE participation, the CITY requires, and DEVELOPER agrees to take the following steps:

- A. Provide a list of all Categories of Work on the above-described PROJECT with budget allowances for which bids will be solicited and highlight those categories, based upon Developer's knowledge and experience, which are conducive to EBE participation one month prior to any bids being solicited or awarded (**Exhibit F "Categories of Work"**).
- B. Provide the City's EBEP Office with documentation supporting efforts extended to solicit bids from EBEs. Upon request, DEVELOPER shall make information related to EBE bids available to the City's EBEP Office.
- C. Submit an EBE Monthly Report Form D (**Exhibit G**) to EBEP the 20th of each month. Also submit EBE Subcontractor Payment Form (**Exhibit H**) with the final Form D.

IV. DEVELOPER VIOLATION

The CITY may impose any or all of the sanctions set forth in Section 360-08, Milwaukee Code of Ordinances, for violation of this Agreement, namely:

- A. Withholding of payment.

- B. Termination, suspension or cancellation of the contract in whole or in part.
- C. Denial to participate in any further contracts awarded by the CITY.

In addition, the DEVELOPER may be liable for liquidated damages to the CITY for that percentage of the total PROJECT dollars, which represent the difference between the EBE participation requirement herein defined and the actual EBE participation attained during the PROJECT. Prior to the imposition of any liquidated damages hereunder, the CITY must demonstrate that the DEVELOPER failed to undertake the actions set forth in sec. II.A. of this Agreement in attaining EBE participation in said PROJECT.

IN WITNESS WHEREOF, the parties have executed this EBE AGREEMENT

This _____ day of _____ of _____.

City of Milwaukee

By: _____
Tom Barrett, Mayor

By: _____
Ronald D. Leonhardt, City Clerk

By: _____
John Egan, Deputy City Comptroller

Developer: _____

By: _____
Insert Signatory Name

Approved as to form and execution this _____ day of _____, 20__.

City Attorney

**EXHIBIT A
EBE MARKETING PLAN**

PUBLICATIONS/ADVERTISING CONTACTS

Milwaukee Times
(Published weekly)
2216 North King Drive
Milwaukee, WI 53212
Tele. No: (414) 263-5088
Fax: (414) 263-4445
Contacted _____yes _____no
Contact Person _____
Date and Time _____

The Milwaukee Courier
(Published weekly)
2431 West Hopkins Street
Milwaukee, WI 53206
Tele No: (414) 449-4860
Fax: (414) 449-4872
Contacted _____yes _____no
Contact Person _____
Date and Time _____

Milwaukee Community Journal, Inc.
(Published twice weekly)
3612 North King Drive
Milwaukee, WI 53212
Tele No: (414) 265-5300
Fax: (414) 265-1536
Contacted _____yes _____no
Contact Person _____
Date and Time _____

Daily Reporter
(Published daily M-F)
704 West Wisconsin Avenue
Milwaukee, WI 53233
Tele No: (414) 276-0273
Fax: (414) 276-8057
Contacted _____yes _____no
Contact Person _____
Date and Time _____

EXHIBIT B
EBE MARKETING PLAN

COMMUNITY AGENCY CONTACTS

National Association of Minority Contractors

3100 West Concordia Ave
Milwaukee, WI 53216
(414) 449-0837

The Milwaukee Urban League

435 West North Avenue
Milwaukee, WI 53212
(414) 374-5850

African American Chamber-Commerce

6203 West Capitol Dr
Milwaukee, WI 53216
(414) 462-9450

Hispanic Chamber of Commerce of Wisconsin

816 West. National Ave.
Milwaukee, WI 53204
(414) 643-6963

Wisconsin Minority Business Opportunity Center

1915 North Dr. Martin Luther King Jr. Drive, Suite 213-F
Milwaukee, WI 53212
(414) 372-3773

Hmong Wisconsin Chamber of Commerce

3616 West National Avenue. Suite 99
Milwaukee, WI 53215
(414)649-8331

Lao Family Community Inc.

2331 West Vieau Place Milwaukee, WI 53204
414-385-3380

EXHIBIT B1
Emerging Business Enterprise (EBE)
Contact Sheet

Name of Agency	Address of Agency	Contact Person	Date of Contact	Time of Contact

CITY OF MILWAUKEE - DEPARTMENT OF ADMINISTRATION
EMERGING BUSINESS ENTERPRISE PROGRAM
EBE PARTICIPATION FOR SUBCONTRACTORS AND/OR MATERIAL SUPPLIERS

PRIME CONTRACTOR'S NAME: _____ CONTRACT NAME OR NUMBER: _____

START DATE: _____ TOTAL BID AMOUNT: _____ TOTAL EBE AMOUNT: _____

Please list below all proposed subcontractor(s) and/or material supplier(s) for this project.

EBE FIRM(S) NAME ADDRESS/CONTACT PERSON AND PHONE NUMBER	% OF BID	SUB-CONTRACTOR/OR SUPPLIER	WORK PERFORMED/ MATERIAL SUPPLIED	AMOUNT	OWNER/REPRESENTATIVE SIGNATURE OF ACKNOWLEDGMENT
1. _____					

2. _____					

3. _____					

4. _____					

Authorized Signature: _____ Print Name & Title: _____

RETURN THIS FORM TO DOA-EMERGING BUSINESS ENTERPRISE PROGRAM
THIS FORM MUST BE SUBMITTED WITH THE PRIME CONTRACTORS BID.

Reviewed By: _____ Date: _____ PROJECT MANAGER TITLE

Reviewed By: _____ Date: _____
BUSINESS ANALYST SENIOR (DOA) - EBE Program

REF: EBE FORMS/ FORM A EBE PARTICIPATION DCD.DOC

I: EOEP/COMMON/EBE FORMS/EBE AGREEMENT2.DOC

Exhibit D
EMERGING BUSINESS ENTERPRISE (EBE)
SOLICITATION FORM

Name & Address of EBE Firm _____

Name of Individual Contacted _____ Phone Number _____

Type of Work _____ Date and Time of Contact _____

Quotation or Proposal Received _____

REMARKS: THESE SHOULD INCLUDE ANY FOLLOW UP ACTIONS. IN THE EVENT THAT THE EMERGING BUSINESS ENTERPRISE WILL NOT BE UTILIZED, INCLUDE AN EXPLANATION OF THE REASON (S) WHY THE FIRM WILL NOT BE USED. FOR EXAMPLE: IF THE ONLY REASON FOR NON-UTILIZATION WAS PRICE, THE EXPLANATION SHOULD REFLECT WHAT STEPS WERE TAKEN TO REACH A COMPETITIVE PRICE LEVEL.

REMARKS:

EXHIBIT E
Emerging Business Enterprise (EBE)
Rejection of Bid Form

Name and Address of EBE firm	Type of Work	Bid Submitted by EBE	Actual Bid Award	Reasons for bid rejection	Approved By
1					
2					
3					
4					
5					
6					
7					
8					

**EXHIBIT F
CATEGORIES OF WORK**

Use Excel Spreadsheet

EXHIBIT G
DEPARTMENT OF ADMINISTRATION
EMERGING BUSINESS ENTERPRISE PROGRAM

EBE MONTHLY REPORT

(1) Report for the Month of _____ (Final: yes ___ no ___)

(2) Prime Contractor/Firm _____

(3) Full Address & Phone Number: _____

(4) Description of service performed and/or material supplied _____

(5) Purchase Order /Contract # _____ (6) Project Number _____

(7) Start Date: _____ (8) Prime Contractors Total \$: _____

(9) Completion Date: _____ (10) Prime Contractor YTD \$: _____

(11) EBE % goal _____ and \$ goal _____

List all EBE subcontractor firm(s) utilized in connection with the above contract, either as service performed and/or supplier for the month. This form shall be signed and returned. If this represents the final report, be sure to indicate at the top of form.

