

**COMMUNITY DEVELOPMENT INVESTMENT GRANT AGREEMENT
BETWEEN
THE WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
AND
CITY OF MILWAUKEE**

This Agreement is entered into pursuant to Chapter 238 of the Wisconsin Statutes between the Wisconsin Economic Development Corporation (“WEDC”), and City of Milwaukee (the “Recipient”).

WITNESSETH

WHEREAS, the Recipient has submitted an Application to WEDC, requesting funds from WEDC’s Community Development Investment Grant Program (“CDI Funds”);

WHEREAS, the Recipient is a City located in Wisconsin.

WHEREAS, WEDC has determined that the Recipient is an eligible recipient of CDI Funds; and

WHEREAS, in reliance upon the Recipient’s Application, WEDC has approved the Recipient for up to Two Hundred Fifty Thousand Dollars (\$250,000) in CDI Funds.

NOW, THEREFORE, for valid consideration, the receipt of which is hereby acknowledged, and in consideration for the promises and covenants in this Agreement, WEDC and the Recipient agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) “Agreement” means this agreement, to include all documents required to be delivered contemporaneously with the execution and delivery of this Agreement, and the attached Exhibits, together with any future amendments executed in compliance with Paragraph 21 of this Agreement.

(b) “Application” means the materials submitted by the Recipient to WEDC relating to this allocation of CDI Funds.

(c) “CDI Funds” means the grant monies the Recipient is eligible to receive from WEDC’s Community Development Investment grant program in accordance with this Agreement.

(d) “Effective Date” means the date on which this Agreement is fully executed by both parties.

(e) "Eligible Project Costs" means costs for which CDI Funds and Matching Funds may be used, as outlined in Paragraph 3(a)-(b) of this Agreement, which the Recipient incurs between the Project Start Date and Project End Date.

(f) "Ineligible Costs" means costs for which CDI Funds and Matching Funds may not be used, means costs incurred prior to the Project Start Date; costs for acquisition; costs related to grant applications or bid preparation; costs which may be covered by other grant or statutory programs; permits; performance and payment bonds; contingencies; developer fees; insurance premiums; supplies and the purchase of moveable equipment; signage and advertising; financing fees, interest payments, or the assumption of debt; relocation fees; accounting, legal, appraisal, and architectural fees; project administration fees, including costs associated with WEDC compliance reporting, schedules of expenditures, and payment requests.

(g) "Leverage" means funding provided for the Project other than CDI Funds and Matching funds.

(h) "Matching Funds" means non-WEDC funds secured by the Recipient to meet the required 3:1 funding requirement of the CDI Funds under this Agreement. No more than thirty percent (30%) of the Matching Funds may consist of other state and/or federal grants. Matching Funds may not be in-kind.

(i) "Project" means the Recipient's redevelopment of the historic Garfield School campus into 30 units of mixed-income housing, and 8,000 sq. ft. of commercial space with 40 additional residential units, in accordance with the Recipient's Application and the terms of this Agreement.

(j) "Project End Date" means December 31, 2019, the date by which the Project will be complete.

(k) "Project Location" means the site or sites at which the Project will take place, specifically 2215 North 4th Street, Milwaukee, 2235 North 4th Street, Milwaukee and 411 West North Avenue, Milwaukee, Wisconsin.

(l) "Project Start Date" means February 2, 2017, the date on which the Project begins and the Recipient/Borrower may start incurring costs against WEDC funds and Matching Funds.

(m) "WEDC" means the Wisconsin Economic Development Corporation, together with its successors and assigns.

2. CDI Funds. Subject to the terms and conditions set forth in this Agreement, and in Wisconsin law, WEDC shall provide to the Recipient a grant of up to Two Hundred Fifty Thousand Dollars (\$250,000) in CDI Funds.

