

Document Number	Document Title
PILOT Agreement	PILOT Agreement

Recording Area
Name and Return Address
Thomas O. Gartner
Assistant City Attorney
200 East Wells Street #800
Milwaukee, WI 53202

509-0022-000
Parcel Identification Number (PIN)

PILOT AGREEMENT

(2997 South 20th Street – Wisconsin Hispanic Scholarship Foundation Project)

OWNER: Wisconsin Hispanic Scholarship Foundation, Inc.

PROPERTY ADDRESS: 2997 South 20th Street
Milwaukee, Wisconsin

PROPERTY PARCEL IDENTIFICATION NO.: 509-0022-000

This AGREEMENT for payments in lieu of taxes (“PILOT Payments”) is made by and among the Wisconsin Hispanic Scholarship Foundation, Inc., a Wisconsin nonstock corporation, (“TAX-EXEMPT”), the City of Milwaukee, a Wisconsin municipal corporation (“CITY”), and the Milwaukee Board of School Directors (“MPS”) as of the 1st day of January, 2013.

WITNESSETH

WHEREAS, TAX-EXEMPT owns the real property which is legally described in Exhibit A attached hereto (the “PROPERTY”); and

WHEREAS, TAX-EXEMPT acquired the PROPERTY from CITY and MPS subject to a Deed Restriction, recorded with the Milwaukee County Register of Deeds on July 31, 2009 as Document No. 09772647, which required TAX-EXEMPT to commence and complete the construction of the Proposed Improvements, as described therein, and to use the PROPERTY in a manner consistent with the mandate and authority of MPS and not for Competing Uses, also as described therein; and

WHEREAS, TAX-EXEMPT has completed the Proposed Improvements and currently occupies and uses the Property for the educational, economic development, administrative, human and social development, cultural and tourism programs and services (“PROPERTY Uses”) described on EXHIBIT “B”; and

WHEREAS, the parties acknowledge that the PROPERTY Uses undertaken by TAX-EXEMPT on the PROPERTY benefit the Milwaukee Community, are consistent with the mandate and authority of MPS and do not constitute “Competing Uses” as described in the Deed Restriction; and

WHEREAS, CITY has determined that, under TAX-EXEMPT'S current ownership, occupancy and usage, the PROPERTY may qualify for real property tax exemptions under Chapter 70, Wis. Stats.; and

WHEREAS, TAX-EXEMPT recognizes that, notwithstanding the property tax status of the PROPERTY, valuable government services and benefits will be provided to it and the PROPERTY, which services and benefits directly or indirectly relate to the public health, safety and welfare, and which include, but are not limited to fire and police protection, paved streets and sidewalks, street lights and snow removal; and

WHEREAS, TAX-EXEMPT agrees for itself and its successors and assigns to make PILOT Payments to CITY (and, through the City, to MPS) in recognition of such services and benefits.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. INCORPORATION OF WHEREAS CLAUSES.

The parties hereby acknowledge that the above clauses are part of this AGREEMENT.

2. CITY SERVICES.

A. Services Typically Covered by Property Tax.

It is the parties' intent that CITY and MPS will provide public services to TAX-EXEMPT and the PROPERTY subject to the same terms and conditions as apply to properties owned by citizens or the public generally. Such services and benefits include, but are not limited by specific enumeration herein, public education, those typically covered by the property tax such as fire and police protection, and on public streets, snow removal, street and sidewalk

maintenance, and street lighting. Neither CITY nor MPS shall have breached its obligations hereunder if it is prevented from providing benefits and/or services to TAX-EXEMPT or the PROPERTY because of typical *force majeure* reasons (e.g., war, flood, fire, labor dispute, supply shortage, act of God, natural disaster, etc.), because of budgetary constraints, or because any person or entity shall assert a right which prevents delivery of such benefits and/or services.

