

**PROJECT PLAN FOR  
TAX INCREMENTAL FINANCING DISTRICT NO. 96  
(Komatsu Mining Corp.)**

**CITY OF MILWAUKEE**

**Public Hearing Held: November 15, 2018**

**Redevelopment Authority Adopted:**

**Common Council Adopted:**

**Joint Review Board Adopted:**

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## I. DESCRIPTION OF THE PROJECT

### A. Introduction

Section 66.1105(4)(d), Wisconsin Statutes, requires the “preparation and adoption...of a proposed project plan for each tax incremental district.” This Project Plan is submitted in fulfillment of this requirement and the related provisions of section 66.1105, Wisconsin Statutes.

Section 66.1105 (2)(f) 1.n., permits that Project Plan to fund projects located outside, but within one half-mile of the district’s boundary.

### B. District Boundaries and Compliance with Statutory Eligibility Criteria

The Komatsu Mining Corp. District (“District” or “TID”) is comprised of five properties totaling 2,967,115 SF, approximately 68.1 acres (collectively, the “Property”). The District is shown in **Map No. 1, “Boundary and Existing Land Use,”** and described more precisely in **Exhibit 1, “Boundary Description.”** 88.55% of the real property located within the District was found to be in need or rehabilitation or conservation work within the meaning of Section 66.1105(4)(gm) of the Wisconsin Statutes. **Exhibit 2, “Property Characteristics,”** illustrates how the properties in the District meet the statutory criteria for Tax Incremental Districts. Per Wisconsin Statute 66.1105 (5)(b) the percentage of territory within the District that will be devoted to retail business at the end of the maximum expenditure period is estimated by the City to be 0%.

### C. Project Background

#### Proposed Project

Komatsu Mining Corp. (“Company”) is proposing to build their Global Mining headquarters and a large industrial facility in the City of Milwaukee (“City”)’s Harbor District. The estimated \$250-300M project would include 170,000 SF of office space, 410,000 SF of manufacturing space, 20,000 SF for a museum and training facility and associated structured and surface parking (the “Project”). The office and museum/training facility would be constructed on 401 East Greenfield Avenue (the “City Site”), which is currently owned by the City and is apr. 13.5 acres. The industrial facility would be constructed on 311 East Greenfield (the “Solvay Coke Site”), which is currently owned by Wisconsin Gas, LLC, a subsidiary of WE Energies, and is apr. 45.9 acres. Collectively, the City Site and the Solvay Coke Site are the “Project Site”. The Company is committing to employ 946 people at the Project Site by the twelfth year of operations. With the potential for future office or manufacturing expansions, that number could grow to 1,300 employees, which would be apr. 22 jobs per acre. The City is proposing up to a \$25,000,000 developer-financed cash grant to the Company from this District if the Company meets agreed upon employment projections, per the attached Term Sheet, **Exhibit 6, “Komatsu Mining Corp. Term Sheet.”**

Adjacent to the Project, the City is proposing to design and construct a publicly-accessible riverwalk along the entire Project Site (the “Riverwalk”). At its northern point, the Riverwalk would begin at the proposed Harbor View plaza at the eastern terminus of East Greenfield Avenue and continue south to South Kinnickinnic Avenue, apr. 4,300 linear feet. The City is proposing \$15,000,000 from this District to fund the Riverwalk segment and other public infrastructure improvements described in more detail in Section II of this Project Plan. In addition, the City is proposing to fund a \$1,000 option fee from the District to purchase 302 East Greenfield Avenue from Wisconsin Gas, LLC for a future transit hub or other purposes.

### History of the Project Site

The Solvay Coke Site has been used for industrial purposes for over 150 years. Starting in 1902, the Milwaukee Coke and Gas Company (later the Milwaukee Solvay Coke Company) operated a manufactured gas plant on the site, heating or burning coal to create foundry coke and natural gas for Milwaukee and beyond. The company ceased operations in 1983. Later, Wisconsin Wrecking operated a scrap and salvage operation on a portion of the Solvay Coke Site until January 2003. As a result of these historical uses, the site has significant environmental challenges and has been declared a Superfund site by the United State Environmental Protection Agency. The Solvay Coke Site was acquired by WE Energies in 2017 and they have begun an extensive environmental remediation effort to allow the site to be developed. The initial remediation of the site is projected to be complete in 2019.

While owned by the City, the City Site is under the jurisdiction of the Port of Milwaukee and the Board of Harbor Commissioners. The City Site was most recently used for coal storage to fuel the WE Energies Valley Power Plant in the Menomonee Valley. However, when that plant was converted to natural gas in 2015, the City Site became available for other uses.

In 2014, the University of Wisconsin – Milwaukee expanded its Great Lakes Water Institute across the street from the City Site at 600 East Greenfield Avenue into the School of Freshwater Sciences. The \$53M investment was instrumental in bringing attention to Milwaukee’s inner harbor. In 2015, Harbor District, Inc. was formed to create a detailed plan for the inner harbor area based on previous City plans and to engage the public and private sectors in implementing those plans. To that end, Business Improvement District #51, Harbor District, was created in 2016 to support businesses in the area and advocate for public infrastructure improvements.

### Plans for the Project Site and Neighborhood

The Project Site and the neighborhood surrounding the Project Site have been included in many plans created by the City over the past 10 years. The general themes of those plans are to attract family-supporting jobs and provide public access to waterways. Below are direct quotes from those plans with their recommendations and goals relevant to the Project, Project Site and surrounding neighborhood:

#### Southeast Side Area Plan (2008): <https://city.milwaukee.gov/AreaPlans/Southeast.htm>

- Identify development opportunities for environmentally-sensitive, job-creating land uses
- Encourage employment opportunities, as they are essential to the health of the neighborhood
- Encourage water-related industries and market-rate industrial development

#### Port Redevelopment Plan (2010):

##### <https://city.milwaukee.gov/PlansandStudies/PortofMilwaukee.htm>

- The primary goal of this Plan is to promote the attractive, productive and efficient use or reuse of land and/or buildings in the Project Area in a manner that provides high-quality sites for commercial/industrial development while benefitting the surrounding community
- Balance the need to create family-supporting jobs while remediating brownfields and restoring the natural environment
- The Kinnickinnic River...was named one of the top 10 endangered rivers in the country by American Rivers in 2007...the privately-owned Solvay Coke site and city-owned Grand Trunk site are large brownfield sites that present significant economic development opportunities with the potential to increase public access to the Kinnickinnic River

- Wherever feasible, when a property along the water is redeveloped, public access to the water should be provided in the form of a path of Riverwalk segment. The property owner should also grant the City a permanent public access easement for each segment
- Specifically, the Plan seeks to:
  - Promote development that creates or retains employment opportunities in the City of Milwaukee
  - Mitigate environmental contamination in the soils and buildings that interfere with investment in and the use/reuses of land and buildings in the Project Area
  - Eliminate blighting influences and environmental deficiencies which detract from the general appearance of the area, downgrade existing development, and discourage new development or rehabilitation
  - Foster redevelopment activities within the Project Area which are consistent with the uses permitted in this Plan and which do not conflict with the sound needs and growth of the surrounding neighborhood and the community as a whole
  - Improve public access to the Project Area's natural water resources

ReFreshMKE (2013): [https://city.milwaukee.gov/ReFreshMKE\\_PlanFinal\\_Web.pdf](https://city.milwaukee.gov/ReFreshMKE_PlanFinal_Web.pdf)

- The redevelopment of the Inner Harbor is listed as a Catalytic Project
- Goal of 100 acres of brownfields remediated in the area by 2023
- Goal of 22 jobs per acre for redeveloped land in the study area created by 2023

Growing Prosperity (2014):

<https://city.milwaukee.gov/ImageLibrary/Groups/cityDCD/planning/plans/Economic-Growth-Plan/GrowingProsperityFullReport.pdf>

- Solvay Coke listed as a primary development site
- Goal of returning 500 acres of brownfield land to active, industrial use in 10 years
- Manufacturing is vitally important to Milwaukee because manufacturing jobs have high employment multipliers: that is, each manufacturing job helps to support two to three additional jobs in the economy
- Though manufacturing jobs used to provide those with limited formal education the opportunity to earn better wages, today's positions often require both formal education and technical training

Walker's Point Strategic Action Plan (2015):

[https://city.milwaukee.gov/ImageLibrary/Groups/cityDCD/planning/plans/Near-South/WP-Strategic-Action-Plan/WalkersPointStrategicActionPlan\\_FullDraft1.pdf](https://city.milwaukee.gov/ImageLibrary/Groups/cityDCD/planning/plans/Near-South/WP-Strategic-Action-Plan/WalkersPointStrategicActionPlan_FullDraft1.pdf)

- Provide waterfront access where opportunities permit
- Continue the Riverwalk south along the Milwaukee River to the Kinnickinnic River
- Use Riverwalk stub ends and unnamed city rights-of-way as public access points

Harbor District Water and Land Use Plan (2018): <https://harbordistrict.org/plan/>

- Accommodate a mix of land uses, while prioritizing those that create family supporting jobs
- Reduce the discharge of pollutants to the District's waterways
- Remove or resolve legacy contamination of land and waterways in the District
- Improve aquatic and shoreland habitat
- Develop high sustainability and construction standards for new development, existing operations, and infrastructure
- Increase the amount of dedicated public spaces and public water access
- Provide views into the operations of industrial buildings. Ground floor windows create activity at the street level and a more pedestrian-friendly environment; provide better light inside the facility; demystify the operation; and engage passersby

- New commercial office developments should provide 75 full-time jobs per acre
- New industrial development should provide 22 full-time jobs per acre
- In recruiting new users, priority should be given to businesses that provide living-wage jobs accessible to those with a variety of educational attainment levels
- East Greenfield Ave Area:
  - The East Greenfield Avenue sub-district will be a new employment and recreation center that provides a variety of job types
  - Office, lab, research, and light industrial employers will develop modern and sustainable buildings that embrace the urban waterfront location and capitalize on existing assets such as the UWM School of Freshwater Sciences and Rockwell Automation
  - New waterfront public spaces will draw residents from nearby neighborhoods and visitors from the Greater Milwaukee area
  - Sixty contiguous acres of vacant or underutilized land could attract a single very large user, or become a new work-play neighborhood comprised of many users
  - Develop the sub-district predominantly with a mix of light industrial and commercial uses to provide jobs accessible to workers across a variety of educational attainment and experience levels
  - Locate office, research and development, service, or retail uses along the primary corridors of the sub-district, including East Greenfield Avenue, the Waterfront, and potential East Mitchell Street extension
  - Concentrate light industrial uses in the interior of large sites
  - The northeast corner of 401 East Greenfield Avenue is identified as a landmark site due to its prominent position along the waterfront, at the end of a major street (Greenfield Avenue), and immediately south of the UWM School of Freshwater Sciences. Any development that takes place here should have an active ground floor use and provide a building that is of unique architectural character
- Improved Waterfront Experience:
  - To reconnect the city to the waterways of the Harbor District, a new Riverwalk system should be created that extends along the entire western shore of the Harbor District from the Broadway Bridge on the Milwaukee River on the north to the Chase Avenue Bridge on the Kinnickinnic River on the south
  - This new Riverwalk system would create a new continuous urban pedestrian route and include amenities and destinations that would allow users to experience the Riverwalk and waterfront in different ways
- 311/401 East Greenfield/Water-Centric Placemaking:
  - Supporting job creation and economic development; and creating a waterfront that becomes a model for other cities throughout the Great Lakes and beyond
  - Much as the waterfront should demonstrate the successful coexistence of multiple uses, the built environment should offer a vision for how modern manufacturing can be incorporated into a green, walkable, urban environment
- Access and Connectivity Improvements:
  - A small private entry point on the far south end of the Former Solvay Coke & Gas site should be developed as a new public right-of-way entrance into the sub-district

#### D. Project Plan Goals and Objectives

More detailed goals and objectives of this Project Plan are to:

- Attract family-supporting jobs to the City
- Increase the tax base of the City by developing vacant property in need of rehabilitation or conservation
- Assist in the remediation of brownfields in the City

- Provide funding for Riverwalk and public infrastructure, including enhanced bicycle and pedestrian connections
- Increase public access to the Kinnickinnic River and inner harbor
- Implement various planning initiatives from the Southeast Side Area Plan, Port Redevelopment Plan, ReFreshMKE Plan, Growing Prosperity Plan, Walker’s Point Strategic Action Plan and the Harbor District Water and Land Use Plan.

#### E. Existing Land Uses and Conditions in the District

The District is currently comprised of five properties (assessed at \$3,776,300 in 2018), which are all industrial properties. All of the Property in the District is zoned IO2 (Industrial Office).

## II. PLAN PROPOSALS

The following statements, maps and exhibits are provided in compliance with Section 66.1105(4)(f) of the Wisconsin Statutes.

