

COOPERATION AGREEMENT
North Avenue Economic Development Fund
Tax Incremental District No. 40

THIS AGREEMENT is made and entered into as of the ____ day of _____, 2005 by and between the City of Milwaukee, a Wisconsin municipal corporation organized under the laws of the State of Wisconsin (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, RACM authorized execution of this Agreement by Resolution No. _____ adopted _____, 2005; and

WHEREAS, Common Council Resolution File No. _____ authorizes the execution of this Agreement and the funding of a grant to RACM to support a loan and grant program in accordance with the conditions attached as Exhibit A;

NOW, THEREFORE, the parties hereto mutually agree as follows:

Article I
RACM Activities

- A. Under this Agreement, RACM shall administer the North Avenue Economic Development Fund (the "Fund") within the boundaries of TID No. 40, consistent with the program guidelines included in Exhibit A (the "Façade Grant/Loan Program").
- B. RACM shall process applications to the Fund including a review of the applicants' eligibility, an evaluation of the quality of the application, and the consistency of the proposed use of funds to the program guidelines.
- C. RACM shall authorize façade grant and business loan awards on a case-by-case basis provided there are sufficient dollars in the Fund, and consistent with the terms and conditions of this Cooperation Agreement.
- D. RACM shall prepare Development Agreements for each recipient of Fund dollars.
- E. RACM shall disburse dollars for each Development Agreement it approves in a manner that insures resources are used consistent with Program guidelines and the intended use of TID dollars.
- F. If RACM determines that a recipient has breached any terms of any Development Agreement, RACM will notify the recipient of such breach and shall take such further action as necessary consistent with the terms of the Agreement. Any funds returned to RACM from a breach, or any repayment, shall be returned to the Fund net RACM out-of-pocket expenses.
- G. RACM shall work with Business Improvement District No. 38, and other such partners that may become identified, to market the Fund's availability.

Article II
City Activities

- A. The City shall make available to RACM such funds as are available through the borrowing authorized by TID No. 40, as approved by the Common Council on September 6, 2000 by Resolution No. 000429
- B. The City shall cooperate with RACM in the implementation of TID activities.
- C. The City Comptroller shall review and approve the accounting and financial reporting systems necessary to administer the Fund.
- D. The City Comptroller shall, from time to time as in the City Comptroller's sole judgment is appropriate, review the receipts and expenditures of RACM, or of management operations in relation to the Façade Grant/Loan Program. The City Comptroller shall have full power to conduct an audit or to have such an audit conducted as is necessary in the City Comptroller's sole judgment to provide a full accounting to the City. The results of such audits shall be reported to the Common Council.

Article III
General Provisions

This Agreement shall commence on the date of execution and delivery hereof and shall terminate in two years. The time of performance may be extended or modified upon mutual consent of the parties. In the event of termination, RACM shall be obligated to complete its responsibilities and maintain all records and monitoring obligations with respect to any grant issued in accordance with the terms of this Agreement.

For the City	The Honorable Tom Barrett, Mayor Ronald D. Leonhardt, City Clerk City of Milwaukee 200 E. Wells Street Milwaukee, WI 53202
For RACM:	Mr. Ken Johnson, Chair Mr. Joel Brennan, Assistant Director-Secretary Redevelopment Authority of the City of Milwaukee 809 N. Broadway, PO Box 324 Milwaukee, Wisconsin 53201

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representative as of the day, month and year written above.

