TINY HOUSING PROJECT FOR VETERANS AGREEMENT CAO 279979, GH 4-21-2022

VETERANS OUTREACH OF WISCONSIN, INC. (VOW), a Wisconsin nonprofit corporation, the **REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE** (**RACM**), a Wis. Stat. 66.1333 entity, and **VETERANS COMMUNITY PROJECT, INC.** (**VCP**), a Delaware, nonprofit corporation authorized to do business in the State of Wisconsin as a foreign corporation, hereby enter into and agree to the terms and provisions of this Agreement (**Agreement**), dated and effective as of ______, 2022 (the **Effective Date**). As used herein, "**DCD**" means the City of Milwaukee's (**City**) Department of City Development.

RECITALS

A. <u>VOW PASA; VOW Project.</u> VOW entered into a Purchase and Sale Agreement with RACM, dated 3-31-2020, and amended by an Amendment dated 6-25-2021 (as amended, that agreement is called the **VOW PASA**), whereby RACM agreed to convey to VOW Lot 1 of CSM 9190, 6767 N. 60th Street, TIN 120-0321-000, Milwaukee, WI (the **Property**).

Under the VOW PASA, VOW was to build on the Property a "tiny home" community (with at least **24** tiny homes in Phase 1, minimum per s.f. per "tiny home" unit is 240 s.f. and the units were to contain toilet and sink) and a community building for homeless veterans of the U.S. Armed Forces (based on VOW's similar operations in Racine, Wisconsin), including parking, walkways and drives, landscaping, garden, and storm water management facilities, and including extension/construction of water and sewer and required utilities (the **VOW Project**). VOW's initial Project cost estimate was about \$2M (**VOW Estimated Costs**). Per the Amendment to the VOW PASA, VOW had the duty, on or before **11-30-2022**, to (**i**) complete the VOW Project; (**ii**) bring the Property into compliance with the City Health and Building Codes, and landscaping codes; and (**iii**) obtain from the City Department of Neighborhood Services (**DNS**) a Certificate of Occupancy (**COO**) for all uses.

B. <u>VOW Owns the Property.</u> On 7-9-2021, RACM conveyed the Property to VOW by Quit Claim Deed recorded in the Milwaukee County Register of Deeds (**ROD**) Office on 7-9-2021 as ROD Document No. 11136826. VOW now owns the Property. VOW paid a purchase price of \$35,000. VOW did not pay any earnest money. VOW did pay a Performance Deposit of \$5,000 that RACM is holding (which RACM is, under the VOW PASA, entitled to keep if VOW doesn't obtain the COO by 11-30-2022 for the VOW Project), and VOW also agreed to pay \$10,000 in liquidated damages if VOW (despite the 11-30-2022 COO Deadline) still failed to complete the VOW Project by 9-31-2022.

C. <u>VOW Wants to Convey to VCP; VCP Project.</u> VOW has not commenced construction of the VOW Project. VOW now wants to convey the Property to VCP, and VCP wants to accept that conveyance, so that VCP may use the Property to build on the Property a "tiny home" community (with at least 24 tiny homes, minimum per s.f. per "tiny home" unit is 240 s.f. and the units will contain toilet, sink, shower) and a community building for homeless veterans of the U.S. Armed Forces (based on VCP's similar operations in Kansas City, Missouri), including parking, walkways and drives, landscaping, garden, and storm water management facilities, and including

extension/construction of water and sewer and required utilities (the **VCP Project**). Per this Agreement, VOW will convey the Property to VCP, and VCP agrees, on or before **June 30, 2024** (the **VCP Project Deadline**), to (i) complete the VCP Project; (ii) bring the Property into compliance with the City Health and Building Codes, and landscaping codes; and (iii) obtain from the City DNS a COO for all uses. VCP also agrees to commence the Project on or before **March 15, 2023** with visible Project construction activities at the Property.

AGREEMENT

1. <u>Recitals</u>. The recitals above are agreed to.

2. <u>VOW Conveyance to VCP.</u> Within 10 days of the Effective Date, VOW will convey the Property to VCP by Quit Claim Deed in form and substance in material compliance with **EXHIBIT A**.