Funds generated from the District will be used for the following purposes:

Project (\$25,000,000): In an effort to attract jobs to the District, provide annual cash grants to the Company if the Company meets its employment projections. Company will advance all costs for the Project. City will make annual payments to the Company equal to 50% of the incremental taxes collected in the District from real and personal property, less an annual administration charge, until such time as up to \$25,000,000 is repaid by the payments at an interest rate of 4.5%, over a period not to exceed 25 years (the “Monetary Obligation”) per the attached Term Sheet, **Exhibit 6, “Komatsu Mining Corp. Term Sheet.”**

Riverwalk and Public Infrastructure Improvements (\$15,000,000): Design and construct a publicly-accessible Riverwalk of apr. 4,300 linear feet along the Project Site and other public infrastructure improvements within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats. This includes all design and engineering for the Riverwalk and public infrastructure improvements in the District. Public infrastructure improvements may include pedestrian amenities, bicycle amenities (including possible bikeshare stations), landscaping, trees, lighting (including possible harp lights), dockwall, public plazas or parks (including Harbor View Plaza), public art, utility work and professional or administrative services.

Property Acquisition (\$1,000): City wishes to enter into an option to purchase 302 East Greenfield Avenue from Wisconsin Gas, LLC based on the term sheet attached as **Exhibit 7, “Option to Purchase.”** The City may use this property for a future transit hub or other purposes. Funds from this District may be used purchase this property at a future date.

The Riverwalk, Public Infrastructure Improvements and Property Acquisition are collectively the “City Project Costs”.

The City of Milwaukee may, on its own initiative or through a cooperation agreement with the Redevelopment Authority and/or other entities, undertake any and all project and site improvements and activities considered necessary to achieve project objectives and the commitment of private investment. This Plan is not intended to limit and shall not be interpreted as limiting the Redevelopment Authority in the exercise of its powers under Wis. Stat. 66.1333 (5) within the District. It is possible that future amendments to this Project Plan for other investments in this area will be proposed.

A. "Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements."

The specific kind, number, location, and estimated costs of public works and other improvements as identified below are based on preliminary plans and concepts developed in consultation with the Department of Public Works and as part of the preparation of the economic feasibility study for the District. These may be modified as to kind, number, location, and the costs allocated at any time during TID Project execution based on more definitive engineering studies and construction plans without amendment of this TID Project Plan. Actual construction of public works, improvements and infrastructure will be based on detailed final plans, specification, and estimates as approved by the City's Department of City Development for the TID Project. Actions such as vacation of existing public rights-of-way, land acquisition, site clearance, environmental remediation, and reimbursement to owners of abutting property for costs directly related to the TID Project also may be undertaken, if necessary, for the implementation of this TID Project Plan for the District.

Any expenditures or monetary obligations directly or indirectly related to the construction of public works, improvements and infrastructure are considered "project costs" and shall be eligible to be paid with tax increment revenues of the District. TID Project Costs will be paid in part by any income, special assessments, or other revenues, including user fees or charges. Additional costs identified in this TID Project Plan are preliminary estimates made prior to design finalization and are subject to change after the design process is completed. Allocation of costs between individual line items in this TID Project Plan is also based on estimates and is subject to change based upon implementation and future assessment policies.

The following public improvements and infrastructure expenditures are expected to occur within and around the TID:

- Riverwalk: Design and construct apr. 4,300 linear feet of Riverwalk along the Project Site, including new walkways, trees, landscaping, lighting (including possible harp lights), bicycle amenities (including possible bikeshare stations), pedestrian amenities and any utility work necessary for the Riverwalk.
- Public Infrastructure Improvements: Design and construct pedestrian amenities, bicycle amenities (including possible bikeshare stations), landscaping, trees, lighting (including possible harp lights), public plazas or parks (including Harbor View Plaza), public art and any utility work necessary for the public infrastructure improvements.

The number and location of proposed public improvements are shown in **Map No. 3, "Proposed Uses and Improvements."**

B. "Detailed List of Estimated Project Costs."

The costs included in this subsection and detailed in Table B which follows are, without limitation because of enumeration, eligible project costs as defined under Section 66.1105(2)(f) and, if appropriate, in any cooperation agreement(s) entered into by and between the City of Milwaukee and eligible designated developer(s), provided further that such expenditures are necessitated by this Project Plan.

This TID Project Plan is meant neither to be a budget nor an appropriation of funds for specific activities, but a framework with which to manage various components of the TID Project. All costs included in this TID Project Plan are estimates based on the best information available. The City retains the right to remove elements or change the scope and/or timing of elements implemented as they are individually authorized by the City Common Council, without amending this TID Project Plan.



Costs are based on 2018 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other unforeseen circumstances between 2018 and the time of construction. The City also reserves the right to increase certain TID Project Costs to the extent others are reduced or not implemented, without amending this TID Project Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the TID Project Plan.

These costs and costs estimates are more fully described as follows:

Capital Costs

The City shall fund an estimated \$40,001,000 in the form of TID Capital Project Costs enumerated in further detail in **Table A** of this Plan.

<b>TABLE A: TID Capital Project Costs</b>	
Monetary Obligation to Company	\$25,000,000
Riverwalk and Public Infrastructure Improvements	\$15,000,000
Property Acquisition	\$1,000
<b>TOTAL Capital Project Costs</b>	<b>\$40,001,000</b>

Other Costs

This category of Project Costs includes estimates for administrative, professional, organizational and legal costs.

Financing Costs

Financing costs include estimated gross interest expenses on bonds that will be issued to pay for Project Costs. Estimates of interest are based on interest rates as set forth in the Economic Feasibility Analysis, attached as **Exhibit 4, “Feasibility Study.”**

**TABLE B: Lists of Estimated Project Costs**

<u>Capital:</u>	
Monetary Obligation to Company for Project	\$25,000,000
Riverwalk and Public Infrastructure Improvements	\$15,000,000
Property Acquisition	\$1,000
<u>Other:</u>	
Administration (\$7,500 x 25 years)	\$187,500
Total Estimated Project Costs, excluding financing	\$40,188,500
<u>Financing:</u>	
Interest	\$7,462,970

C. “Description of Timing and Methods of Financing.”

All expenditures for the City Project Costs are expected to be incurred during the period from 2019-2025.

The City may proceed to fund any or all City Project Costs using general obligation bonds or notes, or Redevelopment Authority revenue bonds to be issued in amounts which can be supported using tax increments in the District.

The annual cash grants to the Company for the Monetary Obligation will be paid from incremental taxes generated annually in the District.

D. “Economic Feasibility Study.”

The Economic Feasibility Study for this District is attached to this Project Plan as **Exhibit 4, “Feasibility Study.”** The study establishes the dollar value of the City Project Costs which, based on certain general assumptions and a reasonable margin of safety, can be financed with the revenues projected to be generated by the District.

Based upon the anticipated tax incremental revenue to be generated by the District, the District is financially feasible and is likely to be retired on or before year 2043, the 25th year of the District. Accordingly, the District is determined to be feasible.

E. “Map Showing Existing Uses and Conditions.”

Please refer to **Map No. 1, “Boundary and Existing Land Use,”** and **Map No. 2, “Structure Condition”** and **Exhibit 3, “Parcel Owners”** in the Exhibits Section which follows.

F. “Map Showing Proposed Uses and Improvements.”

Please refer to **Map No. 3, “Proposed Uses and Improvements”** in the Exhibits Section which follows.

G. “Proposed Change of Zoning Ordinances, Master Plan, Building Codes and City Ordinances.”

Please refer to **Map No. 4, “Existing Zoning,”** in the Exhibits Section which follows. The proposed Project Plan is consistent with the existing zoning, which is IO2 (Industrial Office). The proposed Project Plan is in accordance with the existing master plan, map, building codes, and other city ordinances. The proposed Project Plan should not require amendments to their provisions, but such amendments could be made if necessary without further amendment to this Project Plan.

H. “List of Estimated Non-Project Costs.”

There are no Non-Project Costs.

I. “Proposed Method for Relocation.”

This Project Plan does anticipate the acquisition of 302 East Greenfield Avenue by the City. However, there are no tenants on 302 East Greenfield Avenue. Accordingly, no relocation activities or expenditures for relocation payments or services are provided herein. Should the acquisition of property by condemnation and requiring relocation be necessary, the cost and method of relocation will be included in a redevelopment plan and associated relocation plan prepared in cooperation with the Redevelopment Authority, pursuant to Section 66.1333 and Section 32.05, Wis. Stats. The costs of

such activities will be eligible for reimbursement through tax increment revenues should such revenues be generated during the statutory life of the District.

J. “Statement Indicating How District Creation Promotes Orderly City Development.”

The creation of the District will provide a means to strengthen the Harbor District neighborhood, consistent with the objectives of the Southeast Side Area Plan (2008), Port Redevelopment Plan (2010) and Harbor District Water and Land Use Plan (2018). It will facilitate the development of vacant or underutilized property, provide for public access to waterways, improve public infrastructure and enable job creation/retention in the City.

K. “Opinion of the City Attorney.”

Please refer to **Exhibit 5, “Letter from the City Attorney.”**

**EXHIBIT 1**  
**Boundary Description**

Beginning at a point at the intersection of the center line of South Kinnickinnic Avenue with the center line of the Kinnickinnic River;

Thence, northeast along the center line of the Kinnickinnic River to the intersection with the southwest line extended of 401(adj) East Greenfield Avenue;

Thence, southeast along the southwest line extended of 401(adj) East Greenfield Avenue to the intersection with the south line of 401(adj) East Greenfield Avenue;

Thence, east along the south line of 401(adj) East Greenfield Avenue to the intersection with the northeast line of 401(adj) East Greenfield Avenue;

Thence, northwest along the northeast line of 401(adj) East Greenfield Avenue to the intersection with the center line of the Kinnickinnic River;

Thence, northeast along the center line of the Kinnickinnic River to the intersection with the north line of East Greenfield Avenue;

Thence, west along the north line of East Greenfield Avenue to the intersection with the east line of 302 East Greenfield Avenue;

Thence, northwest along the east line of 302 East Greenfield Avenue to the intersection with the west line of 302 East Greenfield Avenue;

Thence, south, east and south along the west line of 302 East Greenfield Avenue to the intersection with the center line of East Greenfield Avenue;

Thence, south from the center line of East Greenfield Avenue to the intersection with the west line of 311 East Greenfield Avenue;

Thence, south along the west line of 311 East Greenfield Avenue to the intersection with the center line of South Kinnickinnic Avenue;

Thence, southeast along the center line of South Kinnickinnic Avenue to the point of beginning and more particularly depicted in Map 1 of this Project Plan.

**EXHIBIT 2**  
**Property Characteristics**

Findings substantiating that not less than 50%, by area, of the real property within the proposed district is in need or rehabilitation or conservation within the meaning of Section 66.1105(4)(gm)4.a Wisconsin Statutes.

<b>Parcel No.</b>	<b>Address</b>	<b>Taxkey</b>	<b>Owner Name</b>	<b>Land Assessment</b>	<b>Improvement Assessment</b>	<b>Total Assessment</b>	<b>Lot SF</b>	<b>In Need of Rehabilitation or Conservation SF</b>
1	311 E GREENFIELD AVE	463-9995-200	WISCONSIN GAS LLC DBA WE ENERGIES	\$3,499,500	\$0	\$3,499,500	2,002,018	2,002,018
2	401 (ADJ) E GREENFIELD AVE	463-9988110	CHICAGO & NORTHWESTERN TRANSPORTATION CO. C/O UNION PACIFIC RR CO.	\$0	\$0	\$0	286,863	0
3	401 (R) E GREENFIELD AVE	463-9994-000	DAVID J KADINGER JR	\$121,900	\$52,100	\$174,000	53,013	0
4	401 E GREENFIELD AVE	463-9995-100	CITY OF MILWAUKEE C/O CITY REAL ESTATE	\$0	\$0	\$0	590,941	590,941
5	302 E GREENFIELD AVE	430-9997-100	WISCONSIN GAS LLC DBA WE ENERGIES	\$102,800	\$0	\$102,800	34,280	34,280

**Total:**

\$3,724,200

\$52,100

\$3,776,300

2,967,115

2,627,239

**Percentage:**

88.55%

**EXHIBIT 3**  
**Parcel Owners**

<b>Parcel No.</b>	<b>Address</b>	<b>Taxkey</b>	<b>Owner Name</b>
1	311 E GREENFIELD AVE	463-9995-200	WISCONSIN GAS LLC DBA WE ENERGIES
2	401 (ADJ) E GREENFIELD AVE	463-9988110	CHICAGO & NORTHWESTERN TRANSPORTATION CO. C/O UNION PACIFIC RR CO.
3	401 (R) E GREENFIELD AVE	463-9994-000	DAVID J KADINGER JR
4	401 E GREENFIELD AVE	463-9995-100	CITY OF MILWAUKEE C/O CITY REAL ESTATE
5	302 E GREENFIELD AVE	430-9997-100	WISCONSIN GAS LLC DBA WE ENERGIES

## EXHIBIT 4

### ECONOMIC FEASIBILITY STUDY FOR THE KOMATSU MINING CORP. TID (96)

#### **Background:**

The City of Milwaukee is proposing to create the Komatsu Mining Corp. Tax Incremental District No. 96 (the “District”) to fund annual cash grants to the Company to fulfill the Monetary Obligation, Riverwalk and public infrastructure improvements and property acquisition outlined in the Project Plan, totaling \$40,001,000 in Project Costs. The \$25,000,000 Monetary Obligation will be developer-financed and paid annually from actual incremental tax revenue. The City Project Costs, totaling \$15,001,000, will be borrowed by the City and paid back from actual incremental tax revenue.

