

23.



# City of West Allis Matter Summary

7525 W. Greenfield Ave.  
West Allis, WI 53214

File Number	Title	Status
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R-2009-0111

Resolution

In Committee

Resolution to approve the Development Agreement by and between the Community Development Authority of the City of West Allis and Ramco Gershenson Properties, L.P.

Introduced: 4/21/2009

Controlling Body: Safety & Development Committee

Sponsor(s): Safety & Development Committee

### COMMITTEE RECOMMENDATION

*ADOPT*

ACTION DATE:	MOVER	SECONDER		AYE
<u>4/21/09</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Barczak	
	<input type="checkbox"/>	<input type="checkbox"/>	Czaplewski	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Kopplin	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	Lajsic	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	Narlock	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	Reinke	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	Roadt	
	<input type="checkbox"/>	<input type="checkbox"/>	Sengstock	
	<input type="checkbox"/>	<input type="checkbox"/>	Vitale	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	Weigel	
			TOTAL	<u>5</u>

*R-2009-0111*  
*4-21-09*

### SIGNATURE OF COMMITTEE MEMBER

Chair

Vice-Chair

member

### COMMON COUNCIL ACTION

*adopt*

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
<u>4-21-09</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Barczak	<input checked="" type="checkbox"/>			
	<input type="checkbox"/>	<input type="checkbox"/>	Czaplewski	<input checked="" type="checkbox"/>			
	<input type="checkbox"/>	<input type="checkbox"/>	<del>Kopplin</del>				
	<input type="checkbox"/>	<input type="checkbox"/>	Lajsic	<input checked="" type="checkbox"/>			
	<input type="checkbox"/>	<input type="checkbox"/>	Narlock	<input checked="" type="checkbox"/>			
	<input type="checkbox"/>	<input type="checkbox"/>	Reinke	<input checked="" type="checkbox"/>			
	<input type="checkbox"/>	<input type="checkbox"/>	Roadt	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Sengstock	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	Vitale	<input checked="" type="checkbox"/>			
	<input type="checkbox"/>	<input type="checkbox"/>	Weigel	<input checked="" type="checkbox"/>			
			<i>Kopplin</i>	<input checked="" type="checkbox"/>			
			TOTAL	<u>8</u>	<u>1</u>		<u>1</u>



# City of West Allis

7525 W. Greenfield Ave.  
West Allis, WI 53214

## Resolution

**File Number: R-2009-0111**

**Final Action:**  
APR 21 2009

**Sponsor(s):** Safety & Development Committee

Resolution to approve the Development Agreement by and between the Community Development Authority of the City of West Allis and Ramco Gershenson Properties, L.P.

WHEREAS the Community Development Authority of West Allis (the "Authority ") is interested in improving the egress and ingress to the Summit Place Office Complex through the abutting retail center located at 6700-38 W. Greenfield Ave., 6740-6800 W. Greenfield Ave., 6822-52 and 6900 W. Greenfield Ave. (Tax Key Nos. 439-0001-014, 439-0001-008 and 439-0001-007) in the City of West Allis, Milwaukee County, Wisconsin (the "Property"); and,

WHEREAS Ramco Gershenson Properties, L.P. (the "Developer") is the fee simple owner of approximately 23 acres of land and improvements commonly referred to as the West Allis Towne Centre; and,

WHEREAS the Authority will provide up to \$1.5 million in financial assistance to the Developer funded by Tax Increment District Number Seven - Summit Place Office Complex for the construction of the new ingress and egress, pedestrian amenities and improvements aligning a new roadway that provides linkages to W. Greenfield Avenue; and,

WHEREAS the Authority, by Resloution No.758, adopted April 14, 2009, approved a Development Agreement by and between the Community Development Authority of the City of West Allis and Ramco Gershenson Properties, L.P.; and,

WHEREAS the Authority and the Developer have set forth in writing terms and conditions under the Development Agreement hereby attached as Exhibit A; and,

WHEREAS the Development Agreement outlines public participation in the Towne Centre retail enhancement, quality of the project, and the overall retail phasing relative to establishing the future incremental value for the Property.

NOW, THEREFORE BE IT RESOLVED by the Common council of the City of West Allis, that it hereby approves the Development Agreement by and between the Community Development Authority of the City of West Allis and Ramco Gershenson Properties, L.P.

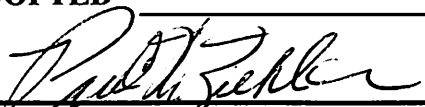
BE IT FURTHER RESOLVED that the City of West Allis by its Director of Development, be and is hereby authorized and directed to execute and deliver the Development Agreement on behalf of the City of West Allis


BE IT FURTHER RESOLVED the City Attorney be and hereby authorized to make substantive changes, modifications, additions and deletions to and from the various provisions of the Agreement, including any and all attachments, exhibits, addendums and amendments, as may be necessary and proper to correct inconsistencies, eliminate ambiguity and otherwise clarify and supplement said provisions to preserve and maintain the general intent thereof, and to prepare and deliver such other and further documents as may be reasonably necessary to complete the transactions contemplated therein.

BE IT FURTHER RESOLVED that up to \$1.5 million be allocated from Tax Increment Financing District Number Seven - Summit Place Office Complex.

cc: Department of Development

DEV-R-547-4-21-09

ADOPTED APR 21 2009  
  
Paul M. Ziehler, City Admin. Officer, Clerk/Treas.

APPROVED 4/27/09  
  
Dan Devine, Mayor

DEVELOPMENT AGREEMENT  
FOR WEST ALLIS TOWNE CENTRE

THIS DEVELOPMENT AGREEMENT (the "Agreement"), is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2009, by and between RAMCO- GERSHENSON PROPERTIES, L.P., a Delaware limited partnership ("Developer"), and the CITY OF WEST ALLIS, a Wisconsin municipal corporation (the "City").