A. VCP will pay VOW **\$_____** for the Property on or before the date that VOW conveys the Property to VCP.

B. VCP at its expense will obtain title insurance on the Property from a title insurance company authorized to do business in Wisconsin with an office in downtown Milwaukee, or within 5 miles from Milwaukee's City Hall. VCP will provide a copy of the commitment (and any updates and endorsements) to each of RACM and VOW.

C. VCP at its expense will have the title company "close" on the conveyance from VOW to VCP of the Property, and VCP will pay for the title company to record the Deed from VOW to VCP. VCP will promptly provide to RACM and to VOW a copy of the recorded VOW-to-VCP Deed showing that the Deed was recorded in the Milwaukee County Register of Deeds (**ROD**) Office and showing the ROD recorded document number.

D. VCP at its expense will pay to the title company the real estate transfer fee amount due concerning the conveyance. VCP and VOW will cooperate by providing information to the title company to allow it to complete the transfer return.

E. VOW will pay the cost to the title company of having it obtain "special letters" from the City. VOW shall be responsible for and pay any special assessments or special charges or taxes levied against the Property and outstanding prior to Closing.

F. VCP understands that RACM conveyed the Property to VOW on an AS IS, WHERE IS basis, and that VOW will convey the Property to VCP on an AS IS, WHERE IS basis. The Property *may*: contain lead-based paint, asbestos, underground storage tanks, or other environmental hazards; have shared water service; have buried rubble or other adverse geotechnical conditions; and/or be affected by lead private or lead municipal water service lines. See Milwaukee Code of Ordinances (**MCO**) 225-22 under which owners may be required to connect water and sewer to public water mains and public sewers, and MCO 225-22.5 under which owners may be required to replace lead water service lines.

3. Performance Deposit.

A. **VOW.** RACM will return VOW's \$5,000 performance deposit to VOW after all parties have signed this Agreement, and after the Deed for the Property from VOW to VCP has been recorded. VCP must provide to DCD a copy of that recorded Deed. RACM and VOW hereby agree that, upon the recording of the Deed from VOW to VCP, the VOW PASA will be deemed to be terminated, with no party owing the other party thereunder any duty.

B. VCP. Within 5 days of signing this Agreement, VCP will pay RACM a **\$10,000** performance deposit which RACM shall hold in a non-interest bearing account. If VCP, on or before the VCP Project Deadline, (i) completes the VCP Project per the terms and conditions contained herein; (ii) brings the Property into compliance with the City Health and Building Codes, and landscaping codes; and (iii) obtains from the City DNS a COO for all uses, then RACM shall return the performance deposit to VCP (less any amount withheld by RACM as allowed hereunder). If, however, VCP fails to achieve the requirements in (i) through (iii) by the VCP Project Deadline, then RACM shall keep the performance deposit as RACM's own.

4. VCP Project Requirements.

A. **Compliance with Laws**. VCP must comply with applicable federal, state and local laws regarding the VCP Project and the construction, improvement, use and occupancy of the Property (including storm water management regulations [MCO Ch. 120] and zoning code requirements) and obtain at VCP's expense necessary governmental permits, licenses, and approvals. VCP shall consult with the City's Development Center regarding the VCP Project, and the Board of Zoning Appeals, if applicable.

B. **Compliance with DCD-approved Plans & Specs.** VCP agrees to undertake and complete construction of the VCP Project by the VCP Project Deadline. VCP must construct the VCP Project in accordance with DCD-approved plans and specifications for the VCP Project.

C. **Financing/Equity**. VCP must demonstrate to DCD's reasonable approval that, by the date that is **12 months** from the Effective Date, VCP will have equity and/or financing and/or commitments for funds (i) to pay the Estimated Costs for VCP Project completion, or (ii) to pay a reasonably substantial amount of those Estimated Costs for VCP Project completion as DCD may in its discretion approve. If VCP fails to timely meet this requirement, RACM may retain, as RACM's own, **25%** of the VCP Performance Deposit funds that RACM is holding hereunder, and RACM shall then continue holding the then remainder of the Performance Deposit funds per the terms hereof and VCP shall remain contractually committed to undertake and complete the VCP Project, and to fulfilling its obligations hereunder.