The District is comprised of five properties totaling 2,967,115 SF of land (the “Property”).

#### **Current Property Valuation:**

The assessment of the Property as of 1/1/2018 was \$3,776,300 and thus, that is the estimated base value of the proposed District with a base year of 2019.

#### **Anticipated Future Value of the District:**

##### Value of Office.

The Company is proposing to construct a 170,000 SF Class A office/headquarters building on the City Site.

The best comparables for the office/headquarters portion of the project are other single-tenant, new construction office buildings, such as the Zurn and Manpower headquarters:

- The Zurn Headquarters (511 West Freshwater Way), completed in 2016 at the Reed Street Yards in Walker’s Point, is a 53,199 SF Class B office building with a 2018 assessment of \$16,688,000 (\$313/SF). This property has adjacent surface parking. Given the location of this property, it is the best comparable for new construction in the Walker’s Point/Harbor District area.
- The Manpower Headquarters (201 West Cherry Street), completed in 2007 near Schlitz Park, is a 280,000 SF Class A office building with a 2018 assessment of \$64,956,000 (\$231/SF). While this is a downtown location, it is also an older building and has attached structured parking.

In addition, another good comparable based on its location in the Walker’s Point neighborhood is the Global Water Center (247 West Freshwater Way), which is a 98,035 SF Class B office building that was converted from warehouse space in 2013. In 2018 it was assessed at \$12,030,000 (\$122/SF). However, this property does not include parking.

Based on those comparables, for the purposes of this feasibility study, it is assumed that the office/headquarters will be assessed at \$25,500,000 (\$150/SF) upon stabilization in 2023.

##### Value of Manufacturing.

The Company is proposing to construct a 410,000 SF manufacturing facility on the Solvay Coke Site. This modern, Class A industrial facility will range from 32-70’ in height.

For comparable properties, new industrial buildings in the Menomonee Valley provide a good comparison, however, there is no true comparable in the City for the type of large, modern manufacturing facility that the Company is proposing:

- J. F. Ahern Co. (3340 West Roundhouse Road), completed in 2012, is a 51,230 SF industrial facility with a 2017 assessment of \$5,373,000 (\$105/SF).
- Rishi Tea (185 South 33rd Court), completed in 2013, is a 48,000 SF industrial facility with a 2017 assessment of \$3,219,300 (\$67/SF).
- Ingeteam (3550 West Canal Street), completed in 2011, is a 125,000 SF industrial facility with a 2017 assessment of \$7,117,400 (\$57/SF).

Since the manufacturing facility will be newer and more modern than these comparables, for the purposes of this feasibility study, it is assumed that the manufacturing facility will be assessed at \$32,800,000 (\$80/SF) upon stabilization in 2023.

#### Value of Museum/Training Center.

The Company is proposing a 20,000 SF museum and training facility adjacent to the office/headquarters building on the City Site.

The best comparable for this type of use is the Harley-Davidson Museum at 126-152 North 6th Street in the Menomonee Valley/Walker's Point neighborhood. Built in 2007, the 110,250 SF museum was assessed at \$12,030,000 in 2018 (\$109/SF). While the Company's museum and training facility likely won't include a publicly-available sit down restaurant like the Harley-Davidson Museum, the training facility portion of the building may be assessed more like office space than museum space.

For the purposes of this feasibility study, it is assumed that the museum and training facility will be assessed at \$2,000,000 (\$100/SF) upon stabilization in 2023.

#### Value of Parking.

The Company is proposing a 550-space parking structure adjacent to the office/headquarters building on the City Site.

The following are comparable parking structures in the area:

- The Historic Third Ward Milwaukee Street Structure (212 North Milwaukee Street), completed in 1994, has 550 parking spaces and was assessed at \$5,947,000 in 2018 (\$10,800/space). This structure also includes an occupied restaurant space.
- The Historic Third Ward Water Street Structure (130 North Water Street), completed in 1999, has 365 parking spaces and was assessed at \$4,274,000 in 2018 (\$11,709/space). This structure also includes an occupied retail space.
- The Brewery Parking Structure (902 West Juneau Avenue), completed in 2009, has 908 parking spaces and was assessed at \$6,625,000 in 2018 (\$7,296/space). This structure also includes an unoccupied retail space.
- Older parking decks in the downtown area have a wide range of per space values: 215 West Pleasant Street (\$2,592), 615 North Vel R. Phillips Avenue (\$5,940), 555 North Plankinton Avenue (\$6,570) and 330 East Wells Street (\$11,530).

Based on those comparables, for the purposes of this feasibility study, it is assumed that the parking structure will be assessed at \$4,125,000 (\$7,500/space) upon stabilization in 2023. No additional value is assumed for the apr.300 surface parking spaces planned.



Value of Total Project

In summary, the total projected stabilized incremental value of the Project, in 2023 is \$64,425,000:

<u>Use</u>	<u>Unit</u>	<u>\$/Unit</u>	<u>Value</u>
Office	170,000	\$150.00	\$25,500,000
Manufacturing	410,000	\$80.00	\$32,800,000
Museum	20,000	\$100.00	\$2,000,000
Parking	550	\$7,500.00	\$4,125,000
<b>TOTAL:</b>			<b>\$64,425,000</b>

For the purposes of this feasibility study, it is assumed that no further development occurs in the District, even with over 14 acres (23% of the Project Site) remaining undeveloped for future expansion or development opportunities. However, a 1% annual appreciation on all Property is assumed.

**Anticipated District Cash Flow:**

The Monetary Obligation section of the Term Sheet, **Exhibit 6, “Komatsu Mining Corp. Term Sheet”** provides detail on how the incremental revenue will be split between the City and the Company. Initially, the incremental revenue will be split with 50% going to the City to pay off its City Project Costs and 50% going to the Company to pay for the Monetary Obligation. However, the Term Sheet provides the opportunity to adjust that split in future years if the projected values shown above are not realized, with the potential to increase the City’s share up to 100% if necessary. This provides further protection to the City’s exposure related to the City Project Costs.

Attached as Table 1 is a cash flow forecast for the proposed District. Basic parameters of this forecast are:

- Base Value: \$3,776,300
- Tax Rate: 2.90%
- Interest Rate: 4.0%
- Annual Appreciation: 1.00%
- City Project Costs: \$15,001,000
- Issuance Costs: 1.00%
- City/Company split of incremental revenue at 50/50
- Annual Admin Costs: \$7,500 (deducted from annual payment to Company)

As shown in the forecast, the District is able to amortize the City Project Costs in an estimated 25 years. Given this estimate, the proposed District is determined to be feasible and capable of amortizing the Project Costs within the statutory life of the proposed District.

**Table 1: TID 96 (Komatsu Mining Corp.)**

Years			Incremental Value and Revenue				Revenue % Split Between City and Company				Annual Payments		TID Payoff				
TID Year No.	Assessment Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Incremental Revenue	City % of Revenue	City Revenue	Company % of Revenue	Company Revenue (less \$7,500)	City Debt Service	Payment to Company (Monetary Ob.)	Total		After reserving for remaining debt		TID Payoff
													Cash flow	Cum. Cash Flow	Carrying Costs	Surplus/(deficit)	
1	2019	2020	3,776,300	3,776,300	-	-	50%	-	50%	-	(606,040)	-	(606,040)	(606,040)	(606)	(44,440,254)	
2	2020	2021	3,776,300	3,776,300	-	-	50%	-	50%	-	(606,040)	-	(606,040)	(1,212,687)	(1,213)	(44,440,860)	No
3	2021	2022	3,776,300	17,050,325	13,274,025	384,947	50%	192,473	50%	184,973	(606,040)	(184,973)	(413,567)	(1,627,467)	(1,627)	(44,064,626)	No
4	2022	2023	3,776,300	34,100,650	30,324,350	879,406	50%	439,703	50%	432,203	(606,040)	(432,203)	(166,337)	(1,795,431)	(1,795)	(43,194,347)	No
5	2023	2024	3,776,300	68,201,300	64,425,000	1,868,325	50%	934,163	50%	926,663	(1,517,279)	(926,663)	(583,116)	(2,380,343)	(2,380)	(41,335,318)	No
6	2024	2025	3,776,300	68,883,313	65,107,013	1,888,103	50%	944,052	50%	936,552	(1,517,279)	(936,552)	(573,227)	(2,955,950)	(2,956)	(39,457,095)	No
7	2025	2026	3,776,300	69,572,146	65,795,846	1,908,080	50%	954,040	50%	946,540	(1,517,279)	(946,540)	(563,239)	(3,522,145)	(3,522)	(37,559,471)	No
8	2026	2027	3,776,300	70,267,868	66,491,568	1,928,255	50%	964,128	50%	956,628	(1,517,279)	(956,628)	(553,151)	(4,078,818)	(4,079)	(35,642,238)	No
9	2027	2028	3,776,300	70,970,546	67,194,246	1,948,633	50%	974,317	50%	966,817	(1,517,279)	(966,817)	(542,962)	(4,625,859)	(4,626)	(33,705,183)	No
10	2028	2029	3,776,300	71,680,252	67,903,952	1,969,215	50%	984,607	50%	977,107	(1,517,279)	(977,107)	(532,671)	(5,163,156)	(5,163)	(31,748,095)	No
11	2029	2030	3,776,300	72,397,054	68,620,754	1,990,002	50%	995,001	50%	987,501	(1,517,279)	(987,501)	(522,278)	(5,690,597)	(5,691)	(29,770,756)	No
12	2030	2031	3,776,300	73,121,025	69,344,725	2,010,997	50%	1,005,499	50%	997,999	(1,517,279)	(997,999)	(511,780)	(6,208,068)	(6,208)	(27,772,949)	No
13	2031	2032	3,776,300	73,852,235	70,075,935	2,032,202	50%	1,016,101	50%	1,008,601	(1,517,279)	(1,008,601)	(501,178)	(6,715,453)	(6,715)	(25,754,455)	No
14	2032	2033	3,776,300	74,590,757	70,814,457	2,053,619	50%	1,026,810	50%	1,019,310	(1,517,279)	(1,019,310)	(490,469)	(7,212,638)	(7,213)	(23,715,052)	No
15	2033	2034	3,776,300	75,336,665	71,560,365	2,075,251	50%	1,037,625	50%	1,030,125	(1,517,279)	(1,030,125)	(479,653)	(7,699,504)	(7,700)	(21,654,514)	No
16	2034	2035	3,776,300	76,090,032	72,313,732	2,097,098	50%	1,048,549	50%	1,041,049	(1,517,279)	(1,041,049)	(468,730)	(8,175,933)	(8,176)	(19,572,615)	No
17	2035	2036	3,776,300	76,850,932	73,074,632	2,119,164	50%	1,059,582	50%	1,052,082	(1,517,279)	(1,052,082)	(457,696)	(8,641,805)	(8,642)	(17,469,127)	No
18	2036	2037	3,776,300	77,619,441	73,843,141	2,141,451	50%	1,070,726	50%	1,063,226		(1,063,226)	1,070,726	(7,579,721)	(7,580)	(15,343,817)	No
19	2037	2038	3,776,300	78,395,636	74,619,336	2,163,961	50%	1,081,980	50%	1,074,480		(1,074,480)	1,081,980	(6,505,321)	(6,505)	(13,194,936)	No
20	2038	2039	3,776,300	79,179,592	75,403,292	2,186,695	50%	1,093,348	50%	1,085,848		(1,085,848)	1,093,348	(5,418,478)	(5,418)	(11,022,246)	No
21	2039	2040	3,776,300	79,971,388	76,195,088	2,209,658	50%	1,104,829	50%	1,097,329		(1,097,329)	1,104,829	(4,319,068)	(4,319)	(8,825,507)	No
22	2040	2041	3,776,300	80,771,102	76,994,802	2,232,849	50%	1,116,425	50%	1,108,925		(1,108,925)	1,116,425	(3,206,962)	(3,207)	(6,604,477)	No
23	2041	2042	3,776,300	81,578,813	77,802,513	2,256,273	50%	1,128,136	50%	1,120,636		(1,120,636)	1,128,136	(2,082,033)	(2,082)	(4,358,911)	No
24	2042	2043	3,776,300	82,394,601	78,618,301	2,279,931	50%	1,139,965	50%	1,132,465		(1,132,465)	1,139,965	(944,150)	(944)	(2,088,562)	No
25	2043	2044	3,776,300	83,218,547	79,442,247	2,303,825	50%	1,151,913	50%	1,144,413		(1,144,413)	1,151,913	206,819	207	206,819	YES
26	2044	2045	3,776,300	84,050,732	80,274,432	2,327,959							-	207,026	207	207,026	YES
27	2045	2046	3,776,300	84,891,240	81,114,940	2,352,333							-	207,233	207	207,233	YES
			49,608,232				22,463,970				(22,148,784)		22,291,470		315,186		

Annual appreciation	1.010
Interest Rate	4.00%
Base Value	3,776,300
Property Tax rate	2.900%
Issuance Costs	150,010
City Project Costs	15,001,000
Carrying Costs %	0.100%
Annual Expense	\$7,500

**Stabilized Value in 2023**

Use	Unit	\$/Unit	Value
Office	170,000	\$150.00	\$25,500,000
Manufacturing	410,000	\$80.00	\$32,800,000
Museum	20,000	\$100.00	\$2,000,000
Struct. Parking	550	\$7,500.00	\$4,125,000
			<b>\$64,425,000</b>

NPV @ 4.5%: 11,932,102

**EXHIBIT 5**  
**Letter from the City Attorney**

**GRANT F. LANGLEY**  
City Attorney

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October 25, 2018

Rocky Marcoux, Commissioner  
Department of City Development  
809 North Broadway, 2<sup>nd</sup> Floor  
Milwaukee, WI 53202

Re: Project Plan for Tax Incremental District No. 96  
(Komatsu Mining Corp.)

