

Term Sheet

TID No. 44

Project: Creation of a Neighborhood Improvement Fund to provide resources for residential new construction and rehabilitation in the Lindsay Heights Neighborhood, bounded by West Locust Street, North 12th Street, West Walnut Street, and North 20th Street. The TID will be part of a comprehensive redevelopment effort in the neighborhood that involves the efforts and resources of the City of Milwaukee (“City”), the Wisconsin Housing and Economic Development Authority, Local Initiatives Support Corporation (“LISC”), local lenders, community based **organizations, neighborhood stakeholders and residents.**

Project Budget: Project Budget of \$1,725,000 per the TID No. 44 Project Plan.

Implementation: Grants from the fund and activities under the project will be administered by local non-profit intermediaries, including the Neighborhood Improvement Development Corporation and the YMCA Community Development Corporation.

Financier: LISC, a New York nonstock, nonprofit corporation

Financier Commitment: Financier will advance all money for the Project, using funds provided by the local banks. LISC will arrange for financial participation of local banks and will guarantee the repayment of 25 percent of each bank’s financial participation. Financier will also provide an Annual Report for the Project, including any recommendations to further redevelopment goals.

City Contribution: The City Contribution will consist of a limited and conditional Monetary Obligation to repay an amount equal to the grants made, in the maximum amount of \$1,725,000, plus interest at the Interest Rate. Payments are to be made annually but only in an amount equal to the tax increments actually received by the City from TID No. 44. Tax increments will not be pledged to the payment of the Monetary Obligation, and the Monetary Obligation shall not constitute a general obligation of the City or count against its statutory debt limits.

**Interest
Rate:**

The Interest Rate to be paid on the Monetary Obligation shall be one percentage point below the net interest cost, as determined from interest rates prevailing in the market as of a date no later than the date the first disbursement of the City Contribution is made, for taxable municipal revenue bonds having substantially equal payments of principal plus interest over 15 years, and rated AA by Standard and Poor's Corp.

Disbursing:

The City Contribution advanced by the Financier constitutes the entirety of the Project and will be disbursed as grants are approved by local intermediaries.

**Financial
Statements:**

The City shall annually conduct an audit of TID No. 44.

**Maximum
Term of
TIF District:**

The maximum term of TID No. 44 shall be December 31, 2023, at which time any unpaid principal and interest on the Monetary Obligation shall be extinguished. Any tax incremental revenue received from 2023 levy for the 2024 City budget, shall be applied to the Monetary Obligation, if due. The City may not otherwise terminate the District, unless the Monetary Obligation is paid in full or a Material Disturbance exists, as provided below.

**Material
Disturbance:**

If the Annual Report is not delivered on a timely basis, the Common Council may adopt a resolution terminating any future payments on the Monetary Obligation.

General:

This Term Sheet does not constitute an agreement with Financier. The terms set forth herein, and other provisions customary for a transaction of this sort, shall be incorporated in a Cooperation, Contribution, and Redevelopment Agreement for TID No. 44 to be entered into between the Financier, the City, and the Redevelopment Authority.