5. <u>VCP Identification and Disclosures</u>. VCP represents to RACM and VOW that:

- A. The following are the corporate officers of VCP: Bryan Meyer, President. Angela Gum, Secretary.
- B. The following comprise the Board of Directors of VCP: Bob Reymond, Mark Solomon, Caleb Jackson, Jason Thomas, and Stephen Weber.
- C. VCP is in good standing and authorized to do business in the State of Wisconsin. VCP shall, on or before the Effective Date, provide to DCD a print-out from the Wisconsin Department of Financial Institutions Office showing that VCP is in good standing and authorized to do business in Wisconsin.
- 6. <u>No Broker</u>. There is no real estate broker involved in this transaction.
- 7. <u>RACM Termination Right</u>. If VOW fails to timely convey the Property to VCP as required hereby by the Deed recorded in the ROD Office, or if VCP fails to accept conveyance as contemplated and required hereby, RACM may terminate this Agreement.

If RACM does so terminate this Agreement, then RACM shall continue holding VOW's Performance Deposit, and the VOW PASA shall not be deemed terminated hereunder or affected hereby, and the PILOT Agreement between VOW and City (ROD Document No.11138593 shall not be deemed terminated or satisfied or affected hereby.

- 8. <u>Preliminary Plans.</u> *Prior to* entering into this Agreement, VCP must provide *preliminary* VCP Project Plans to RACM, or *preliminary* VCP Project drawings to RACM, for DCD review and approval. VCP shall also provide to RACM and DCD periodic updates upon DCD request.
- **9.** <u>**DPD Zoning.**</u> VCP understands that VOW obtained DPD zoning for the VOW Project. See City Common Council Resolution File 190782. At VCP expense, VCP must obtain zoning approval for its VCP Project. VCP agrees to diligently pursue appropriate zoning for the VCP Project.
- 10. <u>PILOT and Exemption.</u> VCP understands that real property in Wisconsin is presumed taxable. Wis. Stat. 70.109. VCP, after the Deed for the Property from VOW to VCP is recorded in the ROD Office, agrees to apply for property tax exemption with the City Assessor. VOW knows that VOW entered into a PILOT (payment in lieu of taxes) agreement that was recorded in the ROD Office against the Property on 7-9-2021 as ROD Document No. 11138593. VCP agrees to also enter into (and to record in the ROD Office) a PILOT Agreement, acceptable to City and DCD (in form and substance in material compliance with EXHIBIT B), whereby VCP will make annual PILOT payments to the City of Milwaukee of \$2,760 per year if the Assessor determines that the Property is property-tax exempt. VOW agrees to join the signing of that PILOT Agreement for the purpose of termination and satisfying of record the VOW PILOT, ROD Document No. 11138593.

VCP, at its expense, will have the title company "close" on the conveyance from VOW to VCP of the Property, and VCP will pay for the title company to record the Deed from VOW to VCP, and VCP will pay for the title company to record the PILOT Agreement. VCP will promptly provide to RACM and to VOW a copy of the recorded VOW-to-VCP Deed showing that the Deed was recorded in the ROD Office and showing the ROD recorded document number.

VCP will also promptly provide to RACM, DCD, the City Assessor's Office, and VOW a copy of the recorded PILOT Agreement showing that the PILOT Agreement was recorded in the ROD Office and showing the ROD recorded document number.

VCP agrees that the PILOT Agreement must be recorded by the title company on the same date as the recording of the VOW-to-VCP Deed for the Property.

VOW agrees that if, on the date of the Closing between VOW and VCP concerning the Deed from VOW to VCP, VCP has not tendered to the title company the signed PILOT Agreement approved by the City and DCD ready for recording with the ROD Office, VOW will not convey the Property to VCP. VCP understands that VCP must sign and have the title company record the PILOT Agreement on the date of Closing.