Dear Commissioner Marcoux:

Pursuant to your request, we have reviewed the Project Plan for the above-referenced Tax Incremental District No. 96.

Based upon that review, it is our opinion that the Plan, is complete and complies with the provisions of Wis. Stat. § 66.1105(4)(f).

Very truly yours,

  
GRANT F. LANGLEY  
City Attorney

  
JEREMY R. MCKENZIE  
Assistant City Attorney

1050-2018-800:254129



**EXHIBIT 6**  
**Komatsu Mining Corp. Term Sheet**

09/26/18

**DRAFT  
TERM SHEET  
September 26, 2018  
(Komatsu Mining Corp. Project – TID \_\_\_\_)**

**PURPOSE**

To facilitate economic development within the City of Milwaukee through the expansion of corporate headquarters and manufacturing facilities which will further the larger redevelopment efforts to improve the Harbor District for the benefit of City residents, business owners, and visitors.

**PROJECT**

Komatsu Mining Corp. or its affiliate or designee (“Company”) is a manufacturer of products and provider of services for the global mining industry. Company is considering location of its corporate headquarters, a manufacturing facility and a museum with a total anticipated investment ranging from \$250,000,000 to \$300,000,000, (the “Project”) in the City of Milwaukee (“City”). Total investment may be subject to adjustment as the Project progresses. The Project will be located at the Solvay Coke site at 311 East Greenfield Avenue less the Riverwalk portion (as described below) (the “Solvay Coke Site”) and the former City coal pile site at 401 East Greenfield Avenue less the Riverwalk portion (as described below) (the “City Site”) in Milwaukee’s Harbor District (collectively, the “Project Site”). The City Site is currently owned by City and is under the jurisdiction of the Port of Milwaukee (“Port”).

The Project would include approximately 170,000 SF of office space, 410,000 SF of manufacturing space and associated 550 stalls of structured and surface parking. As part of the Project, a 20,000 SF museum and training center will also be constructed on the Project Site. Company anticipates having at least 946 and up to 1,300 full-time equivalent “Project Jobs” (defined below) by year twelve (12) following the date operations at the Project Site commence.

City Site. City will sell the City Site, approximately 13.5 acres, less the strip of land described below for the Riverwalk, to Company. The “Purchase Price” shall be equal to product of (i) the \$7,000,000 purchase price for the Solvay Coke Site divided by the gross acreage of the Solvay Coke Site (i.e., including the Riverwalk acreage) and (ii) the net acreage of the City Site (i.e., less the Riverwalk acreage), less the cost of the Pollution Legal Liability policy (discussed below).

City proposes to assist Company via the creation of a new Tax Incremental District No. \_\_\_\_ (Komatsu Mining Corp.) (“the TID”) to fund the items below as set forth in the TID Project Plan

- Monetary Obligation. Company will advance, and City will reimburse up to \$25,000,000 in Project costs, to partially offset the costs necessary to open the facility. City will make annual payments for up to 25 years, at 4.5% interest (the “Monetary Obligation”). The City shall have the right to prepay the Monetary Obligation in full or part at any time.
- Riverwalk.
  - The City will reserve and retain ownership from the City Site a strip of land along the eastern edge of the property along the Kinnickinnic River of variable width, up to approximately 30 foot wide commencing from the bulkhead, which shall be retained by the City for purposes of construction of a public Riverwalk. Notwithstanding the foregoing, the width around the parcel located at 401R East Greenfield Avenue, Milwaukee, WI (Tax Key No. 46399940000), shall be 8 feet wide and if a bridge is not constructed over the Carferry strip located on the Solvay Coke Site, the width around such area shall be 8 feet wide after the portion thereof is filled in by Wisconsin Gas LLC (“WE Energies”). If a bridge is constructed over the Carferry strip, there shall be no Riverwalk around the Carferry strip.
  - City will accept an easement from WE Energies for the use of a strip of land along the eastern and southern edges of the Solvay Coke Site of variable width, up to approximately 30 foot wide, for purposes of construction of a public Riverwalk.
  - City will construct and pay for 100% of Riverwalk costs necessary to create a publicly accessible Riverwalk along the inner harbor adjacent to the entire Project Site and related public amenities, estimated to cost \$15,000,000 (the “Riverwalk Project”).
  - City and RACM will assist Company with the transloading of cargo across the Riverwalk as follows:
    - In the event that Company decides in its sole discretion that it has a business need to transload cargo over that portion of the Riverwalk located on land owned by RACM, then RACM, as the riparian owner, will cooperate with Company and the Port to construct the necessary dockage, at Company’s expense, adjacent to the RACM easement area of the Riverwalk in a location specified by the Company and will lease the dockage to the Company for one dollar (\$1.00) per year for use in the transloading of cargo (“the Lease”). During the term of the Lease, the City shall secure the dockage for use solely by the Company and no other use. After the completion of construction of the dockage, RACM shall grant to Company an access easement across the portion of the Riverwalk land and the airspace above the Riverwalk needed for transloading, for the purpose of ingress, egress and regress across such land to access the waterway and the City owned dockage. Should the Company cease transloading cargo, the easement will terminate. The easement shall include the right to temporarily restrict access to the Riverwalk while being used for

pre-scheduled transloading of cargo. Company shall, at its own cost, repair any damage to the Riverwalk caused by the Company's transloading of cargo. The easement agreement would provide that to the extent that Wisconsin's recreational immunity statute does not provide immunity from liability, the City and/or RACM will indemnify the Company and hold it harmless from and against any and all claims related to the use of the Riverwalk and any acts or omissions occurring on or about the Riverwalk, except to the extent such claims were caused by the negligence or willful misconduct of the Company, or any of its agents, contractors or employees. RACM and the Port will cooperate with the Company in obtaining the necessary permits for the transloading of cargo.

- In the event that Company decides in its sole discretion that it has a business need to transload cargo over that portion of the Riverwalk located on land owned by We Energies or its successors, over which We Energies has granted RACM an easement to construct the Riverwalk, then RACM shall grant to Company an access easement across the portion Riverwalk land and the airspace above the Riverwalk needed for transloading, for the purpose of ingress, egress and regress across such land to access the waterway and the City owned dockage. Should Company cease transloading cargo, the easement will terminate. The City shall secure the dockage for use solely by the Company and no other use. The easement shall include the right to temporarily restrict access to the Riverwalk while being used for pre-scheduled transloading of cargo. Company shall, at its own cost, repair any damage to the Riverwalk caused by the Company's transloading of cargo. RACM and the Port will cooperate with the Company in obtaining the necessary permits for the transloading of cargo.
  - An agreement between RACM, WE Energies and the Company shall be entered into governing Riverwalk transloading and access rights.
  - If the City or RACM should ever sell or otherwise transfer the land on which the Riverwalk is constructed to a nongovernmental body or affiliated entity or the land shall cease to be used for Riverwalk or public access purposes, the Company shall have a right of first refusal to purchase such property.
  -
- Non-TID City Expenditures. In addition to the Monetary Obligation and the Riverwalk Project costs funded by the TID, City will pay for certain public improvements and public infrastructure related to the Project (collectively the "City Investment"). The City Investment is expected to fund:
  - Widening the portion of East Greenfield Avenue under the bridge to the width of the Greenfield Bridge when the bridge is replaced or widened.



- o Sewer and Water Mains to the Project Site. All laterals connecting buildings on the Project Site to the City utilities will be the responsibility of the Company.
- o High Level Street Lights on East Greenfield matching the Street Lights on the Northside of Greenfield Avenue Constructed in Accordance with City Ordinances,

### **APPROXIMATE DEVELOPMENT SCHEDULE**

Commence Construction by late 2019.  
Substantial Completion by the end of 2022.

### **PARTIES**

City, the Port of Milwaukee acting through the Board of Harbor Commissioners (“Port”), the Redevelopment Authority of the City of Milwaukee (“RACM”) and Company.

### **PARTIES’ OBLIGATIONS**

In order to receive the financial assistance described above, Company must fulfill the following obligations:

- A. Company shall acquire the Project Site, obtain building permits for the construction of approximately 170,000 SF of office space, 410,000 SF of manufacturing space and associated 550 stalls of structured and surface parking. As part of the Project, a 20,000 SF museum of Company’s history in Milwaukee and around the world will also be constructed on the Project Site and related site improvements and commence construction of the Project as set forth above, subject to any delays caused by the remediation of the Project Site.
- B. Company shall enter into a Human Resources Agreement with City that will require Company to utilize certified Small Business Enterprises (“SBE”) for 25% of construction and supply costs and 18% of professional services costs on the Project and utilize unemployed and underemployed residents, pursuant to City’s Resident Preference Program (“RPP”), for no less than 40% of total “worker hours” expended on construction of the Project. City and Company shall agree upon a schedule of anticipated SBE and RPP percentages over the life of the Project. Company may also receive credit for RPP qualified new employees added at the Project Site with respect to the required RPP percentages, per Ordinance Section 355-7-2A. If the Company does not meet the required SBE and RPP percentages set forth in Ordinance Section 355-7-2A, release of all or a portion of the Monetary Obligation may be withheld until the percentages are met or may be withheld completely if the percentages are never met.
- C. Company shall meet or exceed its employment projections, as outlined below.

- D. Company shall enter into a standard payment in lieu of taxes (“PILOT”) agreement with City agreeing to make PILOT payments to City for the full property tax rate in the event that any parcel or building within the Project, or the entire Project Site, becomes exempt from the payment of real property taxes during the original term of the TID. PILOT payments shall be due until termination of the TID or through the year of the 2043 tax levy, payable in 2044; whichever shall first occur.
- E. City shall cap the cost of all City permit fees; including, without limitation building permit fees and Department of Public Works permit and review fees and storm water management fees at \$494,367.

### CITY SITE

City and Port shall sell the City Site to Company for the Purchase Price. If Company does not build on the City Site within 10 years of purchasing it, City and Port will have an Option to Repurchase the City Site for the Purchase Price. Prior to substantial completion of the Project, during that 10-year period, Company may not sell the City Site to any other entity without the prior written approval of City and Port.

Subject to the completion of environmental remediation and the environmental indemnity as set forth below, Company agrees to accept City Site “as-is, where is”. If site work or construction needs to commence prior to conveyance of the City Site, City and Port will provide a right-of-entry to Company until such approvals are in place.

### ENVIRONMENTAL REMEDIATION

City shall remediate any currently existing contamination existing on, at, or emanating from the City Site, including in soil, soil vapor, air, groundwater, surface water or sediment and any migration of contaminants from the City Site sufficient to obtain acceptance, approval, completion and regulatory closure from the appropriate and applicable regulatory entities including the Wisconsin Department of Natural Resources (“WDNR”). Company would assist and cooperate with City to allow the City to obtain the necessary completion and regulatory closure as described herein. Specifically, City’s obligation to obtain completion and regulatory closure would be dependent upon Company granting City reasonable access to the City Site to perform City’s regulatory obligations with the WDNR for the City Site. The City will prepare a Remedial Action Plan (RAP) and any other necessary regulatory reports or requirements as described in Wis. Admin. Code NR 700 *et seq.*, in order to obtain WDNR regulatory closure. A component of the RAP will be a jointly developed materials management plan as further described below. The City will be responsible for execution of the Remedial Action Plan and the Company agrees to provide reasonable cooperation during implementation of the RAP. If a vapor barrier is legally required by the WDNR for occupied structures on the property, Company shall be responsible for completing, at City’s cost, such barriers that meet all applicable regulatory requirements. Furthermore, Company would be responsible for completing, at Company’s cost, building foundations, structures and

surface lots to serve, in part, as a cap that will form a necessary part of the completion and closure requirements for the WDNR.

City shall also retain responsibility for ongoing treatment, remediation, monitoring, and continuing obligations related to any pre-existing contamination in, on or emanating from and environmental impact upon the City Site or surrounding land, sediment, air or water, including throughout the redevelopment process of the City Site, and to provide necessary resources to integrate construction and remediation actions to the fullest extent possible. Consistent with the materials management plan, the continuing obligations of City will include the management and any necessary offsite disposal of all excavated soils and sediment during all phases of construction if such excavated soils and sediment are impacted by pre-existing environmental contamination; management and disposal of all water impacted by pre-existing environmental contamination on City Site during and subsequent to construction; implementation of any remediation and/or ongoing groundwater monitoring requirements imposed by the WDNR or USEPA.