3. Recipient's Obligations. The Recipient will:

(a) Complete the Project as contemplated by the Application and in accordance with the terms of this Agreement, as outlined in the following budget:

Budget Code	Use	Sources							Total
		WEDC/CDI Grant	IFF 1 st Mortgage on the Griot	Northcott Partnership funds	City of Milwaukee TIF	AHP/CDBG Housing Trust Funds/Developer's DDF	Developer's LIHTC/HTC Equity	WHEDA Tax Exempt Bonds	
0200	Construction	\$250,000	\$307,607	\$200,000	\$433,039				\$1,190,646
*SUBTOTAL OF ELIGIBLE ACTIVITIES		\$250,000	\$307,607	\$200,000	\$433,039				\$1,190,646
**Other Activities									
Griot-Commercial					\$108,668	\$160,517	\$557,013		\$826,198
Griot-Residential			\$992,393			\$525,000	\$5,771,858		\$7,289,251
Historic Garfield School				\$305,000	\$700,000	\$707,241	\$4,358,477	\$1,066,000	\$7,136,718
** SUBTOTAL OF INELIGIBLE ACTIVITIES			\$992,393	\$305,000	\$808,668	\$1,392,758	\$10,687,348	\$1,066,000	\$15,252,167
TOTAL PROJECT COSTS		\$250,000	\$1,300,000	\$505,000	\$1,241,707	\$1,392,758	\$10,687,348	\$1,066,000	\$16,442,813

*These costs are eligible for the CDI Funds and Matching Funds.

**These costs are ineligible for the CDI Funds or Matching Funds. These costs should be reported as Leverage on the Performance Reports.

(b) Use the CDI Funds and Matching Funds for Eligible Project Costs, incurred between the Project Start Date and Project End Date. Eligible Project Costs include construction.

(c) Not use the CDI Funds for any Ineligible Costs.

(d) Secure Matching Funds from non-WEDC sources equal to at least seventy-five percent (75%) of the Eligible Project Costs to achieve the 3:1 match requirement of the CDI Funds under this Agreement. Matching funds must equal at least Seven Hundred Fifty Thousand dollars (\$750,000) in order for the Recipient to obtain the maximum amount of the CDI Funds, and must be documented prior to the final disbursement.

(e) Provide acknowledgement of WEDC's participation in the Project in any signage at the Project Location and any planning and feasibility documents related to the Project.

(f) Provide reports to WEDC as further described in Paragraph 5 of this Agreement, in such form as required by WEDC, a sample of which is attached to this Agreement as Exhibit B.

4. Release of Funds. WEDC will release the CDI Funds contemplated by this Agreement to the Recipient on a disbursement basis. The Recipient may request the CDI Funds in one (1) or more disbursements and each disbursement will be contingent on the following:

(a) The Recipient submitting to WEDC a request for disbursement of funds in such form as required by WEDC, a sample of which is attached to this Agreement as Exhibit A.

(b) The Recipient submitting to WEDC a report detailing the dollar amount and purpose of the Eligible Project Costs included in the request for disbursement as well as the dollar amount and purpose of each expenditure that the Recipient has contributed to the Project since the date of the previous disbursement of CDI Funds.

(c) The Recipient submitting to WEDC documentation of the Eligible Project Costs incurred against the CDI Funds, and the Recipient submitting to WEDC documentation of the Eligible Project Costs incurred against the Matching Funds, in an amount that is 3:1 of the CDI Funds being requested. Such documentation may include, but not be limited to, purchase orders or invoices.

(d) The Recipient being in compliance with this Agreement, and with any other agreements by and between the Recipient and WEDC.

(e) The Recipient requesting all CDI Funds no later than March 31, 2020.

5. Reporting. The Recipient shall provide reports to WEDC subject to the following requirements:

(a) Semi-annual performance reports in such form as required by WEDC, a sample of which is attached to this Agreement as Exhibit B (the "Semi-Annual Performance Reports"), which shall include a financial overview and narrative summary on the progress of the Project to date, as well as the following metrics, specific to the Project:

- (i) Job creation;
- (ii) Job retention;
- (iii) Leveraged investment;
- (iv) Increase in tax base as demonstrated by changes in assessments;

(b) **Schedule of Reporting:**

PERIOD COVERED	DOCUMENTATION	DUE DATE
See Paragraph 6 Below	Schedule of Expenditures	See Paragraph 6 Below
02/02/2017-06/30/2017	Semi-Annual Performance Report	07/31/2017
07/01/2017-12/31/2017	Semi-Annual Performance Report	01/31/2018
01/01/2018-06/30/2018	Semi-Annual Performance Report	07/31/2018
07/01/2018-12/31/2018	Semi-Annual Performance Report	01/31/2019
01/01/2019-06/30/2019	Semi-Annual Performance Report	07/31/2019
07/01/2019-12/31/2019	Semi-Annual Performance Report	01/31/2020

6. **Schedule of Expenditures.** Consistent with Wis. Stat. § 238.03(3)(a), the Recipient must submit to WEDC, within 120 days after the end of the Recipient's fiscal year in which any grant or loan funds were expended, a schedule of expenditures of the grant or loan funds, including expenditures of any matching cash or in-kind match, signed by the director or principal officer of the recipient to attest to the accuracy of the schedule of expenditures. The Recipient shall engage an independent certified public accountant to perform procedures, approved by WEDC and consistent with applicable professional standards of the American Institute of Certified Public Accountants, to determine whether the grant or loan funds and any matching cash or in-kind match were expended in accordance with the grant or loan contract. The Recipient must make available for inspection the documents supporting the schedule of expenditures.