WHEREAS, Developer is the fee simple owner of approximately 23 acres of land and the improvements thereon located at the northeast corner of South 70th Street and West Greenfield Avenue in the City of West Allis, Milwaukee County, Wisconsin, commonly referred to as West Allis Towne Centre and more particularly described in Exhibit A attached hereto (the "Property"), upon which there has been developed over 300,000 square feet of retail store building space and approximately 1,100 surface parking spaces; and

WHEREAS, the current assessed value of the Property, as currently improved, is \$19,932,500; and

WHEREAS, Developer has considered potential improvements to the Property, including various building façade, paving, curb and gutter, lighting, sidewalk, utility, landscaping and irrigation improvements including but not limited to a new ingress/egress corridor through the Property and connecting the Property to the office complex at the north, commonly known as "Summit Place"; and

WHEREAS, such Summit Place office complex is located in the vicinity of the 6700 block of Washington Street, primarily consisting of the former Allis-Chalmers manufacturing complex which complex falls within the boundaries of Tax Incremental District Number Seven (the "District"), and the Property is located within a one-half mile radius of the District's boundaries; and

WHEREAS, the ingress/egress corridor will provide a much needed relief to the traffic-congested office/industrial areas in Summit Place as well as increased accessibility to Whitnall Summit; and

WHEREAS, the City has amended the project plan of the District to add the additional project costs described in this Agreement, by the amendment attached hereto as Exhibit B (the "Amendment"); and

WHEREAS, the Amendment was approved by the City's Common Council on or about February 3, 2009 and by the Joint Review Board on or about February 18, 2009; and

WHEREAS, the Amendment gives the City the ability to increase property tax base within, as well as outside of, the District by promoting redevelopment and improvement to the District and on the Property consistent with the objectives of the District's original project plan and the Amendment by creating the new ingress/egress corridor through the Property to connect to Summit Place, which is an eligible project cost to be paid with tax increment revenues from the District; and

WHEREAS, Developer intends to redevelop the Property consistent with the site plan attached hereto as Exhibit C (the "Site Plan") such that an assessed value increment of up to \$10,484,000 will be created on the Property by 2013 and the Property's aggregate assessed value of taxable property will be increased to up to \$30,416,000;

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the parties agree as follows:



I. CONTINGENCIES.

A. Governmental Approvals. The parties acknowledge that the City cannot contract away its governmental powers and that certain approvals may require issuance by or cooperation from government bodies external to the City. The parties also acknowledge that, to be able to develop, construct and operate the Property as intended, the Developer must obtain all of the governmental approvals described in this Agreement, including but not limited to, adoption of the Amendment, execution of and performance under this Agreement and various site plan and architectural approvals. The City shall use its best good faith efforts to grant and/or obtain all necessary governmental approvals on a timely basis, including but not limited to, approvals required from government bodies external to the City such as the Joint Review Board. All rights and obligations of the City and the Developer under this Agreement are contingent upon final approval by all governmental bodies with jurisdiction of all approvals necessary to facilitate the redevelopment and operation of the Property consistent with the Site Plan.

B. Financing. The parties acknowledge that financing must be obtained from a third party lender in order to provide capital for Developer to implement the Site Plan. Accordingly, all rights and obligations under this Agreement are contingent upon a conventional third party lender issuing a loan commitment to provide construction/permanent financing for the redevelopment of the Property in a principal amount of not less than \$15,000,000, at an interest rate not to exceed five and one-half percent (5.5%) per annum, to be amortized over not less than 20 years and payable after a term of not less than 10 years.

**II. DEVELOPER OBLIGATIONS.** Subject to the contingencies set forth in Section I above, Developer shall be obligated as follows:

A. Project Description. Developer shall redevelop the Property (including, but not limited to constructing the new ingress/egress corridor through the Property to access Summit Place) consistent with the Site Plan attached hereto as Exhibit C (the "Site Plan") and all other plans approved or to be approved by governmental bodies with jurisdiction as well as applicable City ordinances and regulations. While Developer has recently invested approximately \$3,500,000 to redevelop Office Depot and Harbor Freight tenant spaces on the Property, Developer estimates that it will spend up to an additional \$11,000,000 to redevelop the Property consistent with the Site Plan, including but not limited to tenant improvements for Dollar Tree and a future Burlington Coat Factory as well as various other site and building improvements.

B. Project Construction. Developer shall use reasonable efforts to commence construction of the redevelopment of the Property, including the ingress/egress corridor, consistent with the Site Plan, within 60 days of issuance of all necessary governmental permits~~not later than February 1, 2010~~ and to substantially complete such redevelopment not later than December 31, 2011, in all cases subject to "Force Majeure" defined in Section VI(C) below. Failure of Developer to commence and complete construction as set forth herein shall constitute a material breach of this Agreement. Time is of the essence.

C. Developer Guaranty. (1) In consideration of the receipt of tax incremental financing assistance from the City as described in Section III (E) below, Developer shall guarantee the debt service defined under Section III (E) below and set

forth in the column labeled "Debt Service Guaranteed by Developer" on the attached Exhibit D ("Debt Service") and attributable to the eligible project costs defined under Section III (E) below and set forth on the attached Exhibit E. The Developer guaranty described in the previous sentence shall be in effect commencing with year 2011 and continuing until the earlier to occur of December 31, 2020 or the date on which cumulative "Excess Tax Revenues", as defined in this subsection (and projected in the column labeled "Projected Excess Tax Revenues" on the attached Exhibit D), exceed the total Debt Service described in Section III(E) and set forth in the column labeled "Debt Service Guaranteed by Developer" on Exhibit D. (No guaranty payments will be due from Developer in 2009 or 2010 as the City intends to borrow capitalized interest in the amount of \$148,646, which capitalized interest shall be used to fund ~~interest~~ project costs in 2009 and 2010.) Developer's obligations to guarantee Debt Service hereunder shall be deemed waived, offset by and satisfied to the extent that property taxes generated from the Property (due and payable to any taxing authority, not just the City) exceed property taxes generated from the \$19,932,500 assessed base value of the Property ("Excess Tax Revenues").

(2) In the event that, in any year commencing with year 2011 and continuing through the earlier to occur of 2020 or the year in which cumulative Excess Tax Revenues exceed the total Debt Service, there is a shortfall between the amount of the annual Debt Service payment due in such year described in Section III(E) and on Exhibit D and the amount of Excess Tax Revenues generated in that year, the amount of the shortfall shall be considered credit extended from Developer to the City, and



Developer shall pay the City the amount by which the annual Debt Service exceeds the Excess Tax Revenues for that year.

(3) The City shall repay Developer the shortfall, to the extent that any Excess Tax Revenues are produced by the Property (whether generated before or after occurrence of any shortfall) from the date hereof through 2020. The parties acknowledge, however, that the City intends to repay any amounts due to the Developer under this subsection, not as a new appropriation of general revenues, but from tax increment revenues generated from the District.