### **ENVIRONMENTAL INDEMNITY**

City shall indemnify, defend and hold Company harmless from all liabilities arising out of any claims, including Natural Resource Damage ("NRD") claims, made by any third party in good faith related to any pre-existing environmental conditions not caused or exacerbated by Company. Without limiting the generality of the foregoing, except to the extent caused or exacerbated by Company, City will indemnify, defend and hold Company harmless from all liabilities arising out of (i) any claims related to sediments on, at or emanating from the City Site, and (ii) any claims regarding City's failure to comply with WDNR requirements related to Wis. Admin. Code NR 700 et seq., and any other completion/regulatory closure requirements imposed by WDNR under applicable environmental laws. Company will indemnify, defend and hold City harmless from all liabilities arising out of any third party claims regarding contamination that was caused or exacerbated by Company or is not a pre-existing environmental condition.

### **CITY'S ENVIRONMENTAL REGULATORY OBLIGATIONS**

The City's regulatory obligations with the WDNR for the City Site include the following:

Subject to Company providing reasonable access to the City Site, City would be responsible for obtaining regulatory closure from WDNR and providing reasonable updates to Company during the regulatory process. City would be responsible for performing any monitoring required by WDNR until regulatory closure is granted and providing the monitoring results to Company in a timely manner. After the City has obtained regulatory closure with WDNR, Company would be responsible for any inspection-related requirements for an on-site vapor or gas barrier, if a vapor or gas barrier is required by WDNR as part of regulatory closure, and maintaining and inspecting any building foundations, structures, landscape/greenspace areas or surface lots that serve, in part, as a cap for purposes of regulatory closure with WDNR.

City agrees that the City Site and the Strip of Land area shall be configured as two (2) parcels as depicted on Schedule 1. The City Site would be conveyed to Company while the Strip of Land would continue to be held in title by the City. The City Site shall not be subject to a restrictive covenant that prevents the use of the City Site for Company's intended use.

Coordination Between the Parties. City would agree to coordinate with Company in advance of any WDNR filings related to the City Site in order to allow a reasonable opportunity for Company to provide timely comments to City regarding activities on the City Site. City and Company would agree to convene a working committee to facilitate timely coordination between the Parties about City Site matters.

### **MATERIALS MANAGEMENT PLAN**

The Parties shall coordinate regarding a joint Materials Management Plan for the City Site according to the following:

Company's Site Design Goal. Contingent upon WDNR's approval of Company's plan to manage contaminated soil on the City Site and WDNR's issuance of an exemption to the location standards identified in Wis. Admin. Code ch. NR § 718.12, and the City's agreement to pay for costs associated with soil impacted by pre-existing environmental conditions as described below, Company would confirm its commitment to a site design goal that minimizes the need to manage soil from the City Site at off-site locations.

Joint Materials Management Plan. City and Company would agree to the joint preparation of a Materials Management Plan for the City Site which includes incorporating a protective WDNR-approvable cap into the development plan.

### **COSTS ASSOCIATED WITH SOIL IMPACTED BY PRE-EXISTING ENVIRONMENTAL CONDITIONS**

Consistent with the City's environmental indemnification obligations, if Company encounters soil that should have been remediated as part of City's regulatory obligations under the RAP, City shall be responsible for all liabilities and costs associated therewith.

Third Party Requirement to Remove Soil from the City Site. If, at any time, the WDNR, EPA, or other regulatory agency, requires City or Company to remove soil from the City Site due to pre-existing environmental contamination, City and Company would agree that City shall be given the opportunity to treat any impacted soil within a reasonable time to the point that removal from the City Site is no longer required by such third party. Notwithstanding the forgoing, for soils that despite such treatment must be removed from the City Site due to pre-existing environmental contamination, City would pay for such removal. Notwithstanding the above, if the need for such soil removal was caused by the Company's change of use of the City Site, Company would be responsible for all costs associated therewith.

Company-Removed Soils. Company would agree that any soil removed from the City Site, not the result of a third party requiring such removal, shall be paid for entirely by Company.

#### **COMPANY'S COSTS ASSOCIATED WITH GROUNDWATER IMPACTED BY PRE-EXISTING ENVIRONMENTAL CONDITIONS**

City would reimburse Company for Company's Incremental Costs of Managing Impacted Groundwater. The term "Incremental Costs of Managing Impacted Groundwater" means the increased costs associated with managing the removal, treatment/remediation, off-site transportation and disposal of groundwater impacted by pre-existing conditions. The incremental costs are calculated as follows: (x) Company obtains a current quote for the customary cost of managing groundwater that is not impacted by pre-existing environmental conditions, (y) City obtains a current quote for the cost of managing impacted groundwater and (z) the difference between the amounts in (x) and (y) is the incremental cost of managing impacted groundwater.

#### **ENVIRONMENTAL INSURANCE**

The PSA would require the Company to purchase (unless the City opts to purchase) a Pollution Legal Liability policy, the terms of which are reasonably acceptable to City and Company, which shall reduce the Purchase Price. Company would be a named insured on PLL policy.

#### **CITY'S ACCESS TO THE SITE POST-CLOSURE FOR CITY'S REGULATORY OBLIGATIONS**

City would provide reasonable advance notice to Company before entering the City Site. Access would be limited to normal business hours (or as mutually agreed upon by the Parties) and restricted to the areas of the City Site necessary to perform City's regulatory obligations with the WDNR for the City Site. City shall be accompanied by Company representatives during all access activities and City would agree to comply with all of Company's health and safety requirements while at the City Site. City would also use commercially reasonable efforts to minimize disruption to current activities on the City Site, and to prevent damage to any personal or real property. City would agree to, as soon as practicable, reasonably restore any damage to the City Site that occurs as a result of City's access. Furthermore, City would agree to indemnify Company for any damage to property or injury to persons caused by City's access activities, including City's personnel and contractors, to the extent caused by City's negligent acts or omissions, and Company would agree to indemnify City for any damage to property or injury to persons during City's access activities, to the extent caused by Company's negligent acts or omissions.

## **DUE DILIGENCE**

Company shall have the right to conduct its own due diligence inspection of the City Site, at Company's expense, which inspection shall include, but shall not be limited to, physical inspection of the City Site, a review of a current title commitment and survey of the City Site, a review of all physical, environmental, geotechnical, subsoils and other reports in City's possession or control, inspections, or other testing desired by Company related to the physical condition of the City Site so long as Company reasonably restores property to its pre-testing condition, and a review of the due diligence documents (as hereafter defined). City will make available upon request all non-confidential due diligence documents pertaining to the City Site that are in City's possession and control and are customarily delivered by a seller to a buyer in a real estate purchase and sale transaction (for example, existing title insurance policies, engineering reports, environmental assessments, environmental test results and soil reports, real estate tax bills and assessment notices, appraisals, all permits and licenses for the City Site, a complete history of insurance claims (if any), any existing ALTA survey, all tenant leases and subleases and a list of any litigation involving the City Site) (collectively, "Due Diligence Documents").

## **MONETARY OBLIGATION**

Company will advance and, City will reimburse up to \$25,000,000 in Project costs to partially offset the costs necessary to open the facility (the "Monetary Obligation"). Notwithstanding the foregoing, however, the amount of the Monetary Obligation is based upon a per incremental "Project Job" (defined below) calculation. TIF incentive value shall be equal to \$19,230.77 (the "Per Project Job TIF Value") with respect to each of the potential Project Jobs relocated, created and retained as part of the Project up to a maximum of 1,300. The initial Monetary Obligation reimbursement shall be based on the Company's baseline commitment of 946 Project Jobs, City agrees that the initial Monetary Obligation shall be established in the principal amount of \$18,192,308 based on the baseline commitment of 946 Project Jobs. In addition, if and when the Company has created more than 946 Project Jobs, then in consideration of each additional Project Job in excess of 946 Project Jobs, the City agrees that the initial Monetary Obligation shall be increased by the product of the actual number of Project Jobs for any such year in excess of 946 multiplied by the Per Project Job TIF Value; provided, however, that in no event shall the Monetary Obligation exceed \$25,000,000. Notwithstanding the foregoing, the payments to the Company of the initial Monetary Obligation plus the increased Monetary Obligation cannot exceed the actual tax increment for such year created by the Project less the amount necessary to service the return to the City of its \$15,000,000 investment in the Riverwalk by year 25 of the TID. If any payments to the Company are deferred under the immediately preceding sentence, such deferred amounts shall carryover and be payable in subsequent years subject to the same limitation. In calculating the actual tax increment of the Project, the value of any addition or expansion of the Project post occupancy date shall be taken into account. City will make annual payments on Monetary Obligation for up to 25 years, at 4.5% interest. City shall have the right to prepay the Monetary Obligations in full or part at any time.

City anticipates funding the City Investment, including the Riverwalk Project and certain administrative costs for the TID through the issuance of its general obligation bonds.

Prior to substantial completion of the Project, City will deposit an amount equal to 50% of the tax incremental revenue actually received by City from the TID, less annual expenses of \$7,500 into a special fund established for the TID. Upon substantial completion of the Project, such amount shall be disbursed to Company and applied to reduce the principal balance of the Monetary Obligation.

Subsequent to substantial completion of the Project, following the deduction of annual expenses, 50% of incremental tax revenue collected from the TID will be allocated to repay Company for costs incurred for the Project through payments on the Monetary Obligation. The remaining 50% of tax incremental revenue will be allocated to repayment of City costs incurred for the City Investment, including the Riverwalk Project and TID administration. This 50%-50% split of the incremental tax revenue shall be known as the "Initial Increment Split." Beginning with the first year following Company's receipt of an occupancy permit for the Project,<sup>1</sup> and every five years thereafter during the life of the TID, City shall adjust the percentages of the incremental tax revenue collected from the TID allocated to repay the Company and the City based on updated projections of the incremental tax revenue using the assessed value of the Project to date, so that the City's \$15,000,000 investment in the Riverwalk will be projected to be paid in full by year 25 of the TID. For example, if the projections show that the City will be repaid its \$15,000,000 investment in the Riverwalk in full by year 25 of the TID with only 45% of the incremental tax revenue, the City and the Company's percentages shall be set at 45% and 55%, respectively. On the other hand, if the projections show that the City will be repaid its \$15,000,000 investment in the Riverwalk in full by year 25 of the TID with 54% of the incremental tax revenue, the City and the Company's percentages shall be set at 54% and 46%, respectively.

The Monetary Obligation consists of a limited and conditional obligation to repay Company an amount up to \$25,000,000, plus interest on the outstanding balance of the Monetary Obligation at 4.5% per year for up to 25 years with total payments of principal and interest not to exceed \$40,000,000. Payments on the Monetary Obligation are to be made annually following substantial completion of the Project but only in an amount initially equal to 50% of incremental tax revenue actually received by City from the TID, less annual expenses.

At such time as City's costs incurred for the Riverwalk Project and TID administration have been repaid, then 100% of the tax incremental revenue actually received by City, following the deduction of annual expenses, shall be allocated to payment of the Monetary Obligation accrued to the Company based on its job creation until the time as such Monetary Obligation has been paid in full, not to exceed \$25,000,000 or year 25 of the TID. Interest on the Monetary Obligation shall not begin to accrue until substantial

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<sup>1</sup> The issuance of the occupancy permit is assumed to occur in 2022, but is subject to adjustment based on regulatory, permitting, and force majeure issues.

completion of the Project. City may, at any time or from time to time, without notice, penalty, or fee, prepay all or any portion of the Monetary Obligation. In the event that City prepays a portion of the Monetary Obligation the percentage split then in effect of the incremental tax revenue allocated to payment of the Monetary Obligation shall be proportionately reduced to reflect such prepayment. Tax incremental revenue will not be pledged to the payment of the Monetary Obligation, and the Monetary Obligation shall not constitute a general obligation of City or count against its statutory debt limits.

All disbursements of tax incremental revenue received by City from the TID shall be subject to annual appropriation. If not appropriated, City shall not expend such tax incremental revenue for any other TID project costs or for any other purpose.

### **MONETARY OBLIGATION EARNED**

Upon substantial completion of the Project, Company shall submit a certification detailing Project costs theretofore incurred (together with copies of records, invoices and/or AIA documentation evidencing such expenditures). The amount of the Monetary Obligation shall be deemed earned upon approval of such certification by the City's Commissioner of City Development, and interest will begin to accrue on the balance of the Monetary Obligation as of the date of substantial completion of the Project.

### **Term of Payments**

City payments on the Monetary Obligation will terminate: (i) at the time the Monetary Obligation is fully paid; or (ii) with the payment derived from the 2043 tax levy, payable in 2044, whichever occurs first.

### **Employment Requirement**

Company shall provide City such reasonable documentation and certifications to substantiate its number of full-time equivalent Project Jobs annually on May 1 for the previous fiscal year. The first such annual reporting shall be for the fiscal year ending March 31, 2023. If the Company does not meet the total workforce projections shown below for each required period on such schedule, then, subject to prior written notice from City and no less than a 12-month opportunity to cure, future payments on the Monetary Obligation shall be adjusted for the duration of the deficiency. The adjustment will result in a proportionate reduction in the City's payment on the Monetary Obligation during each year of the deficiency calculated based upon the percentage by which the "actual" workforce reduction falls below the "projected" workforce; provided, however, that such reduction shall not exceed \$19,230.77 for each such deficient position.



	Year											
	1 <sup>2</sup>	2	3	4	5	6	7	8	9	10	11	12-25
Jobs	598	30	30	30	30	28	0	0	0	50	100	50
Total	598	628	658	688	718	746	0	0	0	796	896	946

Some of the Project Jobs are being relocated from Company’s current facilities, which would have otherwise been relocated outside of Wisconsin.