- 11. <u>DNS Property Recordings</u>. Being, currently, a building-less, vacant, unimproved parcel, the Property is not required to be registered with the DNS Property Recording Program or Vacant Building Registration Program. If registration is required (due to change in law or circumstances, *if applicable*), VCP, at its expense, shall register as required. See MCO 200-51.5 (building ownership) and 200-51.7 & 200-33-64 (vacant building registration). VCP further agrees that after a COO is issued for the VCP Project, VCP will register the Property with the DNS Property Recording Program.
- 12. <u>Successors and Assigns</u>. After execution, this Agreement binds and inures to the benefit of the parties hereto and their successors and assigns. However, neither VOW nor VCP may assign any rights, or obligations under this Agreement without the prior written consent of RACM.
- **13.** <u>Facsimile and Counterparts</u>. This Agreement may be signed in one or more counterparts which, when taken together, shall constitute one and the same document. Facsimile, email, or PDF signatures shall be accepted as originals.
- **14.** <u>Amendment</u>. This Agreement may only be amended by a written agreement signed by all the parties hereto.
- **15.** <u>Severable</u>. The terms and provisions of this Agreement are severable such that the invalidity or unenforceability of any term or provision shall not affect or impair the validity or enforceability of the remaining terms and provisions.
- **16.** <u>Survival (no merger)</u>. The terms, provisions, and agreements herein shall survive delivery and recording of the Deed from VOW to VCP.

17. <u>Notices</u>. All notices permitted or required hereunder shall be considered given (i) upon receipt if hand-delivered by commercial courier or otherwise personally delivered, (ii) if sent by email, the notice shall be deemed given when sent as per the following and so long as the notice is successfully sent (i.e. the sender does not receive any error or inability to send notification), and (iii) within two business days of depositing same in the U.S. mail, postage-paid, addressed by name and address to the party intended as follows:

IF TO RACM:	IF TO VOW:
Matt Haessly	Executive Director
Department of City Development	Veterans Outreach of Wisconsin, Inc.
809 North Broadway, 2nd Floor	1624 Yout Street
Milwaukee, WI 53201-0324	Racine, WI 53404
Phone: 414-286-5736	Phone: 262-221-8350
Email: <u>mhaess@milwaukee.gov</u>	Email: veteransoutreachofwisconsin@gmail.cor
WITH COPY TO:	IF TO VCP:
Amy TurimDepartment of City	Bryan Meyer
Development	Chief Executive Officer
809 North Broadway, 2nd Floor	Veterans Community Project
Milwaukee, WI 53201-0324	8900 Troost Ave.
Phone: (414) 286-5732	Kansas City, MO 64131
Email: aturim@milwaukee.gov	Phone:
	Email: bmeyer@vcp.org

- **18.** <u>**Remedies**</u>. Except as otherwise provided herein, in the event of breach of this Agreement, the non-breaching party shall have all rights and remedies available at law and in equity against the breaching party. RACM retention of the Performance Deposit, or any part thereof, does not prevent RACM from suing for breach and/or from seeking specific performance. RACM retains all rights, including all rights hereunder and under Wis. Stat. 893.80.
- 19. <u>Quarterly VCP Reports.</u> By 4 P.M. Central Time, on each of August 5, 2022, November 5, 2023, May 5, 2023, August 5, 2023, November 5, 2023, February 5, 2024, May 5, 2024, and August 5, 2024, VCP must provide to RACM (by email to David Misky, <u>dmisky@milwaukee.gov</u>, to Amy Turim, <u>aturim@milwaukee.gov</u>, and to Matt Haessly, <u>mhaess@milwaukee.gov</u>) a written report detailing VCP's status with respect to: its progress and status regarding construction and the VCP Project; its progress and status regarding obtaining financing for VCP Project and construction costs; and its progress and status regarding the provision of supportive services at the Property. Each report shall indicate equity and/or financing and/or binding commitments for funds then on hand, as of the date of the respective VCP report, and then available to VCP, to be used toward paying the costs for VCP Project completion. If VCP fails to timely provide a report, RACM may retain, as RACM's own, 25% of Performance Deposit funds then on hand, and VCP shall remain contractually committed to tendering the required report(s) and to performing VCP's other obligations

hereunder, and RACM shall then continue holding the then remainder of the Performance Deposit funds per the terms hereof.

IN WITNESS WHEREOF, VOW, VCP, and RACM enter and sign this Agreement as of the Effective Date above.