B. Special Assessments, Special Charges and Fees.

Notwithstanding paragraph 2.A., or property tax status of the PROPERTY, TAX-EXEMPT understands that it may be subject to special charges, and special taxes as defined in §74.01, Wis. Stats. (and as also referred to in Ch. 66, Wis. Stats.) and fees charged by CITY in the same manner that such special assessments, special charges, special taxes, and fees are charged for similar services and/or undertakings to commercial buildings within CITY. This provision shall not affect CITY's powers, consistent with the law, to determine the services and benefits (other than those typically covered by the property tax) that shall be provided to the PROJECT and the PROPERTY and/or similarly situated property pursuant to this paragraph 2B. Nothing contained herein shall preclude TAX-EXEMPT from appealing, as provided by law, the imposition of such special assessments, special charges, special taxes, or fees by CITY.

3. PILOT PAYMENTS.

A. Calculations.

In recognition of those services and benefits covered by paragraph 2.A. of this AGREEMENT, beginning in the year the PROPERTY or any portion thereof becomes exempt, and so long as the PROPERTY or any portion thereof continues to be exempt, in whole or in part, under § 70.11, Wis. Stats., DEVELOPER or its successors and assigns shall pay CITY an annual PILOT Payment for the PROPERTY or the portion thereof which is exempt for each

calendar year. The method to be used in determining the PILOT shall be the Value¹ of the PROPERTY for that tax year, determined as set forth in footnote 1 below, times the Total Property Tax Rate² for the tax year.

B. Payment Due Date.

PILOT Payments for the tax year 2013 and subsequent years shall be due and payable (i) in full on or before January 31 of the year following the tax year for which the PILOT Payment was calculated, or (ii) if TAX-EXEMPT elects to pay in installments, according to the following schedule: One-tenth of the PILOT Payment by the last day of each month for the first 10 months in the year following the tax year for which the PILOT Payment was calculated. TAX-EXEMPT shall be deemed to have elected to pay the PILOT Payment in installments by making the first full installment payment on or before January 31 in the respective year in which the PILOT Payment is due.

C. Use of PILOT Payment.

CITY may use and expend PILOT Payments hereunder in such manner and for such purposes as CITY determines; provided, however, that a portion of each PILOT Payment not less than MPS's share of the corresponding tax year levy shall promptly after CITY shall have received the same, be remitted to MPS.

D. Mandatory Payment for Services to Offset PILOT Payment.

¹ "Value" herein means initially \$135,000.00, adjusted annually on January 1st by the CPI Increase. (The Value has been calculated to approximate the value and overall real estate tax paid on TAX-EXEMPT's prior facility at 1220 West Windlake Avenue prior to its incorporation into a housing project undertaken by Mercy Housing Lakefront.) FOR purposes of this Agreement "CPI" means the Consumer Price Index for All Urban Consumers (U.S. City Average All Items [1982-84 equals 100] published by the Bureau of Labor Statistics of the United States Department of Labor; and "CPI Increase" means the percentage equivalent of the increase in the CPI in effect on January 1st of a given year over the CPI in effect on January 1st for the immediately preceding year.

² "Total Property Tax Rate" means the net rate for all taxes calculated to include all taxing bodies reflected on City of Milwaukee tax bills from time to time (in 2012, the applicable Total Property Tax rate was \$29.95 per \$1,000 of assessed value).

Notwithstanding anything herein to the contrary, if the State of Wisconsin enacts a mandatory payment for municipal services to be paid by owners of property exempt from general property tax or similarly situated owners of exempt property, PILOT Payments shall be reduced by any such mandatory payment paid by TAX-EXEMPT or its successors or assigns to CITY.

4. EXEMPT STATUS.

CITY has determined that, if TAX-EXEMPT uses the PROPERTY for the purposes described in its preliminary application for exemption, the PROPERTY may qualify for real and personal property tax exemption under Wisconsin law. TAX-EXEMPT understands and acknowledges that: (i) the earliest date that the PROPERTY can qualify for a new tax exemption is January 1, 2013; (ii) under the preamble to § 70.11, Wis. Stats., TAX-EXEMPT must, as a condition to securing an exemption, timely file an exemption application with CITY's Assessor; and (iii) CITY reserves all rights under Wisconsin law to grant or deny TAX-EXEMPT's application for exemption. In the event that CITY grants TAX-EXEMPT's application for exemption, CITY Assessor's Office may review and reconsider the PROPERTY's exempt status under §70.11, Wis. Stats., from time to time with the respective January 1 dates being the reference dates for those exemption reviews.