NAME OF EBE FIRM(s)	SERVICE PERFORMED/ MATERIAL SUPPLIED	AMOUNT PAID FOR THE MONTH	TOTAL \$ PAID Y-T-D
TOTAL PAID TO EBE(s)			

I/we hereby certify that I/we have read the above and approved this information to be precise and confirmed.

(12) Report Prepared By: _____
(Name) (Title) (Phone Number)

(13) Authorized Signature: _____
(Name) (Title) (Phone Number)

(14) Date _____

Note: This form should be submitted no later than the 20th of every month to Emerging Business Enterprise Program, 200 East Wells Street, Room 606, Milwaukee, WI or fax to (414) 286-8752, Attn: Ossie Kendrix

Exhibit H
FORM E

CITY OF MILWAUKEE – DEPARTMENT OF ADMINISTRATION
EMERGING BUSINESS ENTERPRISE PROGRAM

EBE SUBCONTRACTOR PAYMENT CERTIFICATION

EBE Subcontractor's Firm Name: _____

Prime Contractor Name: _____

Prime Contractor's Bid or RFP#: _____ Purchase Order or Contract # _____

This certificate is to be signed by the EBE subcontractor firm that was utilized in connection with the above contract, either for service performed, and/or as a supplier. Attach this form to the Prime Contractor's final **FORM D** (EBE Monthly Report) and return to:

Department of Administration
Emerging Business Enterprise Program
City Hall – Room 606
200 East Wells St
Milwaukee, W 53202
(or fax to 414-286-8752)

I _____ hereby certify that our firm has received
(PLEASE PRINT NAME)

\$ _____ from _____
(PRIME CONTRACTORS NAME)

for subcontract work performed and/or material supplied on the above contract.

Signature & Title _____ Date: _____

Subcontractor

Signature & Title _____ Date: _____

Prime Contractor

**NOTE: THIS FORM MUST BE ATTACHED TO PRIME CONTRACTORS FINAL FORM D
(EBE MONTHLY REPORT)**

Ref: EBE Forms/ Form E – Payment Certification Form

EXHIBIT J
to Development Agreement

Forecast of District Property Value

Forecast of District Cash Flow



Exhibit J to Dev
Agreement.xls...

EXHIBIT J to the Development Agreement for City Lights

Year	Assessed Value			District Value	Incremental Val. Over Base Of: \$ 3,966,100	Tax Rate	Tax Increment Revenue	Total Revenue	Borrowing & 10% Cap. InL	Monetary Obligation Balance	Interest @ 4.25%	Less: Revenue Cr Cap. Int	Ending Balance	Year
	Zimmerman 43,000 at Office	Other Space at 260 N. 26th	Two Other Properties In TID											
2009	1,000,000	1,000,000	1,966,100	3,966,100	-	2.350%	-	-	2,211,230	2,211,230	93,977	93,977	2,211,230	2009
2010	1,000,000	1,000,000	1,966,100	3,966,100	-	2.300%	-	-	2,211,230	2,211,230	93,977	93,977	2,211,230	2010
2011	1,000,000	1,000,000	1,966,100	3,966,100	-	2.300%	-	-	2,211,230	2,211,230	93,977	-	2,305,207	2011
2012	4,345,389	1,000,000	1,966,100	7,311,489	3,345,389	2.300%	-	-	2,305,207	2,403,179	97,971	-	2,403,179	2012
2013	4,345,389	1,000,000	1,995,592	7,340,980	3,374,880	2.300%	76,944	76,944	2,403,179	2,428,370	102,135	76,944	2,428,370	2013
2014	4,410,570	4,155,556	2,025,525	10,591,651	6,625,551	2.300%	77,622	77,622	2,428,370	2,453,953	102,249	77,622	2,453,953	2014
2015	4,476,728	4,155,556	2,055,908	10,688,192	6,722,692	2.300%	152,368	152,368	2,453,953	2,405,959	102,249	152,368	2,405,959	2015
2016	4,543,879	4,217,889	2,086,747	10,848,515	6,882,415	2.300%	154,608	154,608	2,405,959	2,353,489	100,024	154,608	2,353,489	2016
2017	4,612,037	4,281,157	2,118,048	11,011,243	7,045,143	2.300%	158,296	158,296	2,353,489	2,295,228	97,547	158,296	2,295,228	2017
2018	4,681,218	4,345,375	2,149,819	11,176,411	7,210,311	2.300%	162,038	162,038	2,295,228	2,230,736	94,806	162,038	2,230,736	2018
2019	4,751,436	4,410,555	2,182,066	11,344,057	7,377,957	2.300%	165,837	165,837	2,230,736	2,169,706	91,787	165,837	2,169,706	2019
2020	4,822,708	4,476,714	2,214,797	11,514,218	7,546,118	2.300%	169,693	169,693	2,169,706	2,081,800	88,477	169,693	2,081,800	2020
2021	4,895,048	4,543,864	2,248,019	11,686,932	7,720,832	2.300%	173,579	173,579	2,081,800	1,986,670	84,858	173,579	1,986,670	2021
2022	4,968,474	4,612,022	2,281,739	11,862,235	7,896,136	2.300%	177,579	177,579	1,986,670	1,893,949	80,918	177,579	1,893,949	2022
2023	5,043,001	4,681,203	2,315,955	12,040,159	8,074,059	2.300%	181,611	181,611	1,893,949	1,803,296	76,836	181,611	1,803,296	2023
2024	5,118,646	4,751,421	2,350,705	12,220,772	8,254,672	2.300%	185,704	185,704	1,803,296	1,694,191	72,603	185,704	1,694,191	2024
2025	5,195,426	4,822,632	2,385,965	12,404,085	8,437,985	2.300%	189,857	189,857	1,694,191	1,576,336	68,394	189,857	1,576,336	2025
2026	5,273,357	4,895,032	2,421,755	12,590,144	8,624,044	2.300%	194,074	194,074	1,576,336	1,449,257	64,194	194,074	1,449,257	2026
2027	5,352,458	4,968,458	2,458,081	12,778,997	8,812,897	2.300%	198,353	198,353	1,449,257	1,312,497	59,781	198,353	1,312,497	2027
2028	5,432,745	5,043,001	2,494,952	12,970,692	9,004,692	2.300%	202,697	202,697	1,312,497	1,165,582	55,841	202,697	1,165,582	2028
2029	5,514,236	5,118,646	2,532,377	13,166,260	9,199,142	2.300%	207,105	207,105	1,165,582	1,006,074	52,841	207,105	1,006,074	2029
2030	5,598,943	5,195,426	2,570,382	13,364,750	9,396,630	2.300%	211,580	211,580	1,006,074	839,274	50,669	211,580	839,274	2030
2031	5,680,903	5,273,357	2,608,918	13,565,161	9,597,061	2.300%	216,122	216,122	839,274	668,089	48,621	216,122	668,089	2031
2032	5,765,117	5,352,458	2,648,052	13,768,609	9,800,509	2.300%	220,732	220,732	668,089	486,821	46,669	220,732	486,821	2032
2033	5,852,609	5,432,745	2,687,772	13,975,108	10,007,008	2.300%	225,412	225,412	486,821	280,486	44,811	225,412	280,486	2033
2034	5,940,398	5,514,236	2,728,089	14,182,704	10,216,604	2.300%	230,161	230,161	280,486	11,071	41,395	230,161	11,071	2034
2035	6,029,504	5,598,943	2,769,010	14,395,445	10,429,345	2.300%	234,982	234,982	11,071	41,395	39,982	234,982	41,395	2035
2036	6,119,946	5,680,903	2,810,545	14,611,377	10,646,277	2.300%	239,875	239,875	41,395	-	-	239,875	-	2036
2037						2.300%								2037
NPV @ 4.25%							2,264,058		2,211,230		1,951,899			

[1] This forecast is revised from that in the Project Plan to reflect the fact that contracts for the street were not awarded until late August, 2010, and the "Zimmerman" office project is not expected to be completed until 2011 and fully assessed until 2012.