EXAMPLE: For instance, if in the year 2013, the assessed value of the Property increases to \$30,981,832, Developer shall receive a credit and offset against its guarantee obligations in an amount equal to the increased assessed value of the Property (\$30,981,832 less \$19,932,500), multiplied by the-then current mill rate for all taxing authorities levying property taxes against the Property, approximately \$11,049,332 times an estimated \$.02258 or \$249,494. In such instance, no guaranty payment shall be due from Developer for the year 2013 as the \$249,494 credit amount exceeds the \$216,976 annual Debt Service payment due as shown on Exhibit D. In addition, the amount by which the credit amount exceeds the annual Debt Service payment (\$249,494 - \$216,976 = \$32,518) shall be made available to repay Developer any guaranty payments made or owing in previous or subsequent years.

D. Maintenance of Property Value. In the event of fire, damage or any other casualty to any part of the Property, Developer agrees at its option to either (1) at its cost and expense, rebuild, repair and replace the redeveloped improvements on the Property consistent with the Site Plan to substantially the condition that existed immediately prior

to the casualty; or (2) pay to the City all outstanding eligible project costs as shown on Exhibit E attached hereto (which shall equal the then outstanding principal balance of all Debt Service as referenced on Exhibit D attached hereto). The fair market value of the Property following reconstruction and/or repair by Developer must be substantially similar to the fair market value of the Property immediately prior to the casualty. This obligation to repair, rebuild or replace shall remain in effect for a period expiring upon the earlier of: (i) December 31, 2020; or (ii) such earlier date on which cumulative Excess Tax Revenues exceed total Debt Service, both as described in Section III (E) and on Exhibit D. Developer shall maintain or cause to be maintained property insurance on the Property insuring the Property against casualty and property damage at all times and until expiration of the time period described in the previous sentence. A thirty (30) day written notice of cancellation, non-renewal, or material change shall be provided to the City. The insurance specified above shall be placed with a carrier approved to do business in the State of Wisconsin. Developer shall fully insure the casualty and property damage risks described in this section of which the first \$1,000,000 may be self-insured.

E. Payment In Lieu of Taxes (PILOT).

(1) Tax Incremental District. Pursuant to the Wisconsin Tax Increment Law, Wis. Stats. § 66.1105, *et seq.* the Common Council of the City created, by resolution, Tax Incremental District Number Seven, Summit Place Business Park, as of February 3, 2009 (the "District") and approved the project plan (the "Project Plan") and Amendment for the District. The Property is located within a one-half mile radius of the boundaries of the District.

(2) **Guarantee of District.** The City created the District referred in Section II (E)(1) to foster economic redevelopment of blighted and underutilized properties. The redevelopment of property will provide the City with an enhanced neighborhood while providing increased property values that will generate property tax relief. The City has borrowed funds to pay public costs for the District with repayment generated from the project tax increment of the redevelopment. The Guarantee outlined under Section II (C) protects the ~~City's financial situations of the District's~~ financial situation and its ability to end as required by law.

(3) **Property Exemption.** Ownership of the Property by any person, partnership, corporation, or entity, which in any manner renders any part of the Property exempt from property taxation during the life of the District jeopardizes the success of the Project Plan and Amendment and shall result in a payment in lieu of taxes from Developer or subsequent owner to the City for each year that this Agreement remains in effect in an amount equal to the amount of taxes that would be due and owing on the Property if it was not tax exempt and in no event less than the Debt Service Guaranteed by Developer as set forth in this Agreement. Such payment shall be due, payable and collected in the same manner as property taxes pursuant to chapter 74 of the Wisconsin statutes.

### **III. CITY OBLIGATIONS.**

In consideration of Developer agreeing to redevelop the Property but subject to the contingencies set forth in Section I above, the City agrees as follows:

- A. Financial Obligations. These CityDs shall provide for reimbursement of project costs as described in subsection E below; and on Exhibit E as eligible project costs.
- B. Governmental Approvals. The City shall, in good faith, and as expeditiously as possible, process all necessary municipal approvals to permit the redevelopment and operation of the Property consistent with the Site Plan.
- C. Amendment of District. The City shall adopt the Amendment and cause the Amendment to be approved by all governmental authorities with jurisdiction over the District.
- D. Cooperation. The City shall cooperate with Developer and all other government bodies with jurisdiction to facilitate the redevelopment and operation of the Property consistent with the Site Plan.
- E. Nondiscrimination. No owner or occupant of the Property shall restrict the use or enjoyment of the Property or the Project upon the basis of sex, race, creed, color, or national origin, or any other legal status protected by federal or Wisconsin law in the sale, use or occupancy thereof.
- F. Tax Incremental Financing. All costs attributable to improvements or redevelopment activities set forth on the attached Exhibit E, including but not limited to, costs for the ingress/egress corridor to be constructed by the Developer, shall be eligible project costs of the District financed by City borrowing and payable out of District tax increment revenues. Project costs for "site work" shall be reimbursed to Developer as enumerated on the attached Exhibit E. Developer shall provide the City paid invoices or paid receipts documenting performance of such "site work." Additional project costs, as

enumerated on the attached Exhibit E, include "general administration and legal costs" which may be drawn at the City's discretion, "capitalized interest" which may be drawn by the City as needed to pay interest accruing in 2009 or 2010 on the amounts due for debt service payments. Any unpaid balances of interest payments will be paid by Developer to the extent included in "Debt Service Guaranteed by Developer" under Section II(C) above~~per the shortfall agreement~~. Developer shall submit to the City proof of payment of invoices for expenses relating to the redevelopment of the Property to justify all project costs paid to Developer consistent with the attached Exhibit E. The City shall fund such obligations by borrowing funds, likely as a loan from the State Trust Funds. The interest rate will be based on the current interest rate for The State Trust Fund, or such other lender, as of February 12, 2009, based on an interest rate for general-purpose loans for loan term of 12 years. That current rate is 5.5%, as per attached Exhibit F, "State Trust Fund Interest Rate 2-12-09". The total "Debt Service" payments estimated to become due for repayment due to the City's borrowing are set forth in the column labeled "Debt Service Guaranteed by Developer" on Exhibit D attached hereto.

