

GRANT AGREEMENT

THIS GRANT AGREEMENT (“Agreement”) is entered into as of _____, 2014, by and between the City of Milwaukee, Wisconsin, a Wisconsin municipal corporation (“City”) and the Redevelopment Authority of the City of Milwaukee (“RACM”).

WITNESSETH THAT:

WHEREAS, City and RACM have created Tax Incremental District No. 42 (Capitol Court/Midtown) (“District”) with the adoption of their respective resolutions No. 000806, No. 010319, No. 120347, No. 130071 and No. 10409, and No. 10427. The District contains approximately 2,457,081 square feet (56.4 acres) generally bounded by West Capitol Drive, North 60th Street, West Fond du Lac Avenue, and North 55th Street. The District is a redevelopment of the former Capitol Court Mall into the current Midtown Center; and

WHEREAS, Funding provided by Amendment No. 2 to the Project Plan totals \$3,300,000 to assist with the cost associated with stimulating occupancy in the District, specifically assisting with the costs to re-tenant vacant in-line commercial space, tenant improvements for expansion into the District, and redevelopment of the vacant Lowe’s site. Economic development funds for grants or loans were approved in the form of a Tenant Improvement Master Fund and Economic Development Master Fund for these purposes; and

WHEREAS, One of the projects proposed in the District, and recommended for assistance is the renovation of a vacant 25,000 square foot space (Unit 22) at 5730 West Capitol Drive into a Planet Fitness exercise facility (“Tenant”); and

WHEREAS, renovations for this space are estimated to cost \$521,102, of which City and RACM will provide \$200,000, and include all work shown in the Budget Summary attached to this Agreement; and

WHEREAS, the Common Council adopted Resolution File No. _____ and RACM adopted Resolution No. _____ authorizing the execution of this Agreement and the funding of a grant to Tenant on terms set forth in the Term Sheet attached as **Exhibit “A”**;

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

1. Grant to Tenant. City agrees to provide up to \$200,000 to RACM for the purposes of providing a Grant to the Tenant on Terms set forth in Exhibit A, hereto.

2. Establishment of Fund Account. Funding for the Grant shall be provided from TID 42 Account No. TD04280000. The City Comptroller shall establish such funds and accounts in TID 42 as necessary to accomplish the transaction contemplated herein.

3. Administration of the Fund Account. The City Comptroller shall review and approve the accounting and financial reporting systems necessary to administer the Grant Account.

4. Verification by Comptroller. The City Comptroller shall, from time to time as in the Comptroller's judgment is appropriate, review the receipts and expenditures of RACM, or of management operations in relation to the Grant. The Comptroller shall have full power to conduct an audit or to have such an audit conducted as is necessary in the Comptroller's judgment to provide a full accounting to the City. The results of such audit shall be reported to the Common Council.

IN WITNESS WHEREOF, The parties have executed this Agreement the day and year as hereinafter set forth.

CITY OF MILWAUKEE

REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE

Tom Barrett, Mayor

By: _____
William Schwartz, Chair

Date: _____

Date: _____

City Clerk

By: _____
Rocky Marcoux, Exec. Dir.

Date: _____

Date: _____

COUNTERSIGNED:

City Comptroller

Date: _____

Approved as to form, execution, and
content this ____ day of _____, 2014.

Assistant City Attorney

EXHIBIT A

Term Sheet for Grant for

Planet Fitness - 5730 West Capitol Drive (Unit 22)

- **Project:** The “Project” consists of renovations to the property at 5730 West Capitol Drive (Unit 22), for the purposes of establishing a Planet Fitness location.
- **Owner:** Mid Milk Improvements, LLC
- **Tenant:** The Tenant is PF of Milwaukee Midtown LLC, Timothy Lennon, 425 W. Water Street Suite 275, Appleton, WI 54911 registered agent. Tenant shall enter into a lease with a term of not less than five years, which terms and conditions shall be subject to the approval of City’s Commissioner of City Development.
- **Project Budget:** The estimated cost of the Project is \$521,102 as set forth in the attached Budget Summary.
- **City / RACM Funding:** The City will provide up to \$200,000 to the Redevelopment Authority of the City of Milwaukee (“RACM”) from Tax Incremental District Bond Account No. TD04280000 for the purposes of providing a Grant for Project. City funding shall not exceed 40% of buildout costs, and shall be a reimbursement, whereby all expenditures shall be incurred by landlord/tenant, with reimbursement from RACM occurring after receipt of all invoices, cancelled checks, a W-9, and any other documentation necessary to verify payments.
- **Additional Funding:** Owner and Tenant shall provide the balance of project funding, in the amount of \$321,102.
- **Recapture:** Funding for the Project shall be subject to recapture if at any time during the five year period following completion of the Project, the Project is sold, or otherwise conveyed, and is operated as something other than a fitness location unless such operation is approved by the City. In such event, the amount of recapture will be prorated based on the remaining number of years of the five-year recapture period.
- **Other Provisions.** This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort shall be incorporated into one or more agreements including the Development Agreement between the City, RACM, and Owner.

Budget Summary	
5730 West Capitol Drive / Planet Fitness	
Tax Increment District No. 42 (Capitol Court/Midtown)	
<i>Use of Funds</i>	
General Conditions	\$37,175.00
Demolition – includes vct at tile/conc rmvi	\$29,220.00
Concrete	\$2,500.00
Steel – cable railing	\$2,350.00
FRP-Marlite	\$5,172.96
Millwork	\$29,150.00
Carpentry – Materials/Labor	\$3,274.00
Roofing Allowance	\$1,500.00
Doors/Frames/Hardware - Materials	\$12,777.00
Doors/Frames/Hardware - Labor	\$2,000.00
Mirrors	\$4,806.00
Studs/Drywall	\$75,094.00
Acoustical Ceiling	\$7,195.00
Painting	\$22,998.00
Toilet Partitions	\$5,659.00
Toilet Accessories	\$2,728.00
Accessories-Labor(partitions, lockers, access)	\$5,700.00
Hand Dryers	\$1,848.00
Lit Vanity Mirrors	\$2,000.00
Fire Extinguishers	\$483.00
Sprinklers	\$22,517.00
Plumbing	\$49,297.00
HVAC	\$65,892.00
Electrical	\$94,400.00
Overhead and Profit	\$34,090.82
General Liability	\$1,275.00
Allowance - replace existing duct sensors	\$1,275.75
TOTAL	\$521,102.53

Source: Premier Construction Group. est. of August 13, 2014