EXHIBIT K
To Development Agreement

Project Plan

Rev. 1.1

PROJECT PLAN

TAX INCREMENTAL DISTRICT NO. 73

CITY OF MILWAUKEE

(City Lights Project)

Public Hearing Held: May 21, 2009

Redevelopment Authority Adopted : May 21, 2009

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

Tax Incremental District No. 73, City of Milwaukee (the " District") consists of a 22.8 acre site located at N. 25th Street and W. Mt. Vernon St. The property consists of three parcels, all owned by Giuffre I, LLC and Giuffre VIII, LLC. The District is shown on Map 1, "Boundary and Existing Land Use," and described in Exhibit 5, "Boundary Description." The entire District is now located within Tax Incremental District No. 53 (Menomonee Valley Industrial Center).

The District is presently zoned Planned Development. The site is now largely used for warehousing, entertainment (skateboard park) and trucking. The property had been used by the Wisconsin Gas Light Company, a predecessor to the Wisconsin Gas Co. (now owned by WE Energies), where it manufactured coal gas for "gas lights" used before the widespread use of electric lights. Several buildings on the site were constructed in 1901-03. Four large gas storage bladders once occupied an adjacent site and were removed from what is now the right-of-way of I-94. The site is occupied by buildings totaling approximately 99,000 s.f., including one which has a turret that can be seen prominently from I-94. All buildings have had marginal uses in previous decades, and the site has undergone environmental remediation from contamination caused by the coal-gas production process. About one-half of the site is used for truck marshalling.

Given the condition of the facility, the District satisfies the requirements of Wis. Stats. Sec 66.1105(4){gm}(4)(a) as being a "in need of rehabilitation and conservation work, as defined in Sec. 66.1337 {2m}(b)." All of District meets this requirement. See Exhibit 1 and Map 2.

In addition, less than 25% of the District consists of "vacant" property, as provided in Sec. 66.1105(4)(gm){1}. See Exhibit 1.

C. Project Plan Goals and Objectives

Goals and objectives for the District are:

1. To renovate the existing buildings in the District for office and commercial purposes, increasing employment at this location, and adding tax base. Specifically, five buildings on the western portion of the site, owned by Giuffre VIII, LLC and totaling 70,600 s.f. are to be converted to 98,000 s.f. of office and "flex" space for small businesses. See Exhibit 1A for a breakdown of this space by building.
2. As an initial phase, convert the former "Retort Building" to approximately 43,000 s.f. of office area for Zimmerman Architectural Studios, Inc. This project will restore the building's façade to a state much closer to its original condition. New windows will be installed based on the configuration of the originals. The façade will be cleaned, tuck-pointed and restored in a manner consistent with the Dept. of Interior's historic restoration standards. This high-bay industrial building of 26,400 s.f. will be expanded to approx. 43,000 s.f. by the addition of a mezzanine.
3. To redevelop the land east of the above buildings with office and / or manufacturing buildings. There are approx. 30,000 s.f. of buildings on this portion of the site which are primarily used for truck maintenance.
4. To extend the City's Riverwalk System, thus increasing public access to the Menomonee River which is the south boundary of the District.

D. Existing Land Uses and Conditions in the District

As discussed above, the District consists of 22.8 acres and contains 100,000 s.f. of underutilized manufacturing and warehouse buildings. The District has access to N. 25th Street via a private ramp. There are no public streets and limited utilities within the District.

The District is bounded on the south by the Menomonee River and on the north by RR tracks.

The predominant uses in the District include warehousing, a skateboard park and a trucking terminal. At present, there is no access to the city street system from the north or east.

II. PROJECT PLAN PROPOSALS

A. The following is a description of the kind, number, and location of all proposed Public Works or Improvements within the District:

1. In order to provide access to, and utilities within, the District, it is proposed that a public street be extended into the Site as shown on Map 3. The street would extend for

approximately half the length of the entire site, and provide service the existing buildings on the property. Sanitary sewer service will be upgraded, including the installation of a lift station. Storm sewer service will also be upgraded with catch-basins to collect stormwater. Portions of site run-off will first be run through biofiltration areas and rain gardens before entering catch basins. New water and gas connections will be required to tie into existing service on the site.

The owner of this portion of the site, Giuffre VIII, LLC will dedicate the right-of-way for this street extension.

2. To increase public access to the Menomonee River, it is proposed that 3,793 linear feet of public walk be constructed along the south boundary of the district. This public walk will be integrated into the design of public street, creating both pedestrian and vehicular activity along the Menomonee River in an effort to promote public access to the river. A public access easement will be granted to the City for the approximately thirty (30) foot wide area between the public walk and the edge of the river.
3. Eventually extend the public street to connect with 17th street on the eastern end of the District.

B. The following is an estimate of the project costs to be implemented as part of this Project Plan; see Exhibit 2 for detail.

TASK	ESTIMATED COST
Construction of public street and utilities	\$2,171,500 Initial phase
Riverwalk / Sidewalk	45,500
Contingency	221,000 10%
Administration	100,000
Total Capital Cost, Initial Phase	2,538,000
Less: City Contribution	(500,000)
NET PROJECT CAPITAL COSTS	2,038,000 Initial phase
Estimated Interest	1,835,000
TOTAL PROJECT COSTS	\$3,873,000
Future extension of street to 17th St.	\$2,000,000 (requires future City approval)

As shown in the above table, the City will make a contribution to project costs in order to supplement funding from the TID. Should the TID demonstrate an ability to recover an amount greater than \$2,038,700 the City may be able to recover this up-front contribution.

Given that this overall development will take place stages, and given that the initial phase of the public street will have to be constructed at the outset, the developer(s) will be required to provide a guarantee of incremental revenue sufficient to amortize the TID capital costs of \$2,038,700.

Funding for the future extension of the proposed street to N. 17th street will be subject to subsequent approval by the City and be conditioned on, among other matters, incremental revenue being sufficient to amortize all of the City's past and future costs in the District.

The costs included in this subsection, without limitation hereof because of enumeration, are claimed as eligible Project Costs as defined under Wis. Stats. Sec. 66.1105(2)(f) and may be incurred directly by the City, or by the Redevelopment Authority of the City pursuant to a grant or cooperation agreement with the City, pursuant to Wis. Stats. Sec.66.1105(2)(f)(1)(h).

C. Project financing and timetable for expenditures:

All expenditures for the Initial Phase of street extension are expected to be incurred in 2009-2010. The expansion of the street is expected to be implemented in 2013, or later.

The City expects to issue general obligation bonds to finance the Project Costs.

D. List of Estimated Non-Project Costs:

Estimated costs of redeveloping the Retort Building are shown in Exhibit 2

E. Proposed Method of Relocating any Persons to be Displaced:

No persons or businesses are to be displaced.

F. Statement Indicating How District Creation Promotes Orderly Development:

The Project Plan for the District anticipates the redevelopment of 99,000 s.f. of underutilized warehouse space by converting it to office and related uses. In addition, an unspecified amount of additional office and / or manufacturing space will be built on the eastern portion of the Site, which is currently vacant and used for truck marshalling. The first tenant in the project, Zimmerman Design Studios, will bring 121 full-time employees to this location. Conversion of the remaining existing buildings, is expected to accommodate up to 90 additional employees. The project, therefore, adds employment opportunities to the community as well as tax base.

G. Proposed changes of zoning ordinances, master plan, if any, map; building codes and city ordinances:

The zoning for the District is currently Planned Development. The zoning is not planned to be changed.

APPENDIX

List of Exhibits

Map 1: Map of Boundary and Existing Land Use

Map 2: Map of Site and Structure Condition

Map 3: Map of proposed improvements

Exhibit 1: Parcel listing and calculation of percent "in need of rehabilitation or conservation" and "vacant."

