

10/05/05

Term Sheet for Development Agreement

Tax Incremental District No. 61

Chase Commerce Center Project

Project: Acquisition and redevelopment per Budget attached hereto of industrial facility at 3073 S. Chase Ave.

Tax Increment

District: Means TID No. 61, and the Project Plan therefore, created by adoption of File No. 050593 on September 27, 2005.

Developer: Industrial Properties, LLC

Funding: Developer shall advance all funding for the Project, including the City Contribution, as set forth below.

City

Contribution: City contribution shall consist of a limited and conditional Monetary obligation to repay Developer an amount equal to TID 61 Project Costs, in the amount of \$500,000, without interest. Payments are to be made annually but only in an amount equal to the tax incremental revenue actually received by the City from TID 61, less \$2000 for annual audit purposes. 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 the City, or count against its statutory debt limits.

City

Contribution

Earned: The City contribution shall be for Site Improvements as provided in the Budget, including roof repair and replacement, parking lot repaving, rail access improvements and repairs, tenant improvements, and general repairs. The City contribution shall be deemed earned upon approval, by the Commissioner of City Development, of invoices or customary AIA documentation for work performed for the Project.

Term of

Payments: City payments on the Monetary Obligation will terminate at the time: a) the Monetary Obligation is fully paid; b) 410,000 s.f. of manufacturing, warehouse, and office space is leased in the facility as of December 31st of

any year; c) Upon payment of the tax incremental revenue obtained from the District from the 2015 tax levy for 2016 budget purposes; or, d) upon sale of the Project. Once terminated, payments may not be re-initiated.

Material

Disturbance: If the Project is not continuously used for manufacturing and office purposes, or if tenants for the facility are not being actively sought by the Developer, or if Developer fails to provide adequate information on the current occupancy of the Project, the Common Council may adopt a resolution terminating any future payments on the Monetary Obligation.

EBE: Developer shall utilize its best efforts to have not less than 18% of the renovation work on the Project performed by Emerging Business Enterprises as defined in Chapter 360, Milwaukee Code of Ordinances.

General: This Term Sheet does not constitute an agreement with the Developer. The terms set forth herein, and other provisions customary for a transaction of this sort, shall be incorporated in a Cooperation, Contribution, and Redevelopment Agreement for this tax incremental district.