

Term Sheet
735 N Water
Façade and Riverwalk Development Agreement

Project:

This Tax Incremental District (“the District”) will partially fund the construction of a riverwalk of approximately 480 feet in length with handicap accessible facilities. The Riverwalk will be between 10-25 feet wide and constructed on the east bank of the Milwaukee River. The design will be consistent with the Riverlink Design Guidelines and may include railings, harp lights, and medallions in the walking surface.

In addition, the District will fund façade improvements to include cornice replacement on a building considered historically valuable to the City of Milwaukee.

The “Project” consists of the improvements listed above.

The entire Project will be constructed by the Developer.

Project Budget:

Total estimated project costs for the Project, excluding financing, are approximately **{\$3,257,097.00}**. *In addition, Council may specify additional job training and administration costs.*

Developer:

Compass Properties

City Contribution:

The City shall provide a contribution from the Tax Incremental District in the amount not to exceed **{\$3,257,097.00}** excluding financing costs.

Disbursements:

Prior to disbursement of City funds to the Developer, the following actions must occur.

- A. A final budget for the total costs of the riverwalk and the cornice replacement (hard and soft costs) shall have been approved in writing by City’s Commissioner of City Development, (the “Commissioner”).
- B. The Developer shall have received all federal, state and local agency approvals that are necessary to undertake the construction of the riverwalk and the cornice replacement.
- C. The Commissioner shall have approved the final plans and specifications for the riverwalk and the cornice replacement.
- D. The Commissioner shall have approved all the contracts to be

entered into by the Developer to undertake the construction of the riverwalk and the cornice replacement.

- E. The architect or engineer shall have certified in writing to the Commissioner that the work that is subject to the draw request has been completed in accordance with the Commissioner-approved plans and specifications and the riverwalk and the cornice replacement costs have been fully substantiated by the Developer on appropriate AIA forms, such as AIA Document G702.
- F. The Commissioner shall have received and approved a signed EBE Agreement.
- G. The City shall have received all necessary Grants of Easement, in the approved form, for the Riverwalk and the historic facade.
- H. Payment requests shall be presented to the Commissioner by Developer no more frequently than once a month and City Contribution shall be disbursed pursuant to procedures approved by the Commissioner.

Responsibilities:

Developer will construct the Project, pay its portion of construction costs, own, operate and maintain those portions of the riverwalk located on its property, including the public Riverwalk, dock wall, and handicap accessible facilities either through BID #15 allocation or on its own.

Developer will construct and City will pay for 100% of the cornice replacement.

Developer will deliver and the City will accept a permanent public access easement for the Riverwalk and a historic façade easement for the building in effect for a minimum of 99 years.

Competitive Bidding:

Contracts for work funded by the City shall be bid out by the Developer and the bidder chosen by the Developer must be reasonably approved by the Commissioner.

Prevailing Wages:

The Developer and Developer’s contractors shall pay prevailing wages for construction and agree to provide reports specified by the Commissioner.

Development Agreement:

The City, Developer, and RACM shall enter into a development agreement (“Development Agreement”) containing terms consistent with this Term Sheet and customary for such development agreements. The Development Agreement may not be collaterally assigned to a third party without the written consent of the Commissioner. A clause may be

included that allows the City to recapture a portion of the Historic Tax Credit proceeds (if they are ever claimed) to recoup the City's financial contribution towards the cornice repair.

PILOT Payments: The Development Agreement will require payments in lieu of taxes with respect to any parcel or building within the District that subsequently becomes exempt from real property taxes. This provision shall be incorporated into a covenant running with the land.

Financial Statements: Developer shall provide internally generated financial statements for the Project, certified as to accuracy. At its discretion, the City may request independently audited financial statements to be provided within ninety days of the close of any fiscal year. The City shall pledge to hold such records confidential to the greatest extent permitted by law.

Design Review: The Commissioner shall have the right to approve all plans and specifications for all work funded in whole or in part by the City.

Human Resource Requirements: The Developer shall enter into an EBE agreement that places a mandatory 18% EBE requirement and a 21% Residents Preference requirement on the Riverwalk and cornice replacement work. Given the special nature of the scope of work (rehabilitation of a cornice), the Developer will work closely with the City EBE office to achieve this mandatory goal, if possible.

Developer Financing: City, RACM and Developer shall structure the City contribution as a Developer financed obligation. In such event, the Development Agreement shall be structured as a Cooperation Contribution and Redevelopment Agreement in a form customary for a transaction of this sort and shall provide for the payment of interest at the City's cost of funds as determined by the City Comptroller.

General: 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 in one or more agreements, including the Development Agreement mentioned above, among the City, RACM, and Developer. Resolutions approving the Term Sheet will also provide for the execution of all additional documents and instruments necessary to implement the Project.

All other customary provisions (Comptroller audit rights, DCD Commissioner review and approval of project budget and design, etc.) will also be included in the Development Agreement.