Exhibit 1A: Estimated s.f. of redeveloped buildings on site owned by Giuffre VIII, LLC

Exhibit 2: Project budget




Exhibit 3: Development Agreement / Terms of Grants or Loans

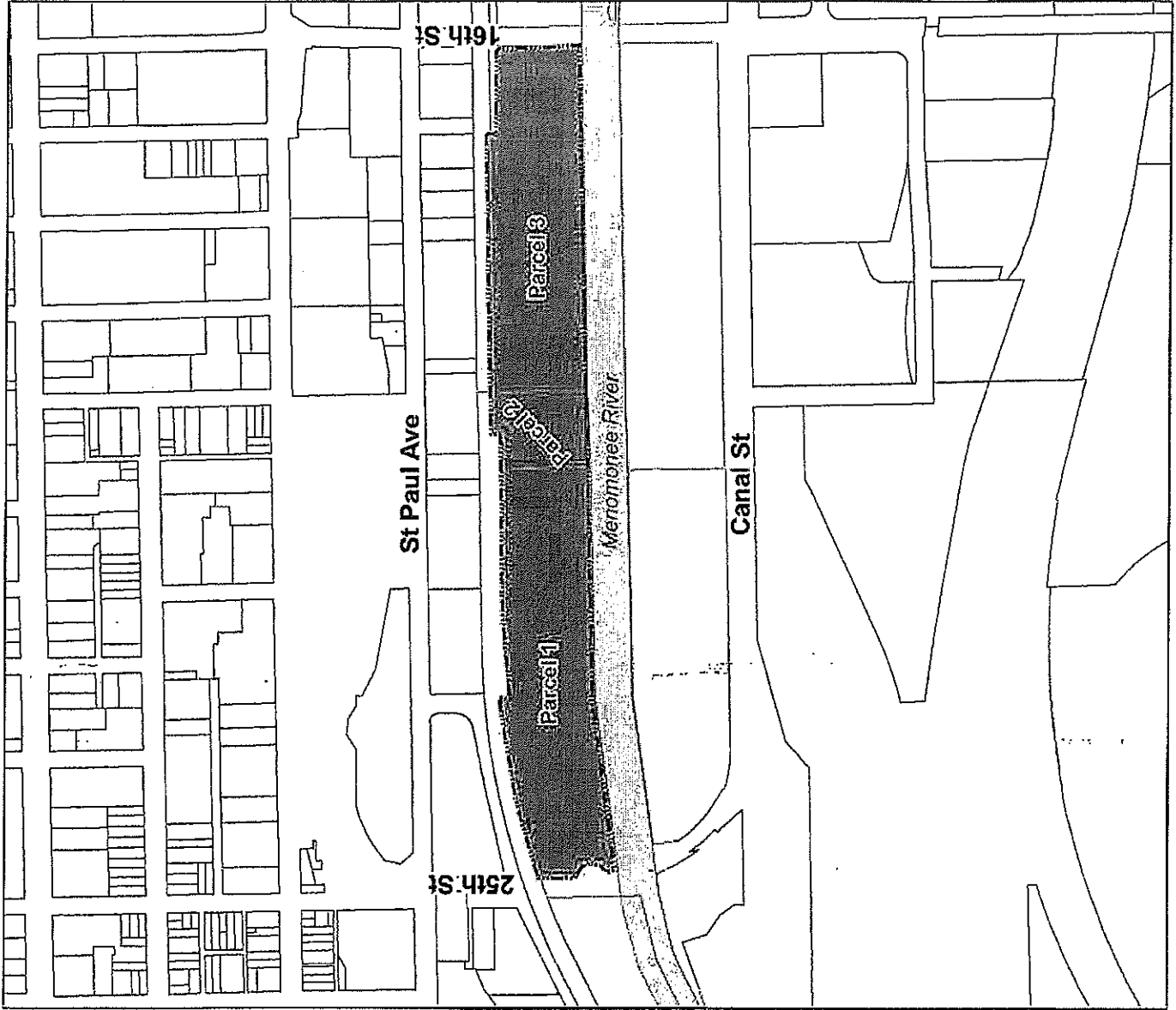
Exhibit 4: Economic Feasibility Study

Exhibit 5: Metes and Bounds description of District boundary.

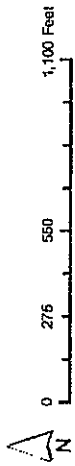
Exhibit 6: City Attorney's opinion.

TID
City Lights
Map No. 1
Boundary and Existing Landuse

-  Land Use
-  TID Boundary
-  Commercial Property






Produced By:
 Department of City Development/Information Center, AT
 Project No:
 City of Lowell # 30261/Project/110062/01/04
 Map File:
 E:\Info21 Files # 30261/Project/110062/01/04
 Generated: 26-Aug-2008, Scale = 1:5,913



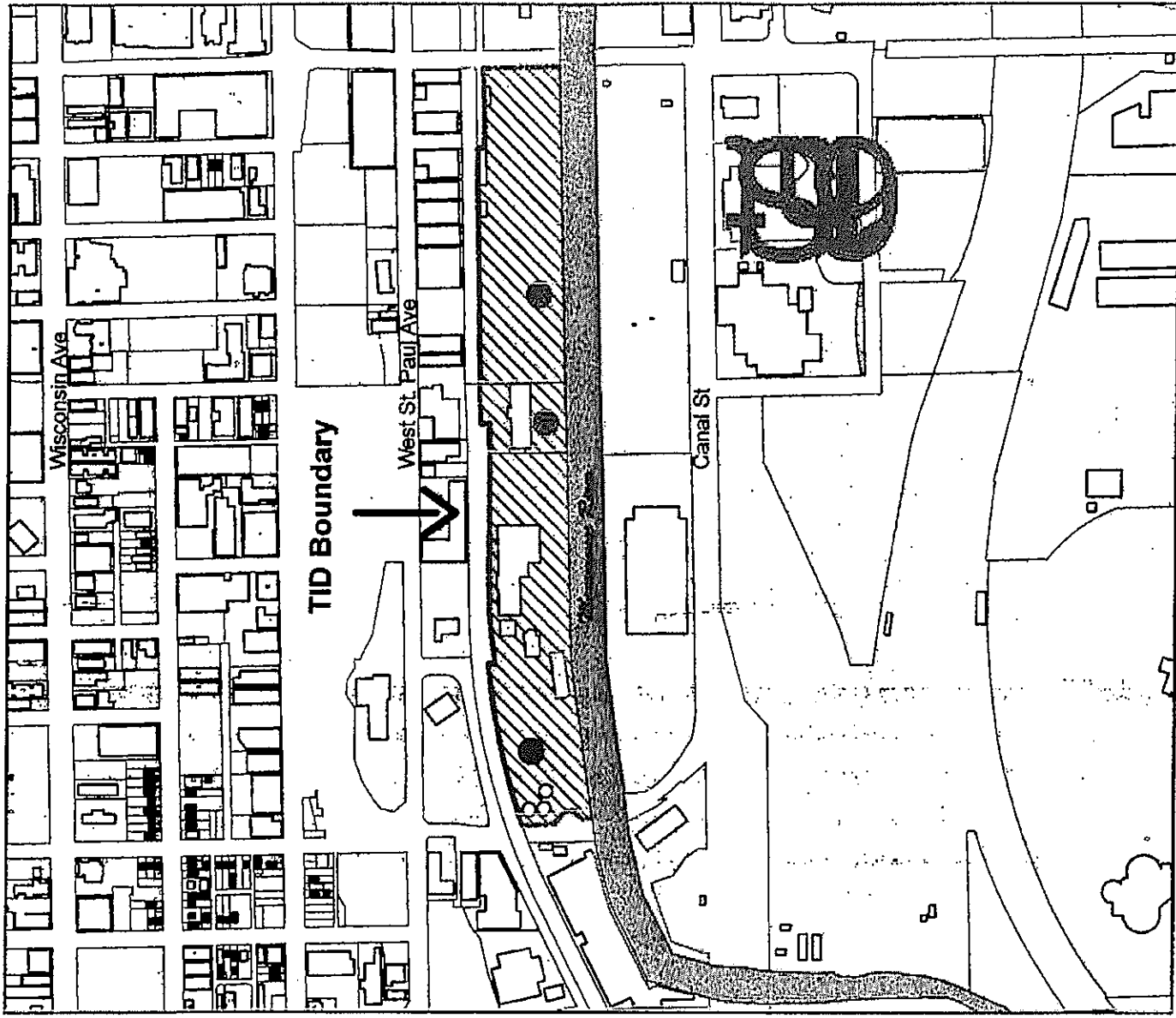
TID
 City Lights
 Map No. 2
 Structure Conditions