If for any reason, CITY determines that all or any portion of the PROPERTY does not qualify for exemption from property tax: (i) CITY shall provide written notice of such determination to TAX-EXEMPT no later than May 31 of that year; (ii) no PILOT Payment shall be due under this AGREEMENT with respect to any year for which exemption, in full does not apply; (iii) if a PILOT Payment has been paid for such tax years, CITY shall promptly refund such PILOT Payments or, at the option of CITY, offset such PILOT Payments against any property taxes due on the PROPERTY, in which case CITY will treat such offset as having been

made under protest, and (iv) the PROPERTY, or any portion thereof which does not qualify for exemption, shall be placed on the property tax rolls for that and any subsequent years for an exemption has been determined not to apply. If TAX-EXEMPT disagrees with CITY's determination that the PROPERTY or any part thereof no longer qualifies for tax exemption, TAX-EXEMPT may challenge such determination by following any procedure provided by Wisconsin law.

5. TERM.

A. Termination of AGREEMENT.

This AGREEMENT shall terminate on the soonest of any of the following described dates:

(i) The day before the respective January 1 of the year for which the CITY determines that the PROPERTY no longer qualifies for property tax exemption.

(ii) The effective date of an enactment by the State of Wisconsin of a mandatory payment for municipal services by owners of property exempt from the general property tax or similarly situated owners of exempt property for the type of municipal services covered by this AGREEMENT.

(iii) The effective date of a repeal by the State of Wisconsin of the property tax exemption for the PROPERTY and other similarly situated property.

B. Payments Due and Payable at Termination Survive Termination.

Notwithstanding any termination of this AGREEMENT, TAX-EXEMPT shall continue to be liable to the CITY for all PILOT Payments due and payable under this AGREEMENT until the effective date of termination hereof.

6. DOCUMENTS, INSPECTION, COOPERATION.

TAX-EXEMPT agrees to cooperate with CITY (including, but not limited to, the City Assessor's Office, the City Attorney's Office, and the City Comptroller's Office) with respect to this AGREEMENT by allowing inspections of the PROPERTY upon reasonable written request of CITY and such documents that CITY and TAX-EXEMPT may reasonably agree are relevant to exemption and valuation determinations. Notwithstanding the foregoing, CITY reserves all its rights in law and equity to inspect and to obtain disclosure, documents, inspection, and information.

7. AMENDMENT.

This AGREEMENT may be modified and amended from time to time as CITY, MPS, and TAX-EXEMPT shall mutually agree in writing, executed by all parties.

8. SEVERABILITY; GOVERNING LAW.

If any provision hereof is duly held by a court of competent jurisdiction to be invalid with respect to any circumstance or otherwise, the remainder of this AGREEMENT and/or the application of the AGREEMENT to any other circumstance, shall not be affected thereby. The parties intend that the laws of the State of Wisconsin and ordinances and regulations of CITY shall be the governing law with respect to this AGREEMENT.

9. BINDING EFFECT/NOTICE.

This AGREEMENT shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. Successors and assigns referred to in this AGREEMENT include any owner of the PROPERTY or improvements thereon. TAX-EXEMPT and its successors and assigns shall include a reference to this AGREEMENT in each future conveyance of all or any portion of the PROPERTY in order to give express notice of this AGREEMENT.

10. AUTHORITY.

TAX-EXEMPT represents and warrants to CITY that its representative executing this AGREEMENT have been duly authorized to so execute and to cause TAX-EXEMPT to enter this AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed by duly authorized representatives as of the date and year first written above.