7. **Event of Default.** The occurrence of any one or more of the following events shall constitute an "Event of Default" for the purposes of this Agreement:

(a) The Recipient ceases the Project within five (5) years of the Effective Date of this Agreement and commences substantially the same economic activity outside of Wisconsin.

(b) The Recipient supplies false or misleading information to WEDC in connection with this Agreement, without providing a satisfactory explanation, in WEDC's sole discretion, for the noncompliance.

(c) The Recipient fails to comply with or perform, in any material respect, any of its obligations under this Agreement, without providing a satisfactory explanation, in WEDC's sole discretion, for the noncompliance.

8. Remedies in Event of Default.

(a) Upon the occurrence of any Event of Default, WEDC shall send a written notice of default to the Recipient, setting forth with reasonable specificity the nature of the default. If the Recipient fails to cure any such Event of Default to the reasonable satisfaction of WEDC within thirty (30) calendar days, WEDC may extend the cure period if WEDC determines, in its sole discretion, that the Recipient has begun to cure the Event of Default and diligently pursues such cure, or, without further written notice to the Recipient, declare the Recipient in default. The cure period shall in no event be extended more than ninety (90) days. In the Event of Default, WEDC shall terminate the Agreement and recover from the Recipient:

(i) One Hundred percent (100%) of the funds disbursed to the Recipient under this Agreement;

(ii) All court costs and attorneys' fees incurred by WEDC in terminating this Agreement and recovering the amounts owed by the Recipient under this provision; and

(iii) A financial penalty of up to one percent (1%) of the CDI Funds.

(b) These amounts shall be paid to WEDC within thirty (30) calendar days of demand by WEDC hereunder. If the Recipient fails to pay these amounts to WEDC as and when due, the Recipient will be liable for the full unpaid balance plus interest at the annual rate of up to twelve percent (12%) from the date of the notice of Event of Default.

(c) Upon an Event of Default, WEDC shall, without further notice, withhold remaining disbursements of the CDI Funds.

9. Recipient's Warranties and Representations. In addition to the other provisions of this Agreement, the Recipient hereby warrants and represents to the best of its knowledge that as of the date of this Agreement:

(a) The Recipient is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it, the violation of which would have a material, adverse effect on the Recipient's ability to perform its obligations under this Agreement.

(b) The undersigned officer of the Recipient is fully authorized to execute and deliver this Agreement on behalf of the Recipient.

(c) In making these warranties and representations, the Recipient has not relied on any information furnished by WEDC.

(d) The Recipient's warranties and representations herein are true and accurate as of the Effective Date of this Agreement, and shall survive the execution thereof.

10. Wisconsin Public Records Law and Confidential Documents. The Recipient understands that this Agreement and other materials submitted to WEDC may constitute public records subject to disclosure under Wisconsin's Public Records Law, Wis. Stats. §§ 19.31-.39, and any successor statutes and regulations (the "Public Records Law").

11. Additional Requirements.

(a) **Project Records.** The Recipient shall prepare, keep and maintain such records as may be reasonably required by WEDC to validate the Recipient's performance under this Agreement, whether created by the Recipient or by a third party conducting Project-related activities on behalf of the Recipient, and the performance reports provided to WEDC.

(b) **Inspection.**

(i) WEDC and its respective agents, shall, upon 48 hours' advance written notice to the Recipient, have the right to enter the Recipient's premises, during normal business hours, to inspect the Recipient's operations documentation relating to this Agreement, provided, however, that such access does not unreasonably disrupt the normal operations of the Recipient.

(ii) The Recipient shall produce for WEDC's inspection, examination, auditing and copying, upon reasonable advance notice, any and all records which relate to this Agreement, whether held by the Recipient or by a third party conducting Project-related activities on behalf of the Recipient.

(iii) WEDC reserves the right to conduct a physical site visit of the Project during the term of this Agreement.