Legend

-  waterway
-  TID boundary
-  IN NEED OF CONSERVATION AND REHABILITATION

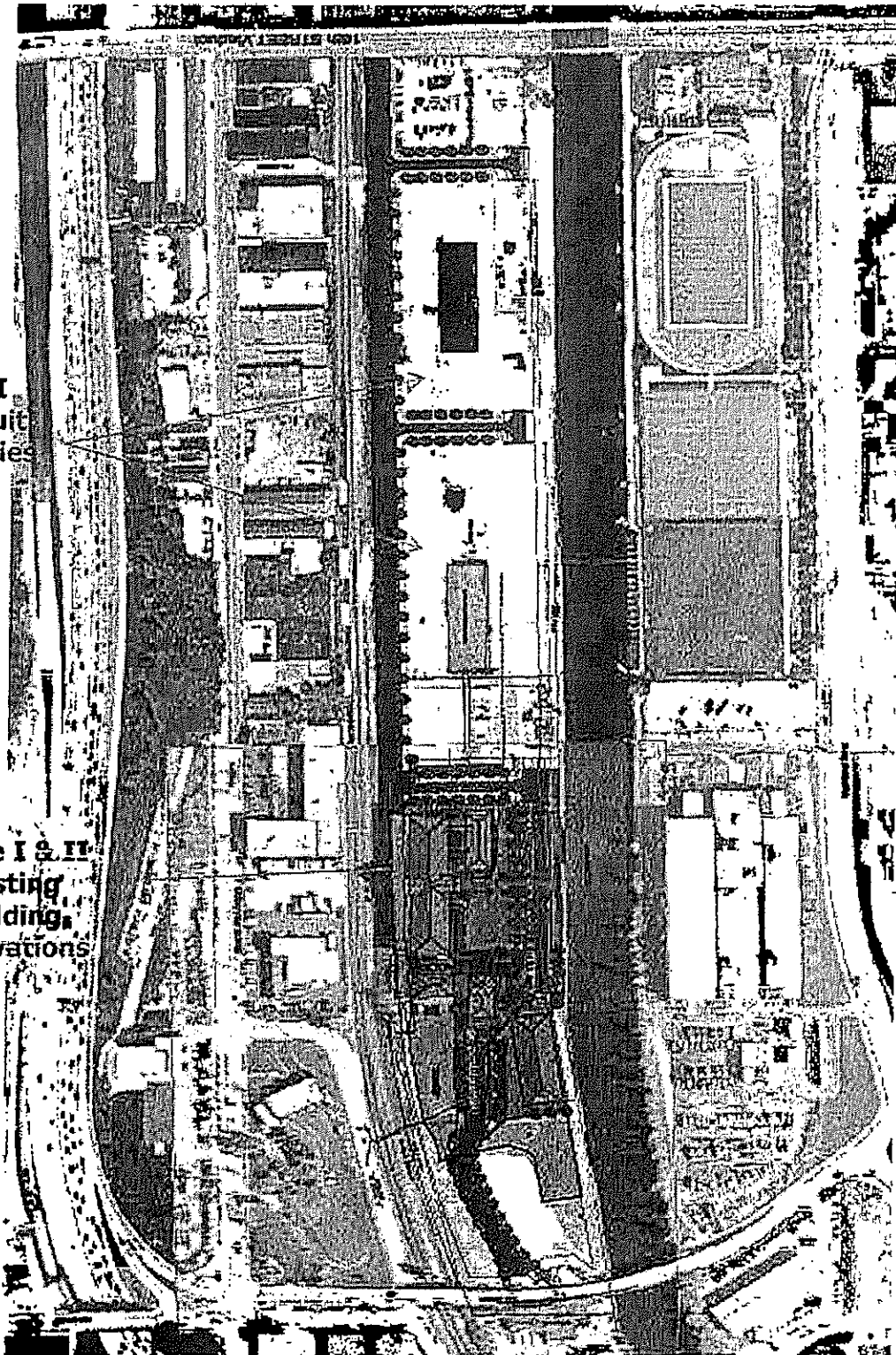


Source: Department of City Development 2008



**Phase III
Build to Suit
Opportunities**

**Phase I & II
Existing
Building
Renovations**



Proposed Site Plan

Exhibit 1: Parcel Listing and % in Need of Conservation and Rehabilitation, and % Vacant.												
PARCEL	TAX KEY	OWNER_NAME_1	ADDRESS	ASSESSMENTS:	LOT AREA	AREA	AREA	AREA	AREA	AREA	AREA	AREA
1	2	3		LAND	IMPROVE.	TOTAL	S.F.	CONSERV.	REHAB.	VACANT	BUILDING AREA	S.F.
	4009995117	GIUFFRE VIII LLC	200 IN 25TH ST	1,282,500	717,500	2,000,000	446,926	446,926	0	0	70,613	
	4009995118	GIUFFRE I LLC	2001 W MT VERNON	284,100	308,900	593,000	99,012	99,012	0	0	22,610	
	3980906111	GIUFFRE I LLC	1601 W MT VERNON	1,281,300	91,800	1,373,100	446,490	446,490	129,100	129,100	7,291	
				Total	2,847,900	1,118,200	3,966,100	992,428	992,428		100,514	
				%				100%		13%		
				Note: Replacement cost of buildings on Parcel 1 is greater than the FMV of the land								
Exhibit 1A: Estimated S.F. of Buildings on site owned by Giuffre VIII, LLC [See Map 3 for locations of buildings]												
			Building	Dimension	S.F.	With Mezzanine						
			Purifier Hse.	79	223	17,617	28,725					
			Engine Hse	50	107	14,000	14000	6 stories				
			Condenser Hse	63	83	5,229	5229					
			Retort Bldg.	347	76	26,372	43,000					
			Machine Shop	51	145	7,395	7395					
						70,613	98,349					

EXHIBIT 2
PROJECT BUDGET

City Lights				Revised 04-28-09 by TBO (w/City costs)		
Milwaukee, Wisconsin						
				Unit	Total	Revised
Preliminary Opinion of Probable Cost				Qty.	Unit	Cost
Public Right-of-Way Items Only						
Sewer and Water Utilities						
8" Watermain (D.I.)	1,075	LF	\$154.00		\$165,550	
6" Watermain (D.I.)	320	LF	\$100.00		\$32,000	
Viton Gaskets for Watermain	1	LS	\$10,000.00		\$10,000	
Fire Hydrant with auxiliary valve	5	EA	\$3,000.00		\$15,000	
6" Gate valve	2	EA	\$2,000.00		\$4,000	
Service Valves	4	EA	\$1,000.00		\$4,000	
Watermain Directional Boring/Auger & Case	100	LF	350.00		\$35,000	
Watermain testing and Sampling	1	LS	\$1,200.00		\$1,200	
6" Sanitary Sewer Main (PVC)	197	LF	100.00		\$19,700	
8" Sanitary Sewer Main - Class C Bedding	1,200	LF	300.00		\$360,000	
Sanitary Manhole (48")	5	EA	5,000.00		\$25,000	
Sewer Manhole Casings	6	EA	175.00		\$875	
Sanitary Directional Boring/Auger & Case	100	LF	450.00		\$45,000	
Sanitary Lift Station w/Valve Vault	1	EA	150,000.00		\$150,000	
Generator Set	1	EA	25,000.00		\$25,000	
Sanitary testing	1	LS	2,600.00		\$2,600	
Barricading	1	LS	7,000.00		\$7,000	
Sewer Exams by CCTV - Post Construction	1,300	LF	6.00		\$7,800	
Sewer and Water Utilities Sub-total					\$909,725	\$1,325,000
Grading and Restoration				Unit	Total	see below
Item	Qty.	Unit	Cost	Cost (\$)		
Construction Entrance	1	EA	3,000.00	\$3,000		
Cu/Fill (Onsite)	4,000	CY	4.00	\$16,000		
Cut Material and Export offsite*	4,000	CY	20.00	\$80,000		
Import Fill (structural)	0	CY	30.00	\$0		
Export Excess Fill (pulverized pavement)*	4,000	CY	20.00	\$80,000		
Grading and Restoration Sub-total					\$179,000	\$179,000
*These items are estimates only, actual quantity may vary in field						
Stormwater and Drainage				Unit	Total	
Item	Qty.	Unit	Cost	Cost (\$)		
6" Perforated Storm Sewer	408	LF	35.00	\$14,280		
10" Storm Sewer (PVC)	239	LF	60.00	\$14,340		
12" Storm Sewer (PVC)	450	LF	80.00	\$36,000		
15" Storm Sewer (PVC)	415	LF	97.00	\$40,255		
18" Storm Sewer (PVC)	138	LF	115.00	\$15,870		
Catch Basin	24	EA	3,500.00	\$84,000		
Storm Manhole	1	EA	2,500.00	\$2,500		
Silt Fence	1,000	LF	2.50	\$2,500		
Erosion Control Matting (Class 1; Type A)	600	SY	4.00	\$2,400		
Erosion Control Matting (Permanent)	0	SY	8.00	\$0		
Ditch Checks	0	EA	25.00	\$0		
Inlet Sediment Guards	24	EA	100.00	\$2,400		
Stormwater and Drainage					\$214,545	In sewer est.