**IV. LIMITATIONS ON ASSIGNMENT.** The Developer may not assign its rights in this Agreement without the prior written consent of the City, except that Developer may assign this Agreement to an affiliate without the City's consent. The City's consent shall not be unreasonably withheld, delayed or conditioned, ~~and it shall be unreasonable for the City to withhold.~~ In the event that the Developer desires to assign this Agreement to other than an affiliate, the City shall respond to the Developer's request for consent within 20 days of written request therefor, which response shall describe any reasons for

objecting to the requested assignment. In the event that the City objects to any requested assignment in accordance with the terms hereof, the Developer may elect either of the following: (i) to proceed with the assignment provided that the Developer remains liable for the obligations of the assignee under this Agreement or (ii) to pay in full any outstanding eligible project costs as shown on Exhibit E (which shall equal the then outstanding principal balance of all Debt Service as referenced on Exhibit D) at which time this Agreement shall terminate and the Property shall no longer be encumbered by this Agreement.

V. **BUILDING STANDARDS AND UTILITIES.** All buildings and other site improvements contemplated to be constructed under this Agreement shall comply with applicable laws, ordinances regulations and minimum standards set forth in the City's Revised Municipal Code and consistent with any Site, Landscaping and Architecture Review issued for the Property as approved by the West Allis Plan Commission.

The basic design and exterior construction materials for the Property shall be in conformity with Exhibit G, which is attached hereto and made a part hereof. <sup>1</sup>

VI. **MISCELLANEOUS.**

A. **Successors and Assigns Bound.** This Agreement shall be binding upon the parties hereto and their respective heirs, successors and assigns.

B. **Non-Waiver of Rights.** Failure of the City or Developer to enforce any provision contained herein shall not be deemed a waiver of such party's right to enforce such provision or any other provision in the event of a subsequent default.

C. **Force Majeure.** As used herein, the term "Force Majeure" shall mean any accident, breakage, war, insurrection, terrorists acts, civil commotion, riots, acts of God



or the elements, unusually severe weather, floods, fires, governmental action, strikes or lockouts, picketing (whether legal or illegal), inability of a party or its agents or contractors, as applicable, to obtain fuel or supplies, or any other cause or causes not within or beyond the reasonable control of such party or its agents or contractors, as applicable. No party to this Agreement shall be in default hereunder if such party or its agents or contractors, if applicable, are prevented from performing any of its obligations hereunder due to a Force Majeure occurrence, and the time for performance shall be extended by a reasonable period reasonably necessary to accommodate the delay and re-mobilization occasioned by any such delay.

D. Notices. All notices, demands, certificates or other communications under this Agreement shall be given in writing and shall be considered given upon receipt, if hand delivered to the party or person intended, or one (1) business day after deposit with a nationally recognized overnight commercial courier service, freight or air bill prepaid, and addressed to the party or person intended as follows:

TO THE CITY:

City of West Allis  
7525 West Greenfield Avenue  
West Allis, WI 53214  
Attention: \_\_\_\_\_

TO DEVELOPER:

Ramco-Gershenson Properties, L.P.  
31500 Northwestern Highway, Suite 300  
Farmington Hills, MI 48334  
Attention: Edward Wizner, Vice President

Any party may, by written notice to the other party as provided herein, designate a change of address for the purposes provided herein.

E. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto, and all prior statements, letters of intent, representations and offers, if any, are terminated unless otherwise specified. This Agreement may be modified or amended only by written instrument duly executed by the City and Developer.

F. Police Powers Not Affected. Nothing herein provided shall be deemed a waiver, in any manner whatsoever, of the police power of the City, whether the City is a party to this Agreement or not, or of the right to enforce any local ordinances or laws of the State of Wisconsin by the City.

VII. GOVERNING LAW AND VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin. Any action concerning this Agreement shall be initiated and maintained in Milwaukee County, Wisconsin.

VIII. MEMORANDUM OF AGREEMENT. The parties agree that at the request of ~~either of them~~ ~~the Seller~~ they will execute a memorandum of this Agreement to be recorded in the Office of the Register of Deeds of Milwaukee County.

IN WITNESS WHEREOF, Developer has set its hand and the City has caused these presents to be duly executed, as of the day and year first above written.

RAMCO-GERSHENSON PROPERTIES, L.P.,  
a Delaware limited partnership

BY RAMCO-GERSHENSON PROPERTIES TRUST,  
a Maryland real estate investment trust, its general partner

BY \_\_\_\_\_  
Its \_\_\_\_\_

BY \_\_\_\_\_  
Its \_\_\_\_\_

ACKNOWLEDGMENT

STATE OF MICHIGAN            )  
  : SS  
\_\_\_\_\_ COUNTY                )

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2009, by \_\_\_\_\_ and \_\_\_\_\_, respectively, of Ramco-Gershenson Properties Trust, a Maryland real estate investment trust, the general partner of RAMCO-GERSHENSON PROPERTIES, L.P., a Delaware limited partnership, on behalf of said limited partnership.

\_\_\_\_\_  
Notary Public, State of Michigan  
My commission \_\_\_\_\_

CITY OF WEST ALLIS, WISCONSIN

By: \_\_\_\_\_  
\_\_\_\_\_, Mayor

Countersigned:

By: \_\_\_\_\_  
Its \_\_\_\_\_

MUNICIPAL ACKNOWLEDGMENT

STATE OF WISCONSIN        )  
  : SS  
MILWAUKEE COUNTY         )

Personally came before me this \_\_\_\_ day of \_\_\_\_\_, 2009, the above-named \_\_\_\_\_, mayor, and \_\_\_\_\_, \_\_\_\_\_, respectively of the above-named municipal corporation, the City of West Allis, Wisconsin and acknowledged that they executed the foregoing instrument as such officers as the obligation of said municipal corporation by their authority.

\_\_\_\_\_  
Notary Public, Milwaukee County, WI  
My commission expires: \_\_\_\_\_

Approved as to form and execution this  
\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Scott Post, City Attorney

## INDEX OF EXHIBITS

Exhibit A	Property Description
Exhibit B	Project Plan Amendment
Exhibit C	Site Plan
Exhibit D	Debt Service Repayment Schedule
Exhibit E	Eligible Project Costs to be Paid (or Reimbursed) to Developer or to be Drawn by City