For purposes of this Agreement a “Project Job” means a regular full-time salaried employee, or an hourly full-time equivalent (an “FTE”) employee or combination of employees who work(s) at least 30 paid hours per week and at least 1560 hours per year, on average, performing tasks directly related to the products or services of the Project, at or on the Project Site. Project Jobs may include all positions or combination of positions, whether categorized as consultants, independent contractors, contract and/or permanent employees obtained from a temporary employment agency or employee leasing company, through a union agreement, or co-employment under a professional employer organization agreement, or any other reasonably similar category, that result directly from the Project. For the purpose of calculating FTEs with respect to hourly employees, in tabulating hours worked any paid leave employees take during the pay period, such as holiday, vacation or sick leave, may be included.

**OTHER ENTITLEMENTS OR APPROVALS**

City, Port and RACM will work with Company to secure any zoning changes, right-of-way vacations, right-of-way dedications and any other approvals or entitlements required for the Project.

**GENERAL**

The Company’s obligation to close on the City Site shall be conditioned upon the Company being able to close on the Solvay Coke Site. If for any reason the Company were unable to close on the Solvay Coke Site, then the Purchase and Sale Agreement shall be terminated. Further, if Company has not closed on the City Site and the Solvay Coke Site on or before a date to be set forth in the Purchase and Sale Agreement, the Company shall have the option to terminate the Purchase and Sale Agreement. If the Purchase and Sale Agreement is terminated hereunder, neither party shall have any obligation to the other after the date of termination.

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 a Cooperation, Contribution and Redevelopment Agreement, a Human Resources Agreement, a PILOT Agreement, a Purchase and Sale Agreement and any other

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<sup>2</sup> Year 1 is the year that is one year after Company receives an occupancy certificate for the Project and staffs the Project. It is assumed that Year 1 will be 2023.

documents, instruments or agreements necessary to accomplish the objectives described above. In recognition that there may be adjustments of the dates and descriptions herein as well as administrative approvals which will require the exercise of reasonable discretion on behalf of Port, City or RACM, the Commissioner of City Development, Port Director and Executive Director of RACM will be authorized under these agreements to exercise such discretion and grant such approvals. It is acknowledged by the parties hereto that the approval of RACM, the Common Council of the City of Milwaukee and the Joint Review Board will be required to effectuate the terms set forth herein.

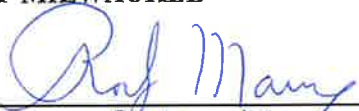
Executed as of the date set forth above.

Komatsu Mining Corp.



John Koetz  
President, Surface Mining

**CITY OF MILWAUKEE**

By:   
Print name: Rocky Marcoux  
Title: Commissioner, PCD

043102-0207/24258266.1

**EXHIBIT 7**  
**Option to Purchase**

**NON-BINDING TERM SHEET**


**(Option to Purchase)**

This is a non-binding term sheet between Wisconsin Gas LLC, doing business as We Energies ("We Energies"), and the City of Milwaukee (the "City") pertaining to the real property located at 302 East Greenfield Avenue in the City of Milwaukee, Wisconsin (the "Property"). We Energies is considering a grant to the City of an option to purchase the Property, substantially in the form of the draft Option to Purchase attached hereto as Exhibit A. This term sheet does not describe all of the specific terms and conditions of the Option to Purchase, and this transaction is subject to the negotiation and execution of a binding Option to Purchase.

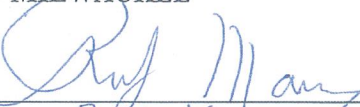
The purpose of this term sheet is to determine whether or not the parties are in sufficient accord as to the basic terms of the proposed transaction to warrant their negotiating, finalizing and executing the Option to Purchase. The execution of this term sheet does not constitute a binding agreement to enter into an Option to Purchase or any other binding agreement for the Property. Such an option shall be evidenced only by a definitive written Option to Purchase acceptable to and executed by all appropriate parties. This term sheet can be signed in counterparts.

Executed as of the 26<sup>th</sup> day of September, 2018.

**WISCONSIN GAS LLC**

By:   
Print name: William J. Guc  
Title: Vice President and Controller

**CITY OF MILWAUKEE**

By:   
Print name: Rachel Marcoux  
Title: Commissioner, DCD

**EXHIBIT A**

Non-Binding Form of Option to Purchase

## OPTION TO PURCHASE

THIS OPTION TO PURCHASE (this "Agreement") is made as of the \_\_\_\_\_ day of September, 2018, by and between WISCONSIN GAS LLC, a Wisconsin limited liability company doing business as We Energies ("Seller"), and the CITY OF MILWAUKEE, a Wisconsin municipal corporation ("Buyer").

In consideration of the recitals, the covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. GRANT OF OPTION. Seller hereby grants to Buyer an option to purchase (the "Option") the real property depicted on Exhibit A attached hereto, which property is located at 302 East Greenfield Avenue in the City of Milwaukee, Wisconsin (the "Property").

2. OPTION FEE. The option price for the term of the Option (the "Option Fee") shall be One Thousand and 00/100 Dollars (\$1,000.00). The Option Fee shall not be refundable if the Option is not exercised. If the Option is exercised, the Option Fee shall be a credit toward the Purchase Price at closing.

3. TERM OF OPTION. If Buyer desires to exercise this Option it must do so by providing written notice thereof to Seller on or before the later of (a) the closing of the sale by Seller of that certain real property located at 311 East Greenfield Avenue to [Mustang], and (b) December 31, 2023. If the Option is exercised by Buyer pursuant to the terms hereof, the transaction shall proceed in accordance with the terms and conditions of this Agreement.

4. MARKETING OF PROPERTY. Buyer acknowledges and agrees that Seller may market the Property for sale and may entertain offers to purchase the Property from third parties; provided, however, that in the event that Seller receives an offer to purchase, term sheet, letter of intent or similar expression of interest in purchasing the Property (any of the foregoing, a "Purchase Proposal"), Seller will provide prompt written notice of such Purchase Proposal to Buyer (the "Proposal Notice") and Buyer shall then have a period of ten (10) days after receipt of the Proposal Notice in which to exercise the Option (and upon such exercise of the Option Seller shall sell the Property to Buyer for the Purchase Price and otherwise in accordance with the terms of this Agreement). In the event that Buyer does not exercise the Option within ten (10) days after its receipt of the Proposal Notice, this Option shall automatically terminate and Seller shall be free to sell the Property in accordance with the Purchase Proposal, or to any third party on such other terms and conditions as may be acceptable to Seller.

5. PURCHASE PRICE. The purchase price ("Purchase Price") for the Property shall be \_\_\_\_\_ and 00/100 Dollars (\$ \_\_\_\_\_). The Purchase Price shall be paid in cash at closing.

6. TITLE EVIDENCE. Seller shall cause to be delivered to Buyer within twenty (20) days after exercise of the Option a commitment to issue ("Title Commitment") an ALTA owner's policy of title insurance ("Title Policy") in the amount of the Purchase Price issued by a nationally recognized title insurer selected by Seller, licensed to do business in the State of

Wisconsin ("Title Company"). The final Title Policy issued pursuant to the Title Commitment shall show title to the Property as of the date of closing to be subject only to the Permitted Encumbrances, as described herein.

Buyer shall have fifteen (15) days after receipt of the Title Commitment or after exercise of the Option, whichever is later (but in any event no later than the closing of this transaction), to object in writing to any condition of title. Buyer's failure to so object shall constitute a waiver of any objections. Matters specifically stated in the Title Commitment and not objected to by Buyer shall become Permitted Encumbrances. If any objection is made, Seller shall have thirty (30) days thereafter in which to correct the condition. Buyer shall not be permitted to reject title as to any matter over which the Title Company insures. If the condition of title is not or cannot be corrected within the thirty (30) day period, Buyer may, at its option, either (i) terminate this Agreement, or (ii) elect to accept such title as Seller is able to convey and proceed to closing without adjustment of the Purchase Price (and the matters which Buyer objected to but which were not corrected shall be Permitted Encumbrances). Seller's inability to correct any such condition of title shall not constitute a default by Seller hereunder. If Buyer does not, within ten (10) days after the expiration of the thirty day (30) period described above, elect either (i) or (ii) above, then Seller may, at any time thereafter, and prior to the time that Buyer elects either (i) or (ii) above, terminate this Agreement.

7. CONVEYANCE. Seller shall, at closing and upon payment of the Purchase Price, convey the Property to Buyer by special warranty deed free and clear of all liens and encumbrances except the Permitted Encumbrances.

8. CLOSING. Closing of this transaction shall take place sixty (60) days after exercise of the Option at the offices of the Title Company, or at such other place and time as the parties may agree upon in writing. Seller agrees to furnish to Buyer at the closing of this transaction originals of the following documents:

- (a) The special warranty deed described in Section 7 of this Agreement;
- (b) A closing statement setting forth a summary of the Purchase Price and credits to Buyer;
- (c) An affidavit as to construction liens and possession sufficient to permit the Title Company to insure over the standard exceptions for construction liens and rights or claims of parties in possession not shown by the public records;
- (d) Evidence of payment of the prior year's real estate taxes, special assessments, and any other municipal and governmental levies, and evidence that any municipal sewer and water charges with regard to the Property are paid current or prorated through the date of closing; and
- (e) E-filing receipt for the Wisconsin Real Estate Transfer Return.

9. PRORATIONS. The following items will be prorated and apportioned as of the closing date with income and expenses for the day of closing accruing to Seller:

(a) Net general real estate taxes for the year of closing shall be prorated at the time of closing on the basis of the net general real estate taxes actually levied against the Property for the prior year unless the real estate tax assessment for the year of closing is known at the time of closing, in which event the proration shall be based on the actual taxes for the year of closing.

(b) Installments of special assessments pertaining to the Property, if any, payable prior to the date of closing shall be paid by Seller. Installments of special assessments pertaining to the Property, if any, payable after the date of closing shall be paid by Buyer.

10. CLOSING COSTS.

(a) Seller shall pay the real estate transfer fee;

(b) Seller shall pay the title insurance premiums for the owner's Title Policy;

(c) Each party shall pay its own attorneys' fees;

(d) Buyer shall pay for all reports or studies ordered by it such as appraisals, engineering inspection reports or hazardous waste study reports, and all of its feasibility and inspection reports;

(e) Buyer shall pay the recording fee for the special warranty deed; and

(f) Buyer and Seller mutually represent and warrant to each other that no broker or agent was involved in this transaction or is entitled to any fee or commission in connection with this transaction. Seller and Buyer agree to indemnify and hold each other harmless from any claim for commission made by any agent or broker claiming to have acted on their behalf.

11. DEFAULT. In the event of a default by Buyer under the terms of this Agreement which is not cured by Buyer within ten (10) days after notice thereof from Seller, Seller may either pursue such rights and remedies available at law or in equity. In the event of a default by Seller under the terms of this Agreement which is not cured by Seller within ten (10) days after notice thereof from Buyer, Buyer may as its sole and exclusive remedies: (a) waive such default and close this transaction; (b) terminate this Agreement by written notice to Seller; or (c) sue for specific performance. Under no circumstances shall Seller or Buyer be liable for consequential, punitive or speculative damages.

12. ASSIGNMENT. Buyer may not assign its interest under this Agreement without Seller's prior written consent.

13. ACCESS FOR BUYER. Seller agrees to grant access to the Property to Buyer, its architects, engineers, contractors and agents at all reasonable times prior to Closing upon not less than two (2) days prior written notice for inspection, examination, non-destructive testing and



planning. The notice must set forth the type of due diligence to be performed and the dates and times of entry and the personnel that will be present on the Property. Notwithstanding the foregoing, Buyer shall not be permitted to take any soil samples or conduct any invasive testing of the Property without Seller's prior written consent, which consent shall not be unreasonably withheld. Buyer shall repair and restore any damage to the Property caused by Buyer's investigations and shall indemnify and hold harmless Seller from and against any damages, claims, or losses arising out of the actions of Buyer or Buyer's agents on the Property. All due diligence and tests performed shall be at Buyer's sole cost and expense. Copies of all findings and reports resulting from such due diligence shall be promptly submitted to Seller by Buyer upon Seller's request. Buyer's obligations under this Section shall survive the termination of this Agreement or Closing of this transaction (as applicable).

14. "AS IS" SALE. Seller hereby disclaims any and all warranties, express or implied and has made no warranties or representations, written or oral, express or implied, in any way related to the Property including, without limitation, the condition of the Property or any of its improvements, fixtures or systems, the presence or absence of any hazardous material(s) in, at, under or migrating to or from the Property, the Property's compliance or noncompliance with any laws or regulations, including, without limitation, any laws or regulations concerning the environment, or the suitability or fitness of the Property for any particular purpose. Buyer acknowledges that it is purchasing the Property in its AS IS, WHERE IS condition. Buyer hereby fully and forever waives, releases, discharges, and acquits Seller from any and all claims, actions, costs, damages, expenses, fees, fines, liabilities, losses, obligations, penalties, and suits, known or unknown, foreseen or unforeseen (including but not limited to, claims based on contract, right of contribution, common law and/or federal, state or local statute or ordinance), in any way arising out of, relating to or resulting from any misrepresentation, or any other tort alleged to have been committed by Seller in connection with or related to the condition of the Property. The Purchase Price for the Property takes into account and shall sufficiently compensate Buyer for all the terms of the conveyance including, without limitation, Buyer's obligation to accept the Property in an "AS-IS" condition and Buyer's waiver, release, discharge and acquittal of Seller.