Paving and Roadway				Unit	Total	
Item	Qty.	Unit	Cost	Cost (\$)		
Asphalt-Heavy Duty Pavement Section (5")	1,123	Ton	68.00	\$76,364		
Aggregate Base Course (12" installed)	2,597	Ton	25.00	\$64,925		
Pulverize Existing Pavement	14,432	SY	3.00	\$43,296		
Concrete Curb and Gutter	3,184	LF	15.00	\$47,760		
Concrete Walkways	10,039	SF	4.50	\$45,176		
Concrete Pavement (Parking Areas)	1,500	SY	40.00	\$60,000		
Concrete Pavement (Decorative)	900	SF	16.00	\$14,400		
Handicap Truncated Domes (for ramps)	2	EA	400.00	\$800		
Handicap Signs	3	EA	150.00	\$450		
Other Signs	3	EA	150.00	\$450		
Paving and Roadway Sub-total				\$353,621	\$275,000	
Landscape				Unit	Total	
Item	Qty.	Unit	Cost	Cost (\$)		
Topsoil Import & Spread in Turf Areas (12" Depth)	800	CY	\$35	\$28,000		
Engineered Soil backfill in Biofiltration areas (3" Depth)	720	CY	\$25	\$18,000		
Structural Topsoil In Tree Pits (4' Sq x 4' Depth)	290	CY	\$35	\$10,150		
Tree Grates	12	EA	\$1,500	\$18,000		
Shade Trees (3" Cal.)	42	EA	\$450	\$18,900		
Turf (Sod)	2,700	SY	\$7	\$18,900		
Biofiltration Plantings	6,000	SF	\$5	\$30,000		
Landscape Sub-total				\$2,057	\$141,950	\$141,000
Other Items				Unit	Total	
Item	Qty.	Unit	Cost	Cost (\$)		
City Sanitary Dept. Engineering and Inspection	1	LS	47,825.00	\$47,825		
City Water Dept. Engineering and Inspection	1	LS	30,270.00	\$30,270		
Soil Borings (pre-construction)	1	LS	7,000.00	\$7,000		
Geotechnical Observation and Testing (during construction)	1	LS	8,000.00	\$8,000		
Light poles	32	EA	\$3,000	\$96,000		
Riverwalk	3793	LF	\$12	\$45,516		
Other Items Sub-total				\$234,811	\$201,000	
Fire and Police Communication						\$96,000
*These items are estimates only, actual quantity may vary in field						
Sub-total Construction Costs =				\$2,033,452	\$2,217,000	
Contingency =				\$305,018	\$221,700	
Total Preliminary Opinion of Probable Cost =				\$2,338,469	\$2,438,700	

SPL Beverly, LLC

5150 North Port Washington Road, Suite #151 Milwaukee WI 53217
COMMERCIAL REAL ESTATE SERVICES

Project Budget (BID) Analysis City Light Development-"Retort Building"

Project: Retort Building City Lights
Owner: Gluffs XI, LLC
Address:

Date: 6.22.09

Description: Building Renovation
USF: 43,900 G8F
Area of Work: 1st Floor and Mezz
Estimated Construction Duration: 8 months

Division #	Description	Sub Contractor	Unit	Cost	City	Totals
DIVISION 00 + 01 Bidding Requirements, Contract Forms, and Conditions of the Contract						
700	General Overhead			\$0.00		\$ -
710	Permits - Building, Street, Sidewalk	See Development Bgt		\$0.00	0 \$	\$ -
720	Waste Removal / Dumpsters	See Development Bgt		\$0.00	0 \$	\$ -
730	Site Safety & Security	See Development Bgt		\$0.00		\$0.00
740	Onsite Toilet	See Development Bgt		\$0.00	0 \$	\$ -
750	Printing	See Development Bgt		\$0.00		\$0.00
760	Soil Testing	See Development Bgt		\$0.00		\$ -
770	Concrete Testing	See Development Bgt		\$0.00	0 \$	\$ -
780	Site Cleaning / Street sweeping	See Development Bgt		\$0.00		\$0.00
790	Surveying	See Development Bgt		\$0.00		\$ -
795	Abatement	See Development Bgt				\$ -
800	Supplementary Conditions - Bonding	See Development Bgt				\$ -
1010	Architectural Services	See Development Bgt		\$0.00	0 \$	\$ -
1020	Structural Engineering Services	See Development Bgt		\$0.00		\$0.00
1040	Administrative + Contract Documents	See Development Bgt		\$0.00	0 \$	\$ -
1040	Coordination & Supervision	See Development Bgt		\$0.00	0 \$	\$ -
1500	Construction Facilities and Temporary Controls	See Development Bgt				\$ -

TOTAL \$ -

DIVISION 02	Site Work	Unit	Cost	Qty.	Bid
2010	Subsurface Investigation	BID			
2050	Demolition		\$33,000.00	1	\$ 33,000.00
2100	Site Preparation (front area calling)	Budget	\$0.00	1	
2150	Shoring + Underpinning				
2200	Earthwork + Excavation				
2500	Paving + Surfacing		\$35,000.00		\$ 35,000.00
2600	Utility Piping (Underground)		\$25,000.00		\$ 25,000.00
2840	Gas Service				
2850	Electrical Service				
2800	Landscaping	BID	\$45,000.00		\$ 45,000.00
TOTAL					\$ 138,000.00

DIVISION 03 + 04	Concrete + Masonry	Unit	Cost	Qty.	Bid
3300	Cast in Place Concrete				
3310	Concrete	BID	\$309,113.00		\$ 309,113.00
3500	Cementitious Decks and Toppings	BID	\$45,383.00	1	\$ 45,383.00
3600	Concrete Sawing and Coring				
3700	Concrete Restoration and Cleaning				
4200	Unit Masonry				
4500	Masonry Restoration and Cleaning		\$106,000.00		\$ 106,000.00
TOTAL					\$ 460,496.00

DIVISION 05	Metals	Unit	Cost	Qty.	Bid
5100	Structural Metal Framing	BID	\$610,000.00		\$ 610,000.00
5100	Steel Erection	In above #			
5400	Cold-Formed Metal Framing	In above #	\$0.00	1	\$ -
5700	Ornamental Metal Work	In above #	\$0.00	1	\$ -
TOTAL					\$ 610,000.00

