

TERM SHEET

File No. 160430

Grant and Loan to BID No. 32 to finance facade and site improvements at 2322 West Oak Street

Project

The redevelopment and re-occupancy of the former Lena's grocery store, 2322 West Oak Street.

Proposed Improvements

Redevelop the facade, interior and site of the vacant grocery store at 2322 West Oak Street for operation of a Save-A-Lot (the "Operator") full-service grocery store.

City Financing

The City of Milwaukee ("City") will provide up to \$200,000 in total financial assistance to the project. The City shall make a loan, not to exceed \$100,000, to BID No. 32; the loan shall bear interest at a rate of 3.75 percent and have a term of 20 years. In addition to the loan, the City shall make a grant, not to exceed \$100,000, to BID No. 32.

Adjustment to BID No. 32 Operating Plan

Beginning in 2017 until the City loan is fully repaid, the BID No. 32 operating plan and budget shall include repayment of the City loan.

Disbursement of City Funds

Following execution of a Development Agreement, the parties anticipate that BID No. 32 will loan the City funds to the Operator of the Save-A-Lot store to finance improvements to the building facade, interior and site. The City must approve the terms and conditions of the loan, including, but not limited to, a restriction that the City funds shall be used only for facade and site improvements.

The City will deposit the City funds with an escrow agent for disbursement pursuant to an Escrow Disbursing Agreement. Prior to disbursement, Save-A-Lot must obtain design approval by the Department of City Development.

Use of Small Business Enterprises

As a condition of the BID's loan to the Operator, the Operator will be required to comply with the City's Small Business Enterprise (SBE) policy. The Operator will be required to make good faith efforts for SBE participation that is at least 25 percent of project construction hard costs. The Operator shall execute an SBE agreement with the City prior to disbursement of any City funds.