RACM: REDEVELOPMENT	VOW: VETERANS OUTREACH OF
AUTHORITY OF THE CITY OF	WISCONSIN, INC.
MILWAUKEE	
	By:
By:	
Frances Hardrick, Chair	Name Printed:
And	Title:
By:	
David P. Misky, Asst. Exec. Dr./Sec.	
RACM Resolution #	
See also RACM Resolution # 10789	
Common Council Resolution #	
See also Common	
Council Resolution #190778	
	VCP: VETERANS COMMUNITY PROJECT, INC.
	Ву:
	Name Printed: Bryan Meyer
	Title: Chief Executive Officer

EXHIBIT A

Document NumberQUIT CLAIM DEEDName and Return Address:VETERANS COMMUNITY PROJECT, INC.Attn: Brian Meyer, CEOAddress: Veterans Community Project, 8900 Troost Ave., Kansas City,
MO 64131

Drafted By: Veterans Community Project, Inc.

Property Tax Key Number: 120-0321-000

Recording Area

THIS QUIT-CLAIM DEED is made as of ______, 2022, by the VETERANS OUTREACH OF WISCONSIN, INC. ("**VOW**"), as Grantor, to the VETERANS COMMUNIT PROJECT, INC. ("**VCP**"), as Grantee.

<u>**Conveyance of Property.</u>** VOW conveys and quit-claims to VCP, on an AS-IS, WHERE-IS basis, all of VOW's right, title, and interest in and to the real estate (the "**Property**") described as:</u>

All that certain parcel of land in the City of Milwaukee, Milwaukee County, State of Wisconsin that is Lot 1 of Certified Survey Map No. 9190, which Certified Survey Map was recorded in the Milwaukee County Register of Deeds Office on August 5, 2019 as Document No. 10929572.

Address: 6767 N. 60th Street, Milwaukee, WI

TIN: 120-0321-000

IN WITNESS WHEREOF, VOW, as Grantor, signed this Deed as of the date first written above.

NOTARY		VETERANS	OUTREACH	OF
	WISCON	ISIN, INC.		
State of Wisconsin)				
)				
County of)	By:			

Subscribed and sworn to before me this day of, 2022 by the herein named signatory for Veterans Outreach of Wisconsin, Inc., to me known to be such person with such title listed herein.	Name Printed: Title:
Name Printed:	
Title: Notary Public, State of Wisconsin	
My commission expires:	
[NOTARIAL SEAL]	

EXHIBIT B - PILOT AGREEMENT

<u>Name and Return Address</u>: VETERANS COMMUNITY PROJECT, INC. Attn: Brian Meyer, CEO Address: Veterans Community Project, 8900 Troost Ave., Kansas City, MO 64131

Drafted By: Veterans Community Project, Inc.

Property Tax Key Number: 120-0321-000

Recording Area

THIS PILOT AGREEMENT is made as of ______, 2022, by and between the CITY OF MILWAUKEE ("City") and VETERANS COMMUNITY PROJECT, INC. ("VCP").

AGREEMENT

A. Ownership. VCP owns the real property identified below (the "Property").

All that certain parcel of land in the City of Milwaukee, Milwaukee County, State of Wisconsin that is Lot 1 of Certified Survey Map No. 9190, which Certified Survey Map was recorded in the Milwaukee County Register of Deeds Office on August 5, 2019 as Document No. 10929572.

Address: 6767 N. 60th Street, Milwaukee, WI

TIN: 120-0321-000

B. **Exemption and Annual Pilot Payments.** If, for any year, the Property is determined by the City Assessor to be property-tax exempt under Wisconsin law, then VCP agrees to make "Payments in Lieu of Taxes" ("**PILOT**" payments) concerning the Property to the City. VCP recognizes that, notwithstanding any possible property-tax-exempt status of the Property, valuable governmental services and benefits accrue to owners of parcels (whether the parcels are taxable or tax-exempt).

Annual PILOT payments for any year that the Property is determined by the City Assessor to be property-tax exempt shall equal **\$2,760** and shall be paid by the Property owner to the City, in good funds, and by January 31 of each year concerning which the Property is property-tax exempt. Such PILOT payments shall be made by Certified Check, made payable to "CITY OF MILWAUKEE," and be sent or delivered or mailed so that the payment is received no later than each January 31, to the following address:

Treasurer, City of Milwaukee 200 E. Wells Street Milwaukee, WI 53202.

C. **Reserved Rights.** City reserves all rights under applicable law, including under Wis. Stat. Ch. 70 and Wis. Stat. 70.11.