DIVISION 06	Woods + Carpentry	Unit	Cost	Qty.	Bid
6100	Rough Carpentry	Bid	\$155,000.00	1	\$ 155,000.00
6100	Finish Carpentry Interior	Bid	\$353,000.00	1	\$ 353,000.00
6100	Finish Carpentry Exterior				
6100	Finish Carpentry - Door + hardware Installation		\$0.00	0	\$ -
6500	Architectural woodwork		\$100.00	0	\$ -
TOTAL					\$ 608,000.00

DIVISION 07 Thermal and Moisture Protection

	Unit	Cost	Qty.	Bid
7180 Vapor Retarders				
7200 Insulation - Batt		\$0.00	1	\$
7210 Insulation - Board				
7250 Fireproofing				
7500 Membrane Roofing				
7500 Membrane Roofing - Temporary water proofing.				
7600 Sheet Metal Flashing (front window)	Bid	\$501,000.00	1	\$ 501,000.00
TOTAL				\$ 501,000.00

DIVISION 08 Doors and Windows

	Unit	Cost	Qty.	Bid
8100 Metal doors frames			13	\$
8200 Wood doors			13	\$
8260 Door opening assemblies				
8400 Stone Front assemblies				
8600 Wood + Plastic Windows				
8650 Glazing - Interior	SF			
8700 Hardware	Ea	\$0.00	13	\$ 24,000.00
8700 Toilet + Bath accessories				
8800 Glazed Curtain Walls	Bid	\$655,000.00		\$ 655,000.00
TOTAL				\$ 679,000.00

DIVISION 09 + 10 Finishes + Specialties

	Unit	Cost	Qty.	Bid
9250 Gyp Board Assemblies	In Finish Carp #	\$0.00		\$0.00
9300 Tile				
9400 Suspended ceilings				
9500 Building Carpet				
9550 Wood Flooring				
9650 Resilient Flooring				
9900 Painting		\$65,000.00		\$ 65,000.00
9950 Wall covering				
10050 All flooring categories				\$ 100,600.00
TOTAL				\$ 185,600.00

DIVISION 11 + 12 Equipment + Furnishings

	Unit	Cost	Qty.	Bid
11100 Appliances				
11100 Appliance installation				
122200 Draperies		\$0.00	1	\$
123400 Cabinetry Lower - Plastic Laminate	In Carpentry #	\$0.00	128	\$
123400 Cabinetry Uppers - Plastic Laminate	In Carpentry #	\$0.00	128	\$
123600 Counters - Plastic Laminate	In Carpentry #	\$0.00	128	\$
6500 Cabinetry	In Carpentry #	\$0.00	1	\$
8500 Elevator	BID	\$56,000.00	1	\$ 56,000.00
TOTAL				\$ 56,000.00

DIVISION 21-23		Mechanical + Plumbing			
	Unit	Cost	Qty.	Bid	
2100	Bid	\$89,750.00		\$89,750.00	
22000	Bid	\$586,000.00	1	\$	\$89,000.00
23000	Bid	\$90,060.00	1	\$	\$0,060.00
				TOTAL	\$ 765,830.00

DIVISION 28-28		Electrical			
	Unit	Cost	Qty.	Bid	
26000	Bid	\$511,000.00	1	\$	\$11,000.00
26000	Bid	\$241,000.00	1	\$	\$41,000.00
27000		\$0.00	1	\$	-
27000		\$0.00	1	\$	-
				TOTAL	\$ 762,000.00

SUB CONTRACTS	\$	4,635,926.00
CONTINGENCY	\$	182,000.00
SUBTOTAL	\$	4,827,926.00
P+O	0.0%	\$ -

TOTAL	\$	4,827,926.00
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PSF		112.28
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CONTINGENCY TOTALS

EXHIBIT 3

TERM SHEET

City Lights Public Infrastructure/Riverwalk Development Agreement TID - 73

Project Description: Giuffre VIII, LLC, proposes the conversion of existing warehouse-style buildings for office and commercial purposes. The initial phase of the project will convert the former Wisconsin Gas Light Co. Retort Building at 200 N. 25th St. into approximately 43,000 square feet of office area for Zimmerman Architectural Studios, Inc. In addition, Developer will convert four other buildings on the Site (the Purifier House, the Engine House, the Condenser House and the Machine Shop) into approximately 55,000 square feet of leaseable office and commercial space. Collectively, the renovation and conversion of the five buildings on the Site shall be referenced as the "Private Project." The initial phase of the Private Project will restore the Retort Building façade to a state much closer to its original condition. New windows will be installed based on the configuration of the originals. The façade will be cleaned, tuck-pointed and restored in a manner consistent with the Department of the Interior's historic restoration standards.

A new public street, public walk and utilities (the "Public Project") will be constructed by City to serve the Private Project.

Developer will dedicate the right-of-way or grant easements necessary for the Public Project. At City's option and upon City's request Developer shall construct the Public Project. Developer shall also indemnify City or cause City to be indemnified by a reasonably acceptable entity for costs incurred to remediate environmental conditions within any dedicated right-of-way.

Existing utilities serving the Site are not functioning at necessary levels and must be replaced entirely. A new sanitary lift station, in conjunction with a sanitary & storm sewer and a water main will serve the Private Project. The newly constructed underground City utilities, public street, public walk and related public infrastructure such as lighting will be located within dedicated right-of-way or easements the details of which shall be detailed in the Development Agreement.

As the Site is located along the Menomonee River, a public walk will be built along the river frontage associated with the initial phase of the Private Project, extending for approximately 450 linear feet. The public walk will be an outdoor space open to the general public. The new public street will be integrated into the Public Project design, creating both pedestrian and vehicular activity along the Menomonee River in an effort to promote the public access to the river frontage. A public access easement will be granted to City for the approximately thirty (30) foot wide area between the public walk and the edge of the river.

Tax Increment District Project Plan: City shall create a Tax Increment District ("TID-73") to partially fund the Public Project as outlined below.

Developer: Developer is Giuffre VIII, LLC

Site: The entire area included in TID-73.

Project Budget: See TID-73 Project Plan, Exhibit 2

Completion Guaranty: Developer shall provide City with a guaranty of completion of the initial phase of the Private Project (the "Developer Guaranty"). The Developer Guaranty shall be a recourse obligation secured by a mortgage on the Site running to City.

Guaranty of Tax Incremental Revenue: Developer shall guaranty that the incremental revenue realized annually from Tax Incremental District 73 shall be as set forth in the Forecast of District Cash Flow included in the TID 73 Project Plan.

Should actual incremental revenue received by the City from the District be less than the Forecast of District Cash Flow, in any given year (terminating in 2036), Developer shall pay such shortfall to the City by February 1st of that year.

Developer's obligation to make such payments shall be a recourse obligation secured by a mortgage, reasonably acceptable to Developer's lender(s), on the Site. City shall also have the option to assess Developer's obligation as a special assessment on the Site.

If the cost of the City Investment funded through TID 73 (\$2 million) is reduced, the Development Agreement shall provide that the tax increment revenues guaranteed by the Developer shall be proportionately reduced.

City Investment: The City Investment relative to the initial phase of the Public Project will be a maximum of \$2.5 million for construction costs for the new public street, the public walk, sanitary sewers, storm sewers, water utilities and ancillary infrastructure work. A portion of the City Investment, initially in an amount not to exceed \$2 million, excluding financing costs, will be funded through the creation of TID-73. The Department of Public Works ("DPW") will provide additional capital funding in an amount not to exceed \$500,000. The DPW funding may also be recovered through excess increments generated by TID-73.

The City will allocate funds from Tax Incremental District Bond Account No. ___ and from DPW Account No. ___ for the initial phase of the Public Project, as more specifically outlined in the Project Plan.

For purposes of the Development Agreement and notwithstanding any of the foregoing to the contrary, it is anticipated that additional TID-73 funds for the extension of public infrastructure improvements on the approximately 12 acres identified as 2001 and 1601 West Mt. Vernon Street (Tax Key Nos: 400-9995-118 and 398-0906-111) will be considered by City at such time as Developer can demonstrate and substantiate that additional incremental revenue will be generated from new development on such parcels in an amount sufficient to permit City to amortize all TID-73 costs from available tax increment revenue, by 2036.