EXHIBIT A

Property Description

West Allis Towne Centre

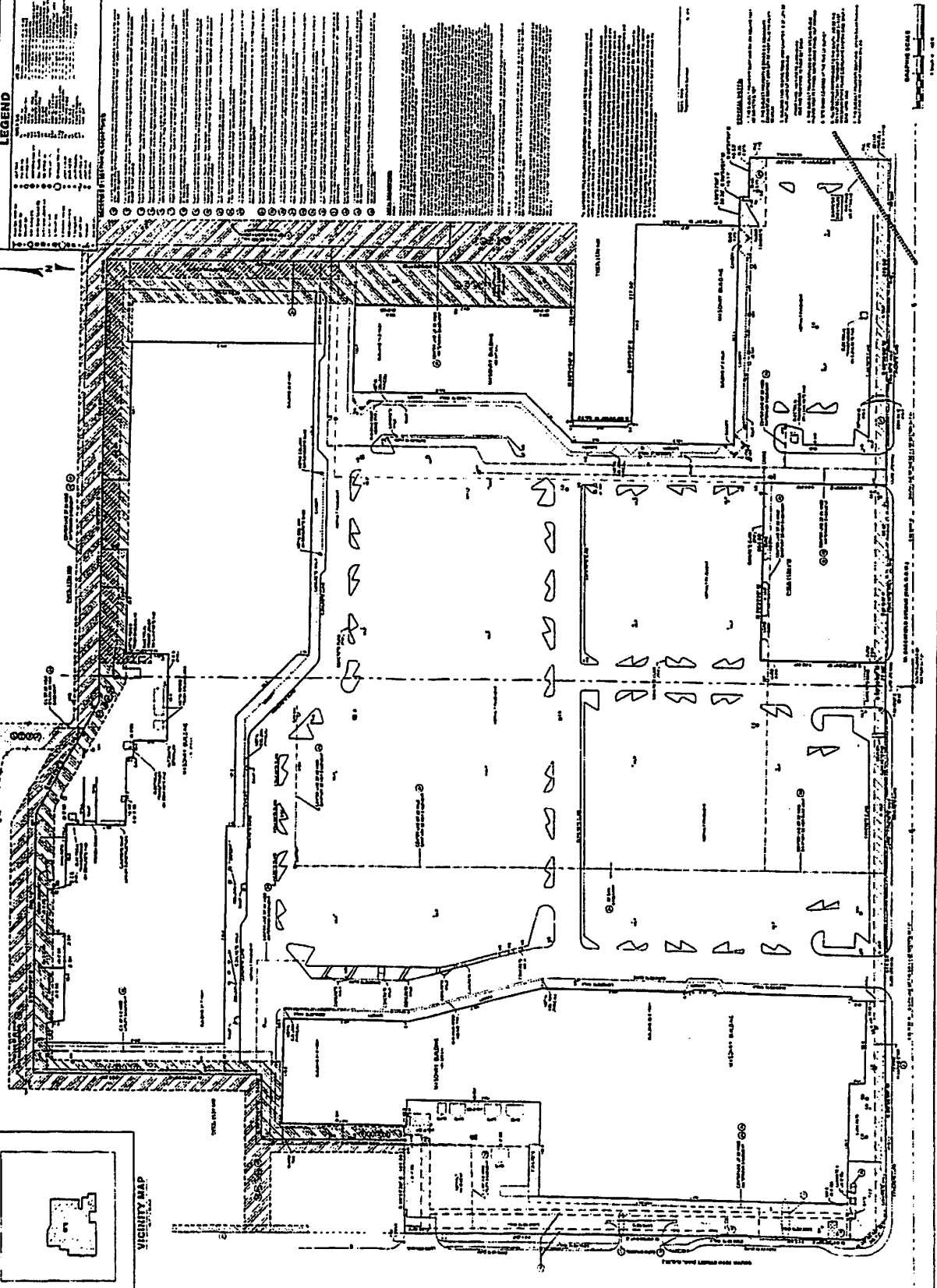
Legal description on following page.~~NEED Legal Description~~



WEST ALLIS TOWN CENTRE  
WEST GREENFIELD AVENUE  
WEST ALLIS, WISCONSIN

ALTA/SACM LAND TITLE SURVEY

DATE: 11/15/11  
DRAWN BY: [Name]  
CHECKED BY: [Name]  
SCALE: AS SHOWN



**LEGEND**

1. [Symbol] [Description]

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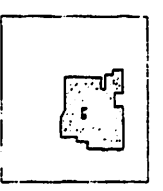
96. [Symbol] [Description]

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100. [Symbol] [Description]



VICINITY MAP

## EXHIBIT B

### Project Plan Amendment

## Amendment Number Three to Tax Increment District Number Seven

### Background

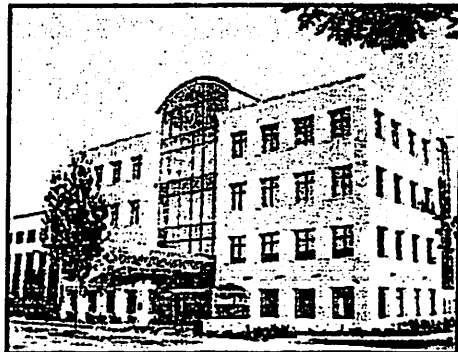
Tax Incremental District (TIF) Number Seven is located in the vicinity of the 6700 block of W. Washington St., primarily the former Allis-Chalmers (A-C) Mfg. complex. TIF District Number Seven was designed to encourage the revitalization of the last two undeveloped vacant and dilapidated former A-C properties. The revitalization has been a success and is now called the Summit Place office complex, which, as a result of this Tax Increment Finance District, is now the second largest office complex in the metro-Milwaukee area. Summit Place consists of over 650,000 sq. of office space, employs 2,700 people, and is the City's largest tax payer, providing \$1.8 million in annual property taxes. The district consists of seven parcels, totaling approximately 63 acres of land.

Two previous amendments have been made to the original Tax Increment District Number Seven Project Plan. The Common Council adopted the first amendment on May 3, 2005 for the purpose of loaning the developer \$2.5 million to induce the development of more parking with the continued redevelopment of the Summit Place office complex. Amendment Number One provided \$2.5 million in tax incremental financing funds as an incentive to increase the development's overall property value and reduce the overall term of Tax Incremental District Number Seven.

The Common Council adopted the second amendment on November 20, 2007 for off-site improvements for the purpose of creating a safer, more pedestrian-friendly neighborhood that connects the Summit Place redevelopment area to the neighboring Six Points/Farmers Market redevelopment area, with uniform streetlights, benches, bike lanes and additional pedestrian safety enhancements. Amendment Number Two provided \$3.5 million in tax incremental financing funds for off-site improvements and administrative fees.