D. No PILOT payment is required hereunder for any year where the Property is fully or partially taxable for property tax purposes; provided however that, if the real property tax for any year is less than the annual PILOT payment required hereunder, then the Property owner shall continue to pay the City the PILOT payment hereunder in the required PILOT annual PILOT amount less the amount of actual real property taxes due that year for the Property.

VCP understands that amounts billed by the City of Milwaukee on the property tax bill for the Property for matters other than real property taxes (such as special charges and/or special assessments) are not reason for VOW (or owner) to not pay, or to reduce, PILOT payments otherwise required hereunder.

E. **Amendment; Termination.** This document may only be amended from time to time as City and Property owner mutually agree in a writing, executed by both parties, recorded in the Milwaukee County Register of Deeds ("ROD") Office. It may not be unilaterally terminated or altered by VCP (or any successor owner). Any amendment that reduces or eliminates PILOT payments (except as already provided for herein), or that terminates PILOT payments, must be approved by the City of Milwaukee by Common Council resolution.

F. **Governing Law.** The laws of the State of Wisconsin and ordinances and regulations of the City of Milwaukee shall be the governing law with respect to this Agreement.

G. **Notices.** Notices hereunder shall be personally delivered, mailed in the U.S. mail, sent by commercial courier, or sent by email, as follows. Contact persons, addresses, and/or email addresses may be changed by providing written notice as required hereunder.

CITY:	VCP/OWNER:
City of Milwaukee Commissioner of Assessments 200 E. Wells Street, 5 th Floor Milwaukee, WI 53202	Bryan Meyer Chief Executive Officer Veterans Community Project 8900 Troost Ave. Kansas City, MO 64131 Email: bmeyer@vcp.org
Email: nilarse@milwaukee.gov	
With Copy to:	
Amy Turim DCD 809 N. Broadway, 2 nd Floor Milwaukee, WI 53202	
Email: aturim@milwaukee.gov	

H. **Counterparts; Recording.** This Agreement may be executed in counterparts, and email and/or PDF signatures shall be accepted as originals. Original signatures shall be supplied if required for recording purposes. This Agreement shall be recorded in the ROD Office at VCP's expense.

I. Satisfaction of VOW PILOT Agreement. Veterans Outreach of Wisconsin, Inc. ("VOW") and the City entered into a PILOT Agreement that was recorded in the ROD Office against the Property on 7-9-2021 as ROD Document No. 11138593 (the "VOW PILOT"). VOW joins in the

signing of this PILOT Agreement for the sole purpose of VOW and the City hereby agreeing that the VOW PILOT is hereby terminated and hereby satisfied of record.

IN WITNESS WHEREOF, the parties hereto caused this Agreement to be executed as of the date first written above.

CITY: THE CITY OF MILWAUKEE	VCP: VETERANS COMMUNITY PROJECT, INC.
By:	By:
Mayor Cavailier Johnson	Brian Meyer, Chief Executive Officer
Wayor Cavanier Johnson	
CITY CLERK	VCP NOTARY
	State of)) County of)
James R. Owczarski, City Clerk	Subscribed and sworn to before me
COUNTERSIGNED	this day of, 2022 by the herein named signatory for Veterans Community Project, Inc., to me
Aycha Sawa, City Comptroller	known to be such person with such title listed herein.
CITY ATTORNEY AUTHENTICATION	
	Name Printed:
Alex Carson, a member in good standing of the State Bar of Wisconsin, hereby authenticates	

the signatures of the City representatives herein	Title: Notary Public, State of
per Wis. Stat. 706.06 so this document may be	
recorded per Wis. Stat. 706.05 (2)(b).	
	My commission expires:
By:	
Alex Carson	[NOTARIAL SEAL]
Assistant City Attorney	
State Bar No. 1098157	
City Common Council Resolution File	
# See also #190778.	
RACM Resolution File # See also	
#10789	
CAO 279118	
	VOW: VETERANS OUTREACH OF
	WISCONSIN, INC.
	By:
	by.
	Name Printed:
	Title:
	VOW NOTARY
	State of Wisconsin)
	County of)

Subscribed and sworn to before me
this day of, 2022 by the herein named signatory for Veterans Outreach of Wisconsin, Inc., to me known to be such person with such title listed herein.
Name Printed:
Title: Notary Public, State of Wisconsin
My commission expires:
[NOTARIAL SEAL]