15. TIME. Time is of the essence with regard to the exercise of the Option, the closing date and all other dates and time periods in this Agreement. If the deadline for performance of any obligation under this Agreement shall fall on a weekend or federal holiday, such deadline shall be extended to the next day that is not a weekend or federal holiday.

16. NOTICES. All notices permitted or required by this Agreement shall be given in writing and shall be considered given upon receipt if hand delivered to the party or person intended, or upon email transmission to the addresses set forth herein, or one business day after deposit with a nationally recognized overnight commercial courier service, airbill prepaid, or forty-eight (48) hours after deposit in the United States mail, postage prepaid, by certified mail, return receipt requested, addressed by name and address to the party or person intended as follows:

To Buyer:                      City of Milwaukee  
    City Hall  
    200 East Wells Street

Milwaukee, Wisconsin 53202

Attn: \_\_\_\_\_

Email: \_\_\_\_\_

with a copy to:

Jeremy R. McKenzie, Esq.  
Assistant City Attorney  
City of Milwaukee  
City Hall, Room 800  
200 East Wells Street  
Milwaukee, Wisconsin 53202-3551  
Email: [jmcken@milwaukee.gov](mailto:jmcken@milwaukee.gov)

To Seller:

Wisconsin Gas LLC  
231 West Michigan Street  
Milwaukee, WI 53203  
Attn: \_\_\_\_\_  
Email: \_\_\_\_\_

with a copy to:

Quarles & Brady LLP  
411 East Wisconsin Avenue  
Milwaukee, WI 53202  
Attn: Joseph E. Puchner  
Email: [joseph.puchner@quarles.com](mailto:joseph.puchner@quarles.com)

17. GOVERNING LAW. This Agreement concerns real property located in the State of Wisconsin, and shall be interpreted and construed according to the laws of the State of Wisconsin.

18. SEVERABILITY OF PROVISIONS. If any of the terms or conditions contained herein shall be declared to be invalid or unenforceable by a court of competent jurisdiction, then the remaining provisions and conditions of this Agreement, or the application of such to persons or circumstances other than those to which it is declared invalid or unenforceable, shall not be affected thereby and shall remain in full force and effect and shall be valid and enforceable to the full extent permitted by law.

19. BINDING EFFECT. The terms and conditions of this Agreement shall be binding upon and benefit the parties hereto and their respective successors and assigns.

20. ENTIRE AGREEMENT. This writing constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and all prior statements, letters of intent, representations and offers, if any, are hereby terminated. This Agreement may be modified or amended only by written instrument signed by both parties. The parties agree to record a memorandum of this Agreement in form and content mutually agreeable to the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

Dated: \_\_\_\_\_

**BUYER:**

**CITY OF MILWAUKEE**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**SELLER:**

**WISCONSIN GAS LLC**

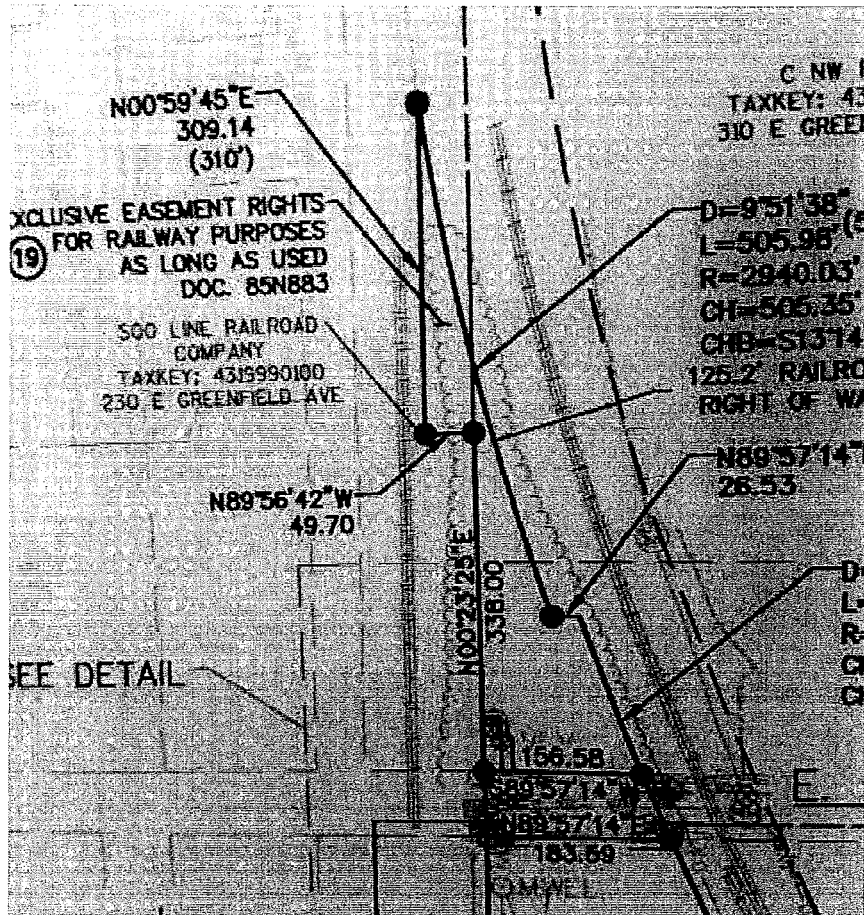
By: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT A

Depiction of the Property

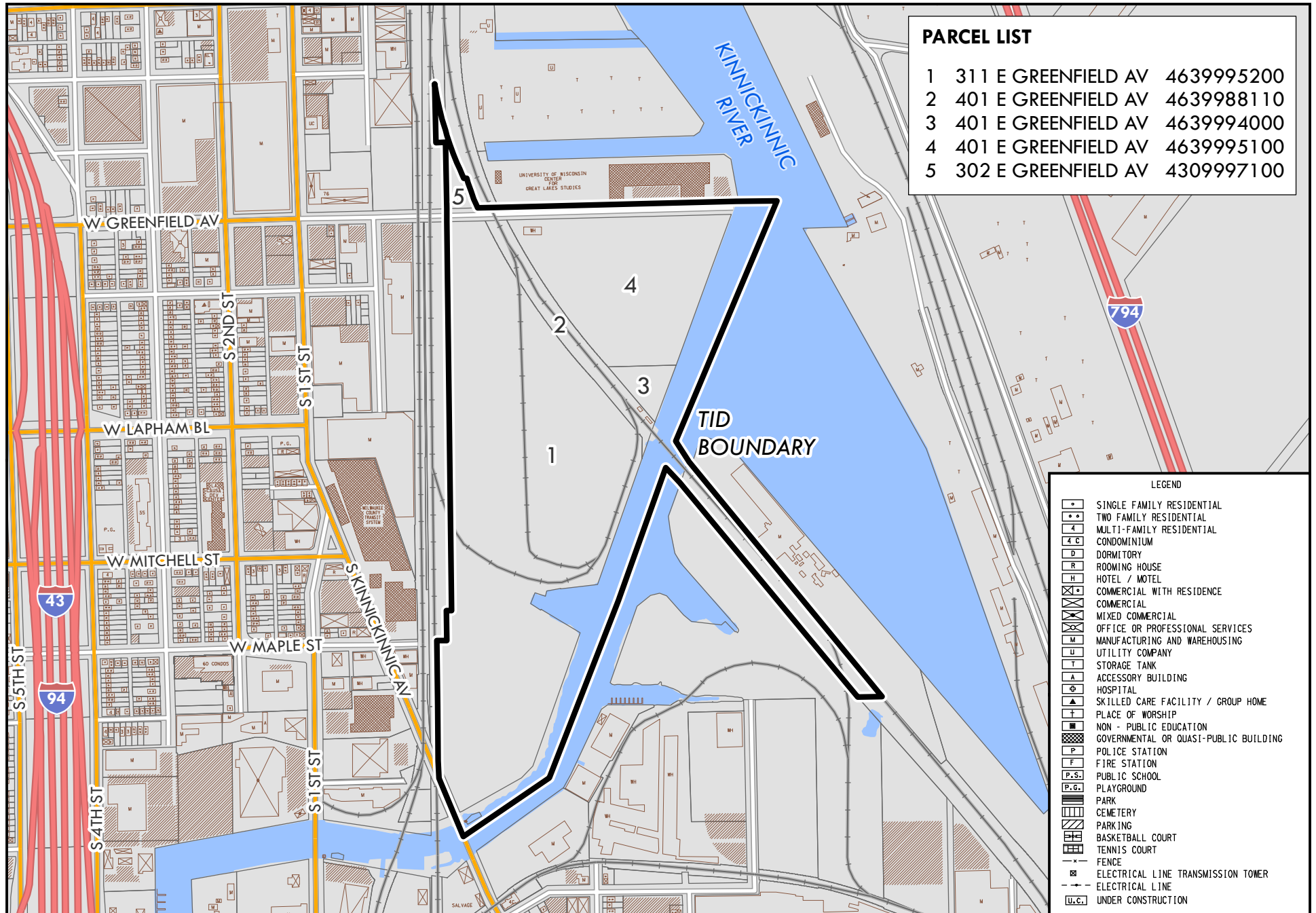
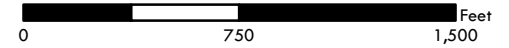


# TID 96: KOMATSU MINING CORP.

## MAP 1: BOUNDARY AND EXISTING LAND USE

Prepared by the Dept. of City Development Planning Division, 10/22/2018  
 Source: City of Milwaukee Information Technology Management Division

N



PARCEL LIST		
1	311 E GREENFIELD AV	4639995200
2	401 E GREENFIELD AV	4639988110
3	401 E GREENFIELD AV	4639994000
4	401 E GREENFIELD AV	4639995100
5	302 E GREENFIELD AV	4309997100

LEGEND	
[Symbol]	SINGLE FAMILY RESIDENTIAL
[Symbol]	TWO FAMILY RESIDENTIAL
[Symbol]	MULTI-FAMILY RESIDENTIAL
[Symbol]	CONDOMINIUM
[Symbol]	DORMITORY
[Symbol]	ROOMING HOUSE
[Symbol]	HOTEL / MOTEL
[Symbol]	COMMERCIAL WITH RESIDENCE
[Symbol]	COMMERCIAL
[Symbol]	MIXED COMMERCIAL
[Symbol]	OFFICE OR PROFESSIONAL SERVICES
[Symbol]	MANUFACTURING AND WAREHOUSING
[Symbol]	UTILITY COMPANY
[Symbol]	STORAGE TANK
[Symbol]	ACCESSORY BUILDING
[Symbol]	HOSPITAL
[Symbol]	SKILLED CARE FACILITY / GROUP HOME
[Symbol]	PLACE OF WORSHIP
[Symbol]	NON - PUBLIC EDUCATION
[Symbol]	GOVERNMENTAL OR QUASI-PUBLIC BUILDING
[Symbol]	POLICE STATION
[Symbol]	FIRE STATION
[Symbol]	PUBLIC SCHOOL
[Symbol]	PLAYGROUND
[Symbol]	PARK
[Symbol]	CEMETERY
[Symbol]	PARKING
[Symbol]	BASKETBALL COURT
[Symbol]	TENNIS COURT
[Symbol]	FENCE
[Symbol]	ELECTRICAL LINE TRANSMISSION TOWER
[Symbol]	ELECTRICAL LINE
[Symbol]	UNDER CONSTRUCTION