[SIGNATURES BEGIN ON NEXT PAGE]

CITY OF MILWAUKEE,
acting upon request of the Board of School
Directors of Milwaukee Public Schools under
Wis. Stat. § 119.60(2)

Countersigned:

By: _____
MARTIN MATSON, Comptroller

By: _____
TOM BARRETT, Mayor

Attest: _____
JAMES R. OWCZARSKI, City Clerk

**MILWAUKEE BOARD OF
SCHOOL DIRECTORS**

**WISCONSIN HISPANIC SCHOLARSHIP
FOUNDATION, INC.**

By: _____
MICHAEL BONDS, President
Board of School Directors

By: _____
Print Name: _____
Its: _____

Attest: _____
GREGORY THORNTON, Ph.D.
Superintendent

Attest: _____
Print Name: _____
Its: _____

Approved as to form, execution, and content

By: _____
THOMAS O. GARTNER
Assistant City Attorney

[AUTHENTICATIONS AND NOTARY BLOCK ON NEXT PAGE]

Signatures of Tom Barrett, Mayor, James R. Owczarski, City Clerk, and Martin Matson, Comptroller of the City of Milwaukee, authenticated this ___ day of _____, 2013.

THOMAS O. GARTNER
Assistant City Attorney
State Bar No. 1003072

STATE OF WISCONSIN)
) ss:
MILWAUKEE COUNTY)

Personally came before me this _____ day of _____, 2013, Gregory Thornton, Ph.D., Superintendent of Milwaukee Public Schools, to me known to be the persons who executed the foregoing instrument on behalf of the same.

Print Name: _____
Notary Public, State of Wisconsin
My commission [is permanent][expires _____]

STATE OF WISCONSIN)
) ss:
MILWAUKEE COUNTY)

Personally came before me this _____ day of _____, 2013, Michael Bonds, President of the Board of School Directors, to me known to be the persons who executed the foregoing instrument on behalf of the same.

Print Name: _____
Notary Public, State of Wisconsin
My commission [is permanent][expires _____]

STATE OF WISCONSIN)
) ss:
MILWAUKEE COUNTY)

Personally came before me this _____ day of _____, 2013, _____ and _____, the _____ and _____ of _____,

respectively, to me known to be the persons who executed the foregoing instrument on behalf of the same.

Print Name: _____
Notary Public, State of Wisconsin
My commission [is permanent][expires _____]

Prepared by:

Thomas O. Gartner
Assistant City Attorney
State Bar No. 1003072
Milwaukee, Wisconsin

1033-2011-3053:189965

EXHIBIT A

Parcel Identification Numbers: 509-9997-100-5

Legal Description:

Parcel 2 of Certified Survey Map No. 8158, recorded on June 15, 2009, as Document No. 9751861, a Division of lands in the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 7, Township 6 North, Range 22 East, in the City of Milwaukee, Milwaukee County, Wisconsin

EXHIBIT B

Wisconsin Hispanic Scholarship Foundation, Inc. – Mexican Fiesta

Educational Programs:

- Higher education for adults online
- Scholarships
- Public library with literature in Spanish
- GED for youth and adults who want to complete basic education in Spanish
- Teacher exchange program at the elementary and university level
- Technical Career / workshops for youth and adults in Spanish
- Educational Health programs

Other programs developed with support from the Mexican government and WHSF-Mexican Fiesta, which directly benefits the Mexican-American community in S.E. Wisconsin.

Economic Development Programs:

- Economic opportunities for business owners to explore trade opportunities between Wisconsin-Jalisco.
- Marketing, promotion and growth of small and medium commercial traders.
- Development and support of cooperatives
- Training for entrepreneurs in the export of products
- Government programs to support foreign trade through Mexican entrepreneurs interested in exploring foreign markets (Midwest)
- Commercial and cultural Exhibitions at Fiesta Mexicana building
- Commercial exhibitions during the Mexican Fiesta event.
- Trade links between Mexican entrepreneurs and local small businesses.

Administrative services:

- Birth certificates
- Marriage Certificates

Human and Social Development Programs:

- Repatriation assistance services
- Government Programs (3x1, Paisano, etc.)
- Etc.

Cultural Programs:

- Exhibitions craft / pottery
- Craft workshops
- Workshops: Mexican Folklore and Music
- Theatre
- Art Exhibition
- Mexican Cinema
- Exhibition of Mexican Products
- Student Exchange - Mexican Folklore

- Mexican cuisine demonstrations and expositions
- Promotion of Mexican Arts throughout the year

Tourism:

- Mexico Tourism promotion
- Support to the Mexican Hotel Industry in promoting tourism packages during Fiesta Mexicana festival.
- Interviews / Documentaries Mexican tourist spots