### Summary of Tax Increment Financing District Performance

Base value:	\$15,914,400
Current value (2008):	\$75,566,200
Original property taxes:	\$350,000
Current property taxes (2008):	\$1,800,000
Property Tax Increment:	\$1,400,000
Date TIF is to expire:	12 years from creation of TIF (2016) (8 years from Amendment #3)



To date, the TIF district has incurred over \$8 million in expenses. The current value of the Summit Place office complex is over \$75 million and produces approximately \$1.4 million in annual tax increment.

Table 1 shows an audited financial statement that provides a historical summary on the TIF District's performance through December 31, 2007. TIF District Number Seven is performing well beyond expectations, and as stated above, is the City's largest taxpayer and encompasses the City's largest employment center.

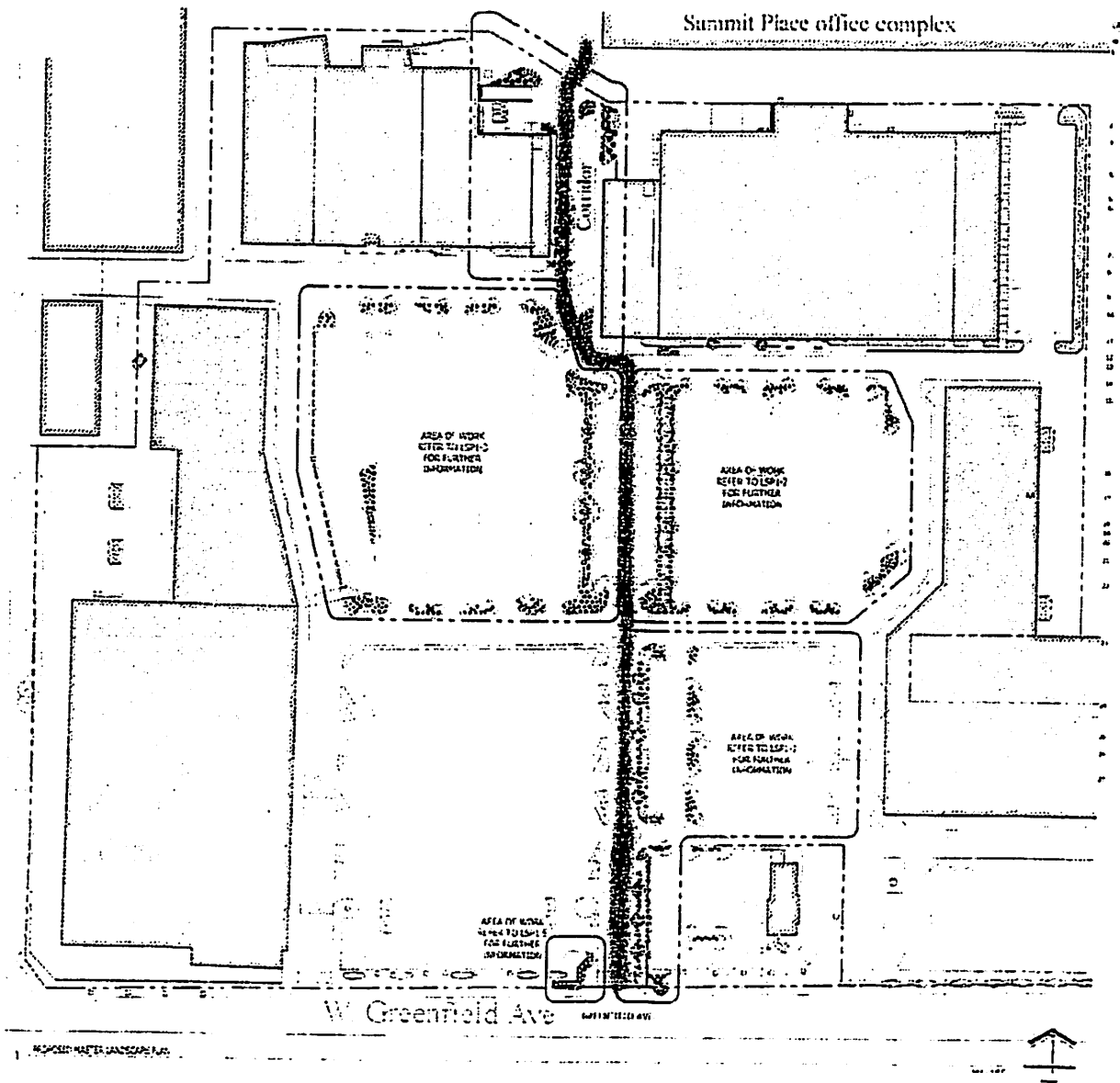
### Purpose of the Amendment

The TIF Seven Project Plan Amendment Number Three will fund the cost of a new ingress/egress corridor through the abutting shopping center to the south (the Towne Centre shopping center), to connect the Summit Place office complex to W. Greenfield Ave. as an alternate access to the office complex. The City approached

EXHIBIT B

Project Plan Amendment

the owners of the Towne Centre about demolishing part of their northern building for the corridor, and a building improvement opportunity arose from the discussions. The ingress/egress corridor will provide a much-needed relief to the traffic-congested office/industrial areas to the north. As a side benefit, the corridor will open access to the Towne Centre for the 4,000 employees employed at Summit Place and the other abutting office buildings. The ingress/egress corridor funding will include paving, concrete curbs and gutters, lighting, sidewalks, underground utilities, and building and site demolition. The project will also include site improvements such as new/additional landscaping, irrigation, and an entrance along W. Greenfield Ave. The primary benefit of Amendment Number Three to Tax Increment District Number Seven will be the construction of an additional ingress/egress corridor for access to/from the Summit Place office complex. A secondary benefit is an increased value to Summit Place's southern neighbor, the Towne Centre shopping center, as described below.



## EXHIBIT B

### Project Plan Amendment

Ramco-Gershenson, Inc., owner of the Towne Centre shopping center, currently assessed at about \$19 million, is proposing additional site and building improvements, including, complete façade renovations for the north building, retrofitting and building out tenant spaces throughout the center, parking lot reconfiguration and improvements, and minor architectural improvements to the east and west buildings. Ramco-Gershenson, Inc. has recently invested approximately \$3.5 million into the Towne Centre with façade and tenant improvements for Office Depot and Harbor Freight; they are currently investing approximately \$4.2 million into façade and tenant improvements for Dollar Tree and the future Burlington Coat Factory; and, as a direct result of the City's proposed ingress/egress corridor/cut-through, will invest an estimated additional \$6.9 million into site and building improvements mentioned above. The Dollar Tree, Burlington Coat Factory and additional site and building improvements will create an estimated \$11 million increment in value for the Towne Centre shopping center.

