

## **GRANT AGREEMENT**

**THIS GRANT AGREEMENT** (“Agreement”) is entered into as of \_\_\_\_\_, 2010, by and between the City of Milwaukee, Wisconsin, a Wisconsin municipal corporation (“City”) and the Redevelopment Authority of the City of Milwaukee (“RACM”).

### **WITNESSETH THAT:**

**WHEREAS**, City and RACM have created Tax Incremental District No. 71 (Mitchell Street) ( “District”) with the adoption of their respective resolutions No. 071132 and No. 9969. The District consists of 281 properties located along, and generally one block north and south of W. Mitchell Street between S. 5<sup>th</sup> Street and S. 16<sup>th</sup> Street, plus a commercial area south of W. Forest Home Ave. between S. 13<sup>th</sup> Street and S. 15<sup>th</sup> Street. The District contains nearly 2.3 million s.f. of land area, excluding public rights-of-way, and encompasses the Historic Mitchell Street commercial district, including immediately adjacent residential areas, and parking lots which serve the retail business on the Street; and

**WHEREAS**, Funding provided by the Project Plan for the District totals \$3,118,000 for the purposes of upgrading pedestrian lighting, installing median irrigation, security cameras, and tree grates, along with funds for grants or loans to assist with catalytic private development opportunities in the District; and

**WHEREAS**, One of the properties proposed for improvement in the District is the restoration and renovation of the vacant commercial space at 551 W. Mitchell St., owned by Mitchell 551 LLC (“Owner”) and proposed to be leased to Paesano’s Pizza, LLC (“Tenant”) which plans to open a restaurant modeled after similar restaurants operated by the Quezada family in the Sacramento area, specializing in pizza while offering a variety of other Italian entrees; and

**WHEREAS**, renovations for this property are estimated to cost \$135,000 as detailed in Exhibit A, hereto; and

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

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

1. Grant to Tenant. City agrees to provide up to \$39,000 to RACM for the purposes of providing a Grant to the Tenant on Terms set forth in Exhibit A, hereto.

2. Establishment of Fund Account. Funding for the Grant shall be provided from TID 71 Account No. TD07188001. The City Comptroller shall establish such funds and accounts in TID 71 as necessary to accomplish the transaction contemplated herein.

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

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

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

CITY OF MILWAUKEE

REDEVELOPMENT AUTHORITY  
OF THE CITY OF MILWAUKEE

\_\_\_\_\_  
Tom Barrett, Mayor

Date: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Lois Smith, Chair

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Rocky Marcoux, Exec. Dir.

Date: \_\_\_\_\_

**COUNTERSIGNED:**

\_\_\_\_\_  
City Comptroller

Date: \_\_\_\_\_

Approved as to form, execution, and  
content this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Assistant City Attorney

## EXHIBIT A

### Term Sheet for Grant for

#### 551 W. Mitchell St.

- **Project:** The “Project” consists of renovations to the property at 551 W. Mitchell St, for the purposes of establishing a sit-down restaurant to be known as Paesanos.
- **Owner:** Owner is Mitchell 551, LLC
- **Tenant:** The Tenant is Paesanos Pizza, LLC, Susana Rodriguez, 900 S. Mooreland Rd, Brookfield, WI 53005 registered agent. Tenant shall enter into a lease with a term of not less than five years, which terms and conditions shall be subject to the approval of City’s Commissioner of City Development.
- **Project Budget:** The estimated cost of the Project is \$135,000 as set forth in the attached Budget Summary..
- **City Funding:** The City will provide up to \$39,000 to the Redevelopment Authority of the City of Milwaukee (“RACM”) from Tax Incremental District Bond Account No. TD07188001 for the purposes of providing a Grant for Project.
- **Additional Funding:** Owner and Tenant shall provide the balance of project funding, in the amount of \$96,000.
- **Design Approvals:** The final design of the Project’s façade, and any signage affixed thereto, shall be subject to approval of the Commissioner of City Development, the Milwaukee Historic Preservation Commission staff, and Business Improvement District No. 4. The City Wide Façade Design Guidelines shall govern the façade and sign design.
- **RACM Responsibilities.** Funds granted by the City to RACM shall be utilized for costs of the Project and shall be disbursed pursuant to a Disbursing Agreement between Owner, Tenant, and RACM following expenditure of Owner/ Tenant’s contribution.
- **Recapture:** Funding for the Project shall be subject to recapture if at any time during the ten year period following completion of the Project, the Project is sold, or otherwise conveyed, and is operated as something other than a restaurant unless such operation is approved by BID No. 4. In such event, the amount of recapture will be prorated based on the remaining number of years of the ten-year recapture period.
- **Other Provisions.** This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort shall be incorporated into one or more agreements including the Development Agreement between the City, RACM, and Owner.

	<b>Budget Summary</b>			
	<b>551 W. Mitchell St. Project / Paesano's Restaurant</b>			
	<b>Tax Incremental District No. 71 ( Mitchell St.)</b>			
	<b>Use of Funds</b>			
	Ceramic tile floor			\$6,350
	Drop Ceiling			\$3,800
	Washable surfaces on walls			\$4,000
	Customer Counter			\$3,400
	Counter Bar			\$5,600
	Soffits around drop ceiling			\$500
	New window shades			\$3,000
	Relocation of HVAC ductwork			\$4,450
	Electrical			\$8,850
	Plumbing			\$10,495
	New hood			\$20,419
	New walk in cooler			\$6,339
	Panic door installation for rear			\$3,200
	Sinks-coolers-tables-stove			\$12,400
	Architectural/Engineering/Permits			\$3,600
	New 200 AMP meter			\$1,850
	Relocate Electric Panel			\$1,300
	New 1 1/2" water service to bldg			\$9,850
	2 hour ceiling fire suppression			\$4,800
	5 ton AC unit			\$8,900
	Exterior sign			\$7,480
	Engineering fees			\$2,900
	Support for make up air unit			\$1,100
	<b>Total</b>			<b>\$134,583</b>

Source: BMR Design Group, Inc. est. of November 22, 2009.