(NOTE: The term "City" when used herein may mean the City of Milwaukee and/or the Redevelopment Authority of the City of Milwaukee ("RACM") as those parties will allocate responsibilities in the Development Agreement. It is understood that City approvals, whenever possible, shall be the responsibility of its Commissioner of Public Works, or its Commissioner of City Development.)

RACM Responsibilities: RACM shall cooperate with City and Developer in implementation of the Private Project and the Public Project.

Developer Responsibilities: Developer shall construct the Private Project and, at City's request the Public project, according to plans and specifications approved in writing by City which approval shall not be unreasonably withheld or delayed.

Development Schedule: Developer will substantially complete the initial phase of the Private Project within twelve months of the execution of the Development Agreement, subject to extension necessitated by *force majeure*. An overall Project schedule is attached as EXHIBIT "A".

Disbursement of Funds: Prior to disbursement of the City Investment, the following actions must occur:

- A. Developer shall have received all federal, state and local agency approvals which are necessary to undertake the construction of the initial phase of the Private Project.
- B. City, shall have approved the final plans and specifications for the initial phase of the Private Project.
- C. City shall have received and approved a signed EBE Agreement.
- D. City shall have received a fully executed lease for the initial phase of the Private Project between Developer and Zimmerman Architectural Services, Inc. for a rent not less than \$10.25 per square foot and a term not less than 15 years.
- E. City shall have received commitments for financing sufficient to construct the initial phase of the Private Project.

PILOT Payments: The Development Agreement will require payments in lieu of taxes with respect to any parcel or building within TID-73 that subsequently becomes exempt from real property taxes. This provision shall be incorporated into covenants running with the land for all phases of the Private Project.

Competitive Bidding: Contracts for the Public Project must be bid out and the bidder chosen pursuant to a format and protocol acceptable to City.

Prevailing Wages: Developer and Developer's contractors and subcontractors shall pay prevailing wages for all Public Project costs and shall provide any necessary reports on forms specified by the City.

Development Agreement: City, DPW, Developer, and RACM shall enter into a development agreement ("Development Agreement") containing terms consistent with this Term Sheet and customary for such development agreements. The Development Agreement may not be assigned by Developer to unrelated third parties without the written consent of City, which shall not be unreasonably withheld.

Financial Statements: Developer shall provide annual, internally generated financial statements for the Private Project, certified as to accuracy by a representative of Developer acceptable to City. At its discretion and expense, City may request independently audited financial statements to be provided within ninety days of the close of any fiscal year.

Human Resource Requirements: Developer will enter into an EBE agreement that places a mandatory 25% EBE requirement and 40% Resident Preference requirement on all phases of the Public Project and an 18% EBE requirement and 21% Resident Preference requirement on all phases of the Private Project.

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 in one or more agreements, including the Development Agreement mentioned above, among City, RACM, and Developer. Resolutions approving the Term Sheet may also provide for the execution of all additional documents and instruments necessary to implement the Project.

All other customary provisions (Comptroller audit rights, Commissioner review and approval of the Private Project budget and design, etc.) will also be included in the Development Agreement.

August 27 2009 DRAFT

1050-2009-1193:149178

EXHIBIT "A"

(EXHIBIT "A" consists of an overall project schedule)

EXHIBIT 4

ECONOMIC FEASIBILITY STUDY FOR:

CITY LIGHTS PROJECT – PHASE I

Background:

The City of Milwaukee is proposing to assist the redevelopment of certain underutilized industrial buildings on a twenty-three acre site located at 200-224 W. 25th Street and 2001 W. Mt. Vernon Street. Giuffre I, LLC and Giuffre VIII, LLC own the properties and plan to convert certain buildings into offices and other commercial uses, as well as ultimately develop new facilities on the vacant portions of the site. The site was recently rezoned from Heavy Industrial to Planned Development.

The initial tenant in the development will be Zimmerman Architectural Studios. Zimmerman will lease a 30,000 s.f. property, known as the Retort Building, which, with the addition of a mezzanine, will contain 43,000 s.f. of leased space. 180 parking spaces will be available for Zimmerman. An additional 44,000 s.f. of existing buildings at 250 N. 25th Street is expected to be converted for other office users, or for “flex” space for small business, within four to five years. Of these buildings, the Purifier House (see Map 3) is expected to accommodate a mezzanine. Hence the ultimate reuse of this space is expected to yield 55,000 s.f. of additional space for lease.

The City’s contribution to the redevelopment program will be the extension of a public street and installation of utilities adequate to serve the site’s use for office use rather than industrial use. The estimated cost of the public improvements, plus a contribution to the cost of extending the City’s riverwalk system, is as shown in section II (B) of the Project Plan. This reflects contributions from the City to limit the TID Project net cost, before interest charges, to just over \$2 million.

TID Project Improvements, as currently budgeted, do not serve the entire District. They will be extended eastward as additional buildings are constructed in the District. Such extensions will require future approvals by the City.

Current Property Valuation:

The current valuation of property in the District is \$3,966,000, as set forth in Exhibit 1. This represents the Base Value of the proposed District.

Anticipated Future Value of Leaseable Space:

As stated above, 43,000 s.f of space in the facility will be made available for lease to Zimmerman. The proposed rent is \$10.70 NNN.

Assessed Value for this space is estimated as follows:

Gross Revenue:	
Office: \$10.70 NNN	\$460,000
Less: 15% vacancy & exp.	69,000
 Net Operating Income	 391,000
Cap. Rate	9%
Estimated Value	4,300,000
 Value / s.f.	 \$100

Somewhat lower values are expected for an additional 55,000 s.f. of converted space in other buildings on this site. This space is not expected to be fully developed and occupied until 2013. A rent of \$8 NNN was used to estimate value of these buildings.

The proposed project is comparable to other “industrial conversions” at Schlitz Park, the Tannery Offices, located at S. 7th and W. Virginia Streets, and the Third Ward. Comparable properties are summarized below. As can be seen, the range of values is substantial.

Address	Owner	2009 Assessment	Bldg. S.F.	Assess. / S.F.	Yr. Built
750 W. Virginia	P&V Atlas	\$6,233,000	70,416	\$89	1890
1610 N. 2 nd St.	1610 N. 2 nd LLC	\$9,652,000	92,035	\$105	1920
417 E. Chicago	K. D’Acquisto Trust	\$6,557,000	42,141	\$155	1964
214 E. Erie	222 Erie Invest.	\$7,892,000	88,910	\$79	1891
126 N. Jefferson	Corcoran Place, LLC	\$6,020,000	74,640	\$81	1905
241 N. Broadway	Tierra Dorada Broadway, LLC	\$12,986,000	99,450	\$130	1912

Forecast of Tax Increment Revenue:

The attached table forecasts property value in the District given the above assumptions as to the space to be occupied by Zimmerman, and the anticipated redevelopment of an additional 55,000 s.f. of structures on the site. The additional space is expected to be absorbed no sooner than 2013. Property value in the District increases from the Base Value to \$7.3 million once the Zimmerman space is completed, and \$10.6 million once the balance of the structures are renovated.

Based on this cash flow, the District is able to support a total borrowing of approx. \$2,000,000, plus two years of capitalized interest, at current interest rates. This assumes tax rates will be maintained at current levels, rather than declining in the future.

As shown in the forecast of cash flow for the District, the City will recover its costs over 25 years. As such the District is marginally feasible.

Because of the narrow feasibility of the Project Plan, and the staged nature of the redevelopment planned in the District, the Developer will be required to make up any shortfall between revenue forecasted for the Project and actual revenue received on an annual basis.

EXHIBIT 5

METES AND BOUNDS DESCRIPTION OF DISTRICT

EXHIBIT 6

CITY ATTORNEY OPINION