Amendment Number Three will provide \$1.5 million in tax incremental financing funds for off-site improvements and administrative fees. The additional off-site improvements will add an additional access and will help traffic flow to/from the Summit Place office complex. As a spin-off, it will also improve the image of tired shopping center, and in turn, the general former Allis-Chalmers area. The additional funding will add slightly over one (1) year to the life of TIF District Number Seven. If this off-site improvement scenario is chosen, the life of the TIF District will be extended from approximately 10 years slightly over 12 years.

#### Detailed List of Estimated Project Costs

The \$1.5 million in off-site improvements, administrative expenses and capitalized interest is an additional project cost beyond those project costs included in Amendment Number Two, dated November 20, 2007. This Plan is not meant to be a budget nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the City Council, without amending the Plan.

Administrative expenses include but are not limited to covering auditing costs, legal costs, administration of the TIF reimbursement process, administration to execute the developer's agreement, and general administrative oversight.

Two (2) years of capitalized interest costs are included within the project.

#### Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

The public works and improvements undertaken in the District include those identified in the original Project Plan, dated February 18, 2004. By this amendment, Amendment Number Three, the TIF District will incur costs for an off-site improvement, in accordance with Wisconsin State Statute 66.1105(2)(f)1n. The project will be a cut-through ingress/egress corridor through the abutting Towne Centre shopping center to the south, as an alternate access to the Summit Place office complex within TIF District Number Seven.

#### Economic Feasibility Study

Base value:	\$15,914,400
Current value (2008):	\$75,566,200
Original property taxes:	\$350,000
Current property taxes (2008):	\$1,805,000

## EXHIBIT B

### Project Plan Amendment

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The District has sufficient positive tax increment to pay its annual debt service as well as the \$1.5 million in project cost for this amendment. Therefore, the District has positive tax increments to allocate \$1.5 million for the additional ingress/egress corridor through the Towne Centre shopping center. Based on historical growth of the district, and increment, the \$1.5 million in funds for this amendment will be satisfied by the projected increment. Table 2 shows the economic feasibility of Amendment Number Three.

#### **Description of the Methods of Financing all Estimated Project Costs and the Time When the Costs of Monetary Obligations Related Thereto are to be Incurred**

Financing is required with this allocation amendment. The \$1.5 million in additional TIF funds may be achieved through the borrowing of debt funds from the State Trust Funds. The Board of Commissioners of Public Lands of Wisconsin is authorized to make loans from the State Trust Funds to municipalities for such purposes. Funding may also come from other financing methods.

#### **Maps Showing: Existing Boundaries, Uses and Conditions of Real Property and Improvements and Uses in the District**

The boundaries, uses and conditions of real property and improvements and uses in the District are not changed by this amendment. The maps included in Amendment Number Two to the Project Plan, dated November 20, 2007, are still accurate.

#### **Proposed Changes in Zoning Ordinance, the City's Master Plan, Map, Building Codes or Ordinances**

No changes in zoning ordinance, the City's Master Plan, map, building codes or other ordinances are proposed or necessitated by this amendment.

#### **List of Estimated Non-Project Costs**

No non-project costs are proposed by this amendment.

#### **Statement of the Proposed Method for the Relocation of Any Persons Being Displaced**

TIF District Number Seven is centered around the Summit Place office complex. The 4,000 people employed within the abutting business district need an additional ingress/egress access point to the already traffic-congested office/industrial area. The off-site improvements are necessary to provide an alternate access to the Summit Place office complex.

#### **Statement Indicating How this Amendment Promotes Orderly Development of the City**

Amendment Number Three to Tax Increment District Number Seven promotes improvement to the transportation migration to/from the Summit Place office complex while working to improve an additional tax base to the community. Additional and improved shopping amenities will be provided to the Summit Place office complex and to the neighboring Six Points/Farmers Market TIF District, which will house an additional 2,000+ people in the City. The new ingress/egress corridor through the Towne Centre shopping center adds a holistic approach to development with the Six Points/Farmers Market neighborhood and the office/industrial areas to the north, which employ 4,000 people.

**TABLE 1**

Summit Place

**MUNICIPALITY OF WEST ALLIS  
TAX INCREMENTAL DISTRICT NO. 7**

**HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES  
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS**  
From Date of Creation Through 12/31/07

	<u>12/31/07</u>	<u>12/31/06</u>	<u>Life to Date Total</u>
<b><u>PROJECT COSTS</u></b>			
Capital expenditures	\$61.52	\$129,450.95	\$7,209,467.30
Administration	\$48,151.19	\$124,289.77	\$278,076.07
Interest and fiscal charges	\$328,285.00	178,388.01	\$791,200.96
Discount on long-term debt	\$0.00	\$0.00	\$0.00
Debt issuance costs	\$0.00	\$0.00	\$0.00
Refunding costs	\$0.00	\$0.00	\$0.00
<b>Total costs</b>	<b>\$376,497.71</b>	<b>\$432,128.73</b>	<b>\$8,278,744.33</b>
<b><u>PROJECT REVENUES</u></b>			
Tax increments	\$1,106,208.21	\$721,609.26	\$1,827,817.47
Computer	\$52,962.00	\$26,822.00	\$79,784.00
Interest income	\$0.00	\$33,793.99	\$76,158.59
Sale of property	\$0.00	\$0.00	\$0.00
Miscellaneous revenues	\$0.00	\$0.00	\$13.04
Transfers from other funds	\$0.00	\$0.00	\$0.00
<b>Total revenues</b>	<b>\$1,159,170.21</b>	<b>\$782,225.25</b>	<b>\$1,983,773.10</b>
<b>NET COST RECOVERABLE THROUGH TIF INCREMENTS - 12/31</b>	<b><u>(\$782,672.50)</u></b>	<b><u>(\$350,096.52)</u></b>	<b><u>\$6,294,971.23</u></b>

Project Plan Amendment

EXHIBIT B



**TABLE 1 Continued**

HISTORICAL SUMMARY OF SOURCES, USES, AND STATUES OF FUNDS  
From Date of Creation Through 12/31/07