(c) **Nondiscrimination in Employment.** Consistent with Wis. Stat. § 16.765, as the same may be renumbered or amended from time to time: In connection with the performance of work under this contract, Recipient agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in Wis. Stat. § 51.01(5), sexual orientation or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, Recipient further agrees to take affirmative action to ensure equal employment opportunities. Recipient agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.

(d) **Consolidation or Merger.** During the term of this Agreement, the Recipient shall provide written notice to WEDC of any consolidation or merger with or into any other unrelated corporation or business entity.

(e) **Public Announcement.** The Recipient agrees to work with WEDC in making a public announcement of this Agreement.

12. Conflicts. In the event of any conflict between the provisions of this Agreement and any accompanying documents, the terms of this Agreement control.

13. Choice of Law. THIS AGREEMENT AND ALL MATTERS RELATING TO IT OR ARISING FROM IT – WHETHER SOUNDING IN CONTRACT LAW OR OTHERWISE – SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED PURSUANT TO, THE LAWS OF THE STATE OF WISCONSIN.

14. Venue, Jurisdiction. Any judicial action relating to the construction, interpretation, or enforcement of this Agreement, or the recovery of any principal, accrued interest, court costs, attorney's fees and other amounts owed hereunder, shall be brought and venued in the U.S. District Court for the Western District of Wisconsin or the Dane County Circuit Court in Madison, Wisconsin. EACH PARTY HEREBY CONSENTS AND AGREES TO JURISDICTION IN THOSE WISCONSIN COURTS, AND WAIVES ANY DEFENSES OR OBJECTIONS THAT IT MAY HAVE ON PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS.

15. Waiver of Right to Jury Trial. EACH PARTY WAIVES ITS RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY JUDICIAL ACTION OR PROCEEDING THAT MAY ARISE BY AND BETWEEN WEDC AND THE RECIPIENT CONCERNING OR RELATING TO THE CONSTRUCTION, INTERPRETATION OR ENFORCEMENT OF THIS AGREEMENT, OR THE RECOVERY OF ANY PRINCIPAL, ACCRUED INTEREST, COURT COSTS, ATTORNEYS' FEES AND OTHER AMOUNTS THAT MAY BE OWED BY THE RECIPIENT HEREUNDER. THIS JURY TRIAL WAIVER CONSTITUTES A SUBSTANTIAL CONSIDERATION FOR AND INDUCEMENT TO THE PARTIES TO ENTER INTO THIS AGREEMENT.

- 16. LIMITATION OF LIABILITY. RECIPIENT HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER FROM WEDC ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL, OR DAMAGES OF ANY OTHER NATURE OTHER THAN ACTUAL DAMAGES INCURRED OR SUFFERED BY RECIPIENT.**
- 17. Severability.** The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions, which shall remain in full force and effect to govern the parties' relationship.
- 18. WEDC Not a Joint Venturer or Partner.** WEDC shall not, under any circumstances, be considered or represented to be a partner or joint venturer of the Recipient or any beneficiary thereof.
- 19. Captions.** The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms and conditions set forth herein.
- 20. No Waiver.** No failure or delay on the part of WEDC in exercising any power or right under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any such power or right preclude any other exercise of any other power or right.
- 21. Entire Agreement.** This Agreement embodies the entire agreement of the parties concerning WEDC's and the Recipient's obligations related to the subject of this Agreement. This Agreement may not be amended, modified or altered except in writing signed by the Recipient and WEDC. This Agreement supersedes all prior agreements and understandings between the parties related to the subject matter of this agreement.

IN WITNESS WHEREOF, WEDC and the Recipient have executed and delivered this Agreement effective the date set forth next to WEDC's signature below.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

By: Mark R. Hogan 4/11/17
Mark R. Hogan Date
Secretary & CEO

CITY OF MILWAUKEE

By: Rocky Marcoux 4/4/17
Rocky Marcoux, Date
Commissioner

Notices to the Recipient hereunder shall be effective upon mailing by first class mail, postage prepaid, and addressed to the following person and address or such other person and address as the Recipient may designate in writing:

City of Milwaukee
809 North Broadway
Milwaukee, Wisconsin 53202
Attn: Rocky Marcoux

Notices to WEDC hereunder shall be effective upon mailing by first class mail, postage prepaid, and addressed as follows:

Wisconsin Economic Development Corporation
Division of Credit & Risk
P.O. Box 1687
Madison, WI 53701
Attn: Community Development Investment
Contract # CDI FY17-23663