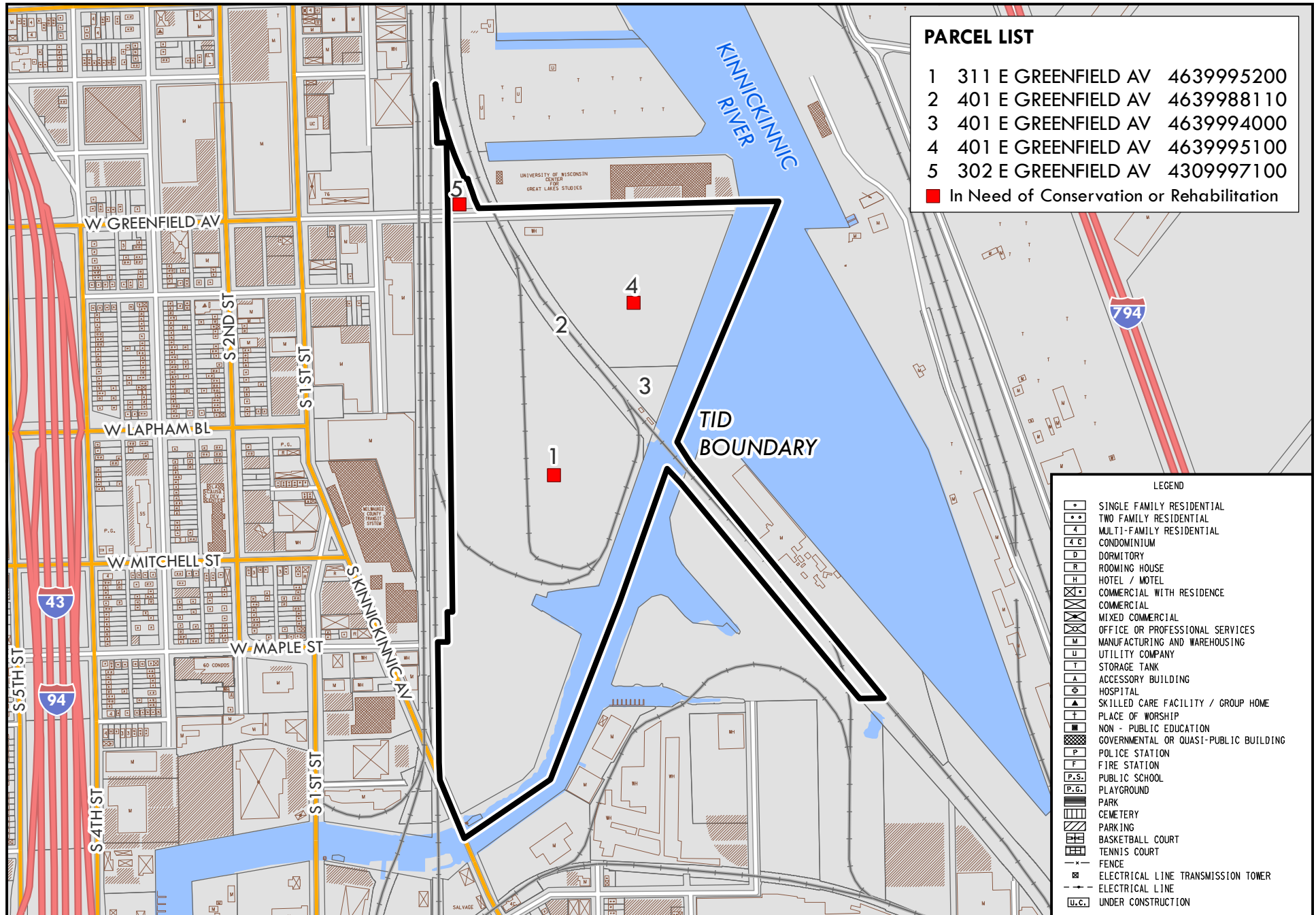
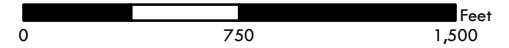


# TID 96: KOMATSU MINING CORP.

## MAP 2: STRUCTURE CONDITIONS

Prepared by the Dept. of City Development Planning Division, 10/22/2018  
 Source: City of Milwaukee Information Technology Management Division

N



### PARCEL LIST

1	311 E GREENFIELD AV	4639995200
2	401 E GREENFIELD AV	4639988110
3	401 E GREENFIELD AV	4639994000
4	401 E GREENFIELD AV	4639995100
5	302 E GREENFIELD AV	4309997100

■ In Need of Conservation or Rehabilitation

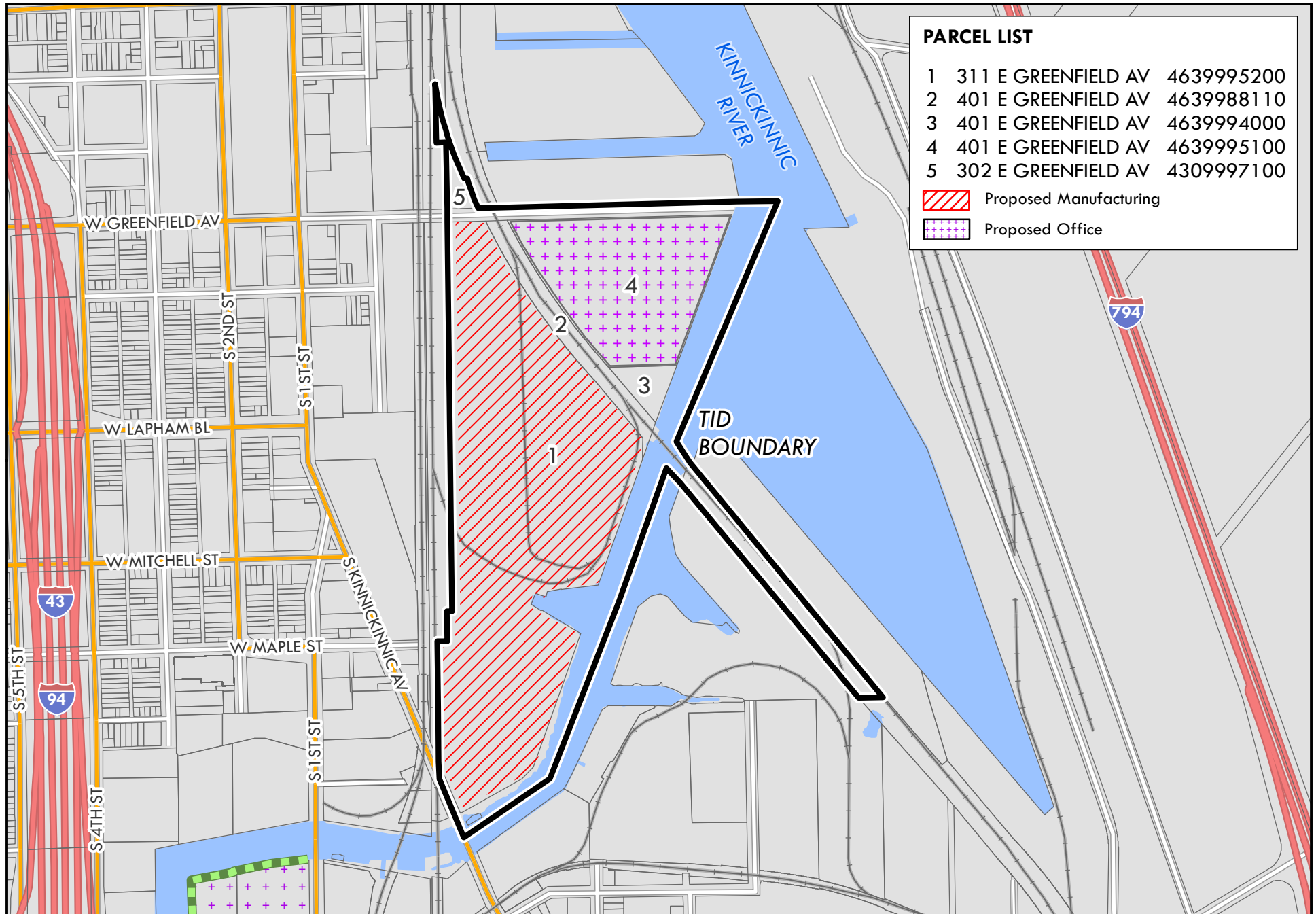
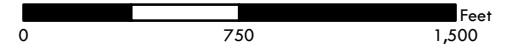
### LEGEND

[Symbol]	SINGLE FAMILY RESIDENTIAL
[Symbol]	TWO FAMILY RESIDENTIAL
[Symbol]	MULTI-FAMILY RESIDENTIAL
[Symbol]	CONDOMINIUM
[Symbol]	DORMITORY
[Symbol]	ROOMING HOUSE
[Symbol]	HOTEL / MOTEL
[Symbol]	COMMERCIAL WITH RESIDENCE
[Symbol]	COMMERCIAL
[Symbol]	MIXED COMMERCIAL
[Symbol]	OFFICE OR PROFESSIONAL SERVICES
[Symbol]	MANUFACTURING AND WAREHOUSING
[Symbol]	UTILITY COMPANY
[Symbol]	STORAGE TANK
[Symbol]	ACCESSORY BUILDING
[Symbol]	HOSPITAL
[Symbol]	SKILLED CARE FACILITY / GROUP HOME
[Symbol]	PLACE OF WORSHIP
[Symbol]	NON - PUBLIC EDUCATION
[Symbol]	GOVERNMENTAL OR QUASI-PUBLIC BUILDING
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[Symbol]	PUBLIC SCHOOL
[Symbol]	PLAYGROUND
[Symbol]	PARK
[Symbol]	CEMETERY
[Symbol]	PARKING
[Symbol]	BASKETBALL COURT
[Symbol]	TENNIS COURT
[Symbol]	FENCE
[Symbol]	ELECTRICAL LINE TRANSMISSION TOWER
[Symbol]	ELECTRICAL LINE
[Symbol]	UNDER CONSTRUCTION

# TID 96: KOMATSU MINING CORP.

## MAP 3: PROPOSED USES AND IMPROVEMENTS

Prepared by the Dept. of City Development Planning Division, 10/22/2018  
 Source: City of Milwaukee Information Technology Management Division



### PARCEL LIST

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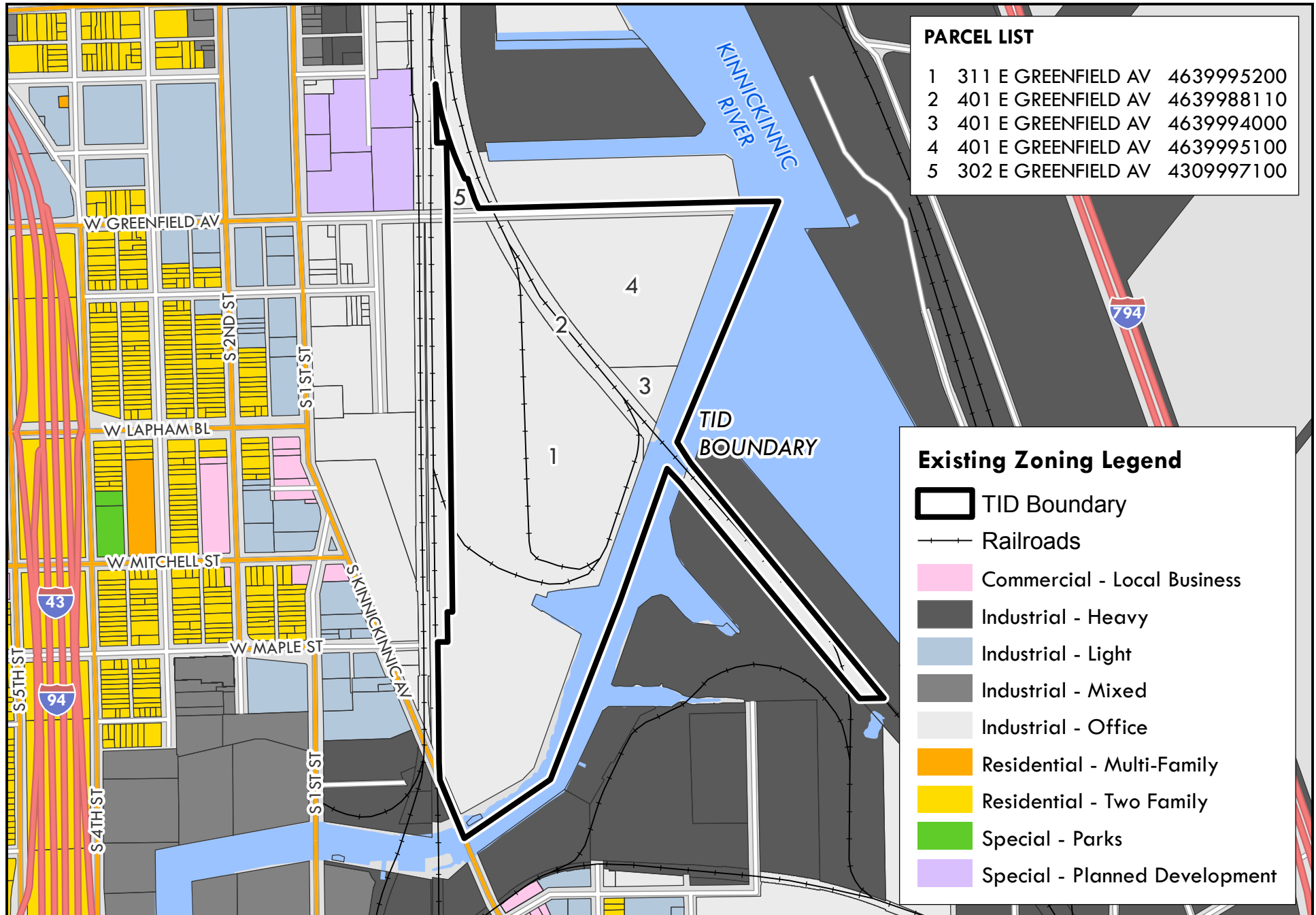
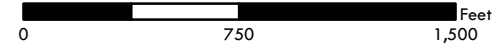
- Proposed Manufacturing
- Proposed Office

# TID 96: KOMATSU MINING CORP.

## MAP 4: EXISTING ZONING

Prepared by the Dept. of City Development Planning Division, 10/22/2018  
 Source: City of Milwaukee Information Technology Management Division

N



### PARCEL LIST

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2	401 E GREENFIELD AV	4639988110
3	401 E GREENFIELD AV	4639994000
4	401 E GREENFIELD AV	4639995100
5	302 E GREENFIELD AV	4309997100

### Existing Zoning Legend

- TID Boundary
- Railroads
- Commercial - Local Business
- Industrial - Heavy
- Industrial - Light
- Industrial - Mixed
- Industrial - Office
- Residential - Multi-Family
- Residential - Two Family
- Special - Parks
- Special - Planned Development