

Term Sheet
Amendment #2 to TID No. 44
Walnut-Locust Improvement Fund (Lindsay Heights)

**Summary of Terms for the Existing Cooperation, Contribution and
Redevelopment Agreement for TID District No. 44**

Project: Creation of a Neighborhood Improvement Fund to provide resources for residential new construction and rehabilitation in the Lindsay Heights Neighborhood, bounded by West Locust Street, North 12th Street, West Walnut Street, and North 20th Street. The TID is part of a comprehensive redevelopment effort in the neighborhood that involves the efforts and resources of the City of Milwaukee (“City”), the Wisconsin Housing and Economic Development Authority, Local Initiatives Support Corporation (“LISC”), local lenders, community based organizations, neighborhood stakeholders and residents.

**Project
Budget:** Original Project Budget of \$1,755,000.

Implementation: TID No. 44 funded a loan pool that provides forgivable loans to property owners for the rehabilitation of existing homes and the construction of new homes on vacant City lots within the district. The loan fund is administered by Neighborhood Improvement Development Corporation and the Department of City Development.

Financier: LISC, a New York nonstock, nonprofit corporation

**Financier
Commitment:** LISC advances all money for the Project, using funds provided by the local banks. LISC arranged for financial participation of local banks and guaranties the repayment of 25 percent of each bank’s financial participation. LISC also provides an Annual Report for the Project.

**Interest
Rate:** 4.92%

**City
Contribution:** The City Contribution consists of a limited and conditional Monetary Obligation to repay an amount equal to the funds advanced by LISC, in the maximum amount of \$1,755,000, plus interest. Payments are to be made annually but only in an amount equal to the tax increments actually received by the City from TID No. 44. The Monetary Obligation does not constitute a general obligation of the City or count against its statutory debt limits.

Financial Statements :	The City shall annually conduct an audit of TID No. 44.
Maximum Term of TIF District:	The maximum term of TID No. 44 is December 31, 2023, at which time any unpaid principal and interest on the Monetary Obligation shall be extinguished.
Material Disturbance:	If the Annual Report is not delivered on a timely basis, the Common Council may adopt a resolution terminating any future payments on the Monetary Obligation.
General:	The City, Redevelopment Authority and LISC entered into a Cooperation, Contribution, and Redevelopment Agreement for TID No. 44 incorporating all of the terms of the TID financing commitment.

Summary of Terms for the Amendment to the Cooperation, Contribution and Redevelopment Agreement for TID No. 44

Project:	<p>The purpose of Amendment #2 to TID No. 44 is to replenish the loan pool.</p> <p>The district is large – containing over 1,100 residential properties. Given the size, the redevelopment strategy for the project was to employ a “clustered” development approach. Initially, two development clusters were designated – generally the area south of North Avenue. Resources were only made available in these areas. New clusters have been designated only at the time at least 50% of the lots in a cluster were sold. The strategy has worked well, and both original clusters have exceeded their goals. Additional clusters have been designated in the area north of North Avenue.</p> <p>To date, the loan pool has been utilized to assist 165 property owners. 111 new homes have been built or are under construction on vacant scattered site lots in the district, including 88 since the district was created in 2001. 90% of the new homes that have been built are located in the original development clusters south of North Avenue. Sales prices have averaged \$146,000. Almost all of the original loan pool has been expended, and additional funding is necessary to continue to work toward redevelopment of the area north of North Avenue.</p>
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Project Budget: Increase project budget from \$1,755,000 to \$2,755,000

Implementation: The Department of City Development will continue to administer TID activities.

Financier: LISC will remain the financier for the project, and will advance all money for the project using funds provided by local banks. LISC will arrange for the additional participation of local banks to provide the increase in the project budget of up to \$1,000,000.

Interest Rate: 4.92%

Disbursements: Funds will be drawn as needed. The minimum draw amount shall be \$250,000. City may request draws at any time up to three years following execution of the amendment to the agreement.

City Contribution: The City's Contribution under the limited and conditional monetary obligation shall be increased to a maximum of \$2,755,000 plus interest. Payments will be made annually but only in an amount equal to the tax increments actually received by the City from TID No. 44 (not including any increments received from excluded parcels, including the Josey Heights development at 12th and Lloyd which are not subject to the LISC agreement). The Monetary Obligation does not constitute a general obligation of the City or count against its statutory debt limits.

Prepayment: The City shall have the right to prepay the Monetary Obligation at any time, without penalty.

General: The City, Redevelopment Authority and LISC will amend the existing, Cooperation, Contribution, and Redevelopment Agreement for TID No. 44 incorporating the increased funding amount and all pertinent terms regarding the increased amount.

Other: All other terms and conditions of the original Cooperation, Contribution and Redevelopment Agreement for TID No. 44 will remain the same.