

Term Sheet
The Aloft
Riverwalk Development Agreement

Project: Tax Incremental District No. 48 (the “District”) will partially fund the construction of a riverwalk of approximately 203’ feet in length. The riverwalk will be between 10-25 feet wide and constructed on the west bank of the Milwaukee River. The design will be consistent with the Riverlink Design Guidelines. One slip for public use will be partially funded by the District. The riverwalk will be ADA compliant.

In addition, the District will partially fund a public plaza to include but not be limited to landscaping, and dock wall at the pedestrian ways end.

The “Project” consists of the improvements listed above.

The “Private Project” consists of an approximately 78,400 square foot hotel, approximately 9 residential units and approximately 3,300 square feet of retail.

The entire Project and Private Project will be constructed by the Developer.

Project Budget: Estimated total costs for the Private Project are approximately \$42,000,000.

Estimated total costs for the Project, excluding financing, are **\$1,429,772**.

Developer: Milwaukee Block 10 Properties, LLC

City Contribution: The City shall provide a contribution for the Project from Tax Incremental District No. 48 in the amount **not to exceed \$858,042**, 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 public infrastructure (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 public infrastructure.

- C. The Commissioner shall have approved the final plans and specifications for the riverwalk and the public infrastructure.
- D. The Commissioner shall have approved all the contracts entered into by the Developer for the preparation of the plans and specifications and to undertake the construction of the riverwalk and the public infrastructure.
- E. The Commissioner shall have received and approved the Certificate of Insurance for the riverwalk.
- F. 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 public infrastructure costs have been fully substantiated by the Developer on appropriate AIA forms, such as AIA Document G702.
- G. The Commissioner shall have received and approved a signed EBE Agreement.
- H. The City shall have received all necessary Grants of Easement, in the approved form, for the riverwalks, certain street segments, and the public plaza.

Payment request shall be presented to the Commissioner by Developer upon substantial completion of the Project and the Private Project per plans approved by the Department of City Development, and City Contribution shall only be disbursed after approval by the Department of Public Works of all Project invoices and site inspection.

Responsibilities:

Developer will construct the Riverwalk, own, operate and maintain those portions of the riverwalk located on its property. The City will pay its portion of construction costs up to a maximum amount of \$367,880

Developer will construct the dockwall, own, operate and maintain those portions of the dockwall located on its property. The City shall pay its portion of construction costs up to a maximum amount of \$162,400

Developer will construct, own, operate and maintain the public plaza/access. Developer will construct, operate and maintain the public boat slip and will construct the associated dockwall along city property. City will pay its portion of construction costs for the public plaza, public boat slip, and dockwall along city property up to a maximum amount of \$327,762.

Developer will provide City with a non-exclusive, permanent public access easement over the entire riverwalk, plaza property, and public boat slip which all are to be open to the public 24 hours a day, at no charge.

Developer will construct the hotel/condominium project

Competitive Bidding:

Contracts for work funded by the City that is within public right of way shall be bid out by the Developer and the bidder chosen by the Developer must be approved by the Commissioner.

Prevailing Wages:

The Developer and Developer's contractors shall pay prevailing wages for construction of the public infrastructure located within the public right of way and agree to provide any necessary reports or forms 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 be collaterally assigned by Developer to a specified bank without the written consent of the City. All other collateral assignments shall be subject to the written approval of the Commissioner.

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% Resident Preference requirement on the Riverwalk and Public Infrastructure work.

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. Resolution 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.

2/28/08 AR/ar