City of Milwaukee

By: _____
Tom Barrett, Mayor

By: _____
Ronald D. Leonhardt, City Clerk

Countersigned:

By: _____
W. Martin Morics, City Comptroller

Redevelopment Authority of the City of Milwaukee

By: _____
Ken Johnson, Chairman

By: _____
Joel T. Brennan,
Assistant Executive Director-Secretary

Approved as to form and execution this
____ day of _____, 2005,

Assistant City Attorney

Exhibit A

Administration of the North Avenue Economic Development Fund

The North Avenue Economic Development Fund (NAEDF, "the Fund") provides incentives to development projects that are located within Tax Incremental District (TID) No. 40. The TID is along West North Avenue between the Canadian Pacific railway on the east and North Sherman Boulevard on the west. The Fund's purpose is to increase the district's tax base and create new jobs by financing business development loans and façade grants. Grantees are reimbursed for eligible pre-approved fund-related expenses. Funds are not disbursed until all conditions of the Grant Agreement have been fulfilled.

Eligible Applicants: For profit and not-for-profit developers and/or retail and commercial businesses and property owners are eligible.

Eligible Activities: The North Avenue Economic Development Fund can assist with:

- Site acquisition
- Predevelopment activities (architectural, legal, survey, accounting, marketing)
- Environmental remediation
- New construction and rehabilitation
- Brownfield cleanup including Phase I and Phase II environmental site assessments.
- Hard costs of construction/rehabilitation.

Ineligible Activities: Unless approved on an exception basis:

- Home-based businesses
- Educational uses such as day care centers and charter schools
- Currency exchanges, check-cashing agencies and non-bank financial retail outlets
- Taverns, tattoo parlors, liquor stores, gun shops, and pawnshops.
- The Redevelopment Authority (RACM) and the Common Council reserve the right to exclude other activities that, in their opinion, do not benefit the community and/or do not meet the objectives of this fund.
- Projects that do not add tax base to the TID.

Other Considerations:

- Funds will not be made if the applicant (meaning investors, partners, board members) is (a) delinquent in City of Milwaukee Property Taxes for any owned property, or (b) if there are unabated Building Inspection or Health Department Orders on the subject property, unless the proposed development will abate the orders, or (c) if the applicant has been convicted of unabated code violations for a property located in City of Milwaukee.
- Appraisals (or related documentation) that demonstrating an increase in the real estate and personal property (if appropriate) values are required.
- The amount of funding is based on a "but for" analysis.
- Minimum funding availability is \$5,000.
- The applicant shall provide detailed evidence of at least a one-for-one match in the form of expenses for vendor/contractor invoices, lien waivers, copies of cancelled checks, and other documentation that may be required by Department of City Development (DCD) staff.
- Applicant is eligible for one open loan/grant at a time; business and construction must be complete before submitting another application.

Approvals:

The RACM Board and the Common Council will approve loans and grants on a case-by-case basis, using the following criteria:

- Number of jobs the proposed redevelopment will create.
- Growth of the tax base.
- Blight removal.
- Quality of construction/rehab including the exterior appearance of the improvements.
- Economic feasibility.
- Quality of the business plan
- Applicant's prior experience.

Rescission:

Applicants acknowledge:

- Construction/project completion must be within 12 months of RACM and Common Council approval.
- RACM reserves the right to rescind a commitment if the project completion deadline passes or if, in the opinion of the Assistant Executive Director/Secretary, the applicant will not complete the project in a timely fashion.

Development Agreements:

The applicant will enter into a Development Agreement with RACM. The Development Agreement will outline the terms and conditions for release of monies from the Fund.

Design Review:

The Redevelopment Authority and DCD reserve the right to make funds contingent on approval of exterior building facades, the site plan, and other architectural features.

Project Start-up and Cost Eligibility:

Unless approved by the Commissioner of DCD or the Assistant Executive Director/Secretary of RACM, eligible match dollars cannot be spent prior to submittal of an application. On an exception basis, DCD may accept a letter of intent to apply, but it must provide sufficient detail to enable a preliminary determination of project eligibility. All costs incurred by the applicant prior to the receipt of a fully executed grant contract are incurred at the risk of the applicant.

Applicant Responsibilities During Grant Period:

- Complete and submit to DCD job verification forms for each job created.
- Submit to DCD all agreed upon progress reports.
- Submit to DCD all required evidence of project implementation as described in the grant contract.