**EXHIBIT A
REQUEST FOR WEDC PAYMENT**

Award Number: CDI FY17-23663	Rep:	Recipient: City of Milwaukee
FEIN #	Request Number:	
Program: Community Development Investment	Award Type: Grant	
Funding Period Covered by this Request From: _____ To _____		

PROJECT EXPENSES INCURRED/PAID DURING THIS PERIOD (see attachment)

Budget Code	Description Line Item	WEDC Funding This Period	+	Match/Leverage (if applicable)	=	Total This Period
0200	Construction					
TOTAL:						

PAYMENT/PROJECT EXPENSE/MATCH DESCRIPTION - Reimbursement

Prior to the release of funds, the following requirements must be met (to be initiated by WEDC staff):

- The Recipient submitting to WEDC a report detailing the dollar amount and purpose of the Eligible Project Costs included in the request for disbursement as well as the dollar amount and purpose of each expenditure that the Recipient has contributed to the Project since the date of the previous disbursement of CDI Funds. _____
- The Recipient submitting to WEDC documentation of the Eligible Project Costs incurred against the CDI Funds, and the Recipient submitting to WEDC documentation of the Eligible Project Costs incurred against the Matching Funds, in an amount that is 3:1 of the CDI Funds being requested. Such documentation may include, but not be limited to, purchase orders or invoices. _____
- The Recipient being in compliance with this Agreement, and with any other agreements by and between the Recipient and WEDC. _____
- The Recipient requesting all CDI Funds no later than March 31, 2020. _____

I hereby certify that the expenses reported on this form are in accordance with the terms of the agreement and that complete and accurate records are being kept to substantiate such expenses.	
_____	_____
Authorized Recipient Signature	Date

WEDC Underwriter

Date

WEDC Controller or Finance Department

Date

Retain a copy of the completed form for your records and email a copy of the original and documentation to: disbursements@wedc.org. The hard copy maybe required to be send upon request.

EXHIBIT B

Sample Project Performance Report

(SAMPLE ONLY- You will be sent a report to complete 30 days before the due date)

PLEASE RETURN YOUR COMPLETED REPORT AND REQUIRED SUPPORTING DOCUMENTATION

TO:

reporting@wedc.org

PROJECT INFORMATION		
CONTRACT #: AWARDEE: PROJECT SITE:	REPORTING DESIGNEE: Email:	REPORTING PERIOD:
PROJECT FUNDING	Planned	Actual
TOTAL PROJECT BUDGET		
Awardee Direct Expenditures	please enter → amounts	\$
Other Privately Funded Expenditures (investors, financial institutions)		\$
Other Publicly Funded Expenditures (state, federal, other public aid)		\$
TOTAL PROJECT EXPENDITURES		\$
WEDC Funds Utilized		

SUMMARY OF PROGRESS
Provide a comprehensive summary of project activities that have been accomplished as of the end of the reporting period. Please describe any progress towards project deliverables, as well as any factors that may have had an adverse effect on the project or slowed progress on expected performance. Briefly address project plans for the coming year including what steps will be taken to ensure performance within agreed-upon timelines. Attach additional pages if needed.
Percentage Completion of Project: _____%
What project activities have been completed as of the end of the reporting period, and which would not have occurred if not for WEDC assistance?
What contract deliverables were completed during the reporting period? (Please provide an explanation for any deliverables that were not met)
What actions are being taken within the next year to ensure contractual performance?

GENERAL CERTIFICATIONS
No WEDC funds were utilized to outsource jobs from the state of Wisconsin.
<input type="checkbox"/> Agree <input type="checkbox"/> Disagree (attach an explanation) Position Openings were posted with the Wisconsin Department of Workforce Development, Job Service and/or

PRINCIPAL/PROJECT DIRECTOR AFFIDAVIT				
As the authorized representative for this project, I hereby attest and certify that the information provided in this report is true and correct to the best of my knowledge.				
<table border="0"> <tr> <td>_____ (SIGNATURE)</td> <td>rptid:</td> </tr> <tr> <td>_____ (PRINT NAME)</td> <td>_____ (EMAIL ADDRESS)</td> </tr> </table>	_____ (SIGNATURE)	rptid:	_____ (PRINT NAME)	_____ (EMAIL ADDRESS)
_____ (SIGNATURE)	rptid:			
_____ (PRINT NAME)	_____ (EMAIL ADDRESS)			
WEDC Review				