	12/31/07	12/31/06	Life to Date Total
<b>SOURCES OF FUNDS</b>			
Tax increments	\$1,159,170.21	\$748,431.26	\$1,907,601.47
Interest income	0.00	33,793.99	\$76,158.59
Sale of property	0.00	0.00	\$0.00
Miscellaneous revenues	0.00	0.00	\$13.04
Transfers from other funds	0.00	0.00	\$0.00
Proceeds from long-term debt	0.00	0.00	\$6,925,000.00
Net change in A/P & A/R	3,520.60	(18,992.86)	\$3,500.60
Advances from other funds	(636,061.61)	(331,103.66)	(\$483,397.88)
<b>Total Sources</b>	<b>\$526,629.20</b>	<b>\$432,128.73</b>	<b>\$8,428,875.82</b>
<b>USES OF FUNDS</b>			
Capital expenditures	\$61.52	\$129,450.95	\$7,209,467.30
Administration	48,151.19	124,289.77	\$278,076.07
Interest and fiscal charges	328,285.00	178,388.01	\$791,200.96
Discount on long-term debt	0.00	0.00	\$0.00
Debt issuance costs	0.00	0.00	\$0.00
Refunding costs	0.00	0.00	\$0.00
Principal on long-term debt	150,131.49	0.00	\$150,131.49
Principal on advances	0.00	0.00	\$0.00
<b>Total uses</b>	<b>\$526,629.20</b>	<b>\$432,128.73</b>	<b>\$8,428,875.82</b>
Fund Balance (Deficit) - 12/31	\$479,897.28	(\$152,643.73)	\$479,897.28
Long Term Debt Outstanding - 12/31	\$6,774,868.51	\$6,925,000.00	\$6,774,868.51
Cash (Advances) Outstanding - 12/31	\$483,397.88	(\$152,663.73)	\$483,397.88
<b>Prove out Fund Balance</b>			
TIF #7 fund balance	\$479,897.28	(\$152,643.73)	
TIF #7 funds in Debt Svc. Fund	0.00	0.00	
	<b>\$479,897.28</b>	<b>(\$152,643.73)</b>	
<b>Prove out cash</b>			
Advances (from) to Cash Fund	\$483,397.88	(\$152,663.73)	
Advances (from) to Debt Service Fund	0.00	0.00	
	<b>\$483,397.88</b>	<b>(\$152,663.73)</b>	

Project Plan Amendment

EXHIBIT B

TABLE 2

Table 2

Economic Feasibility

TERM OF TAX INCREMENT DISTRICT

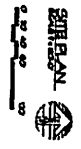
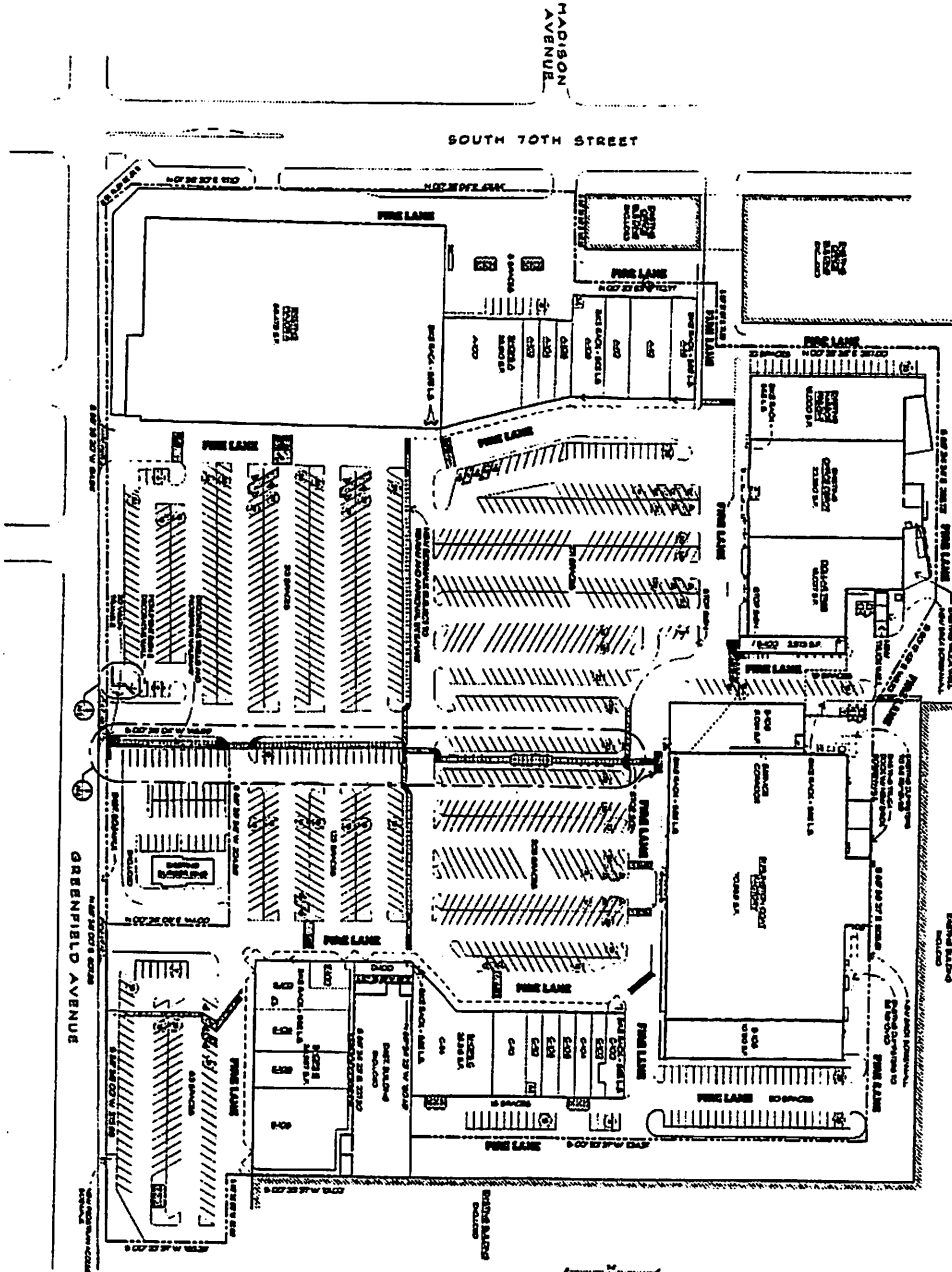
GENERAL OBLIGATION BONDS			DEBT SERVICE SCHEDULE				T.I.F. YEAR
TIFGO BOND ISSUES	TOTAL G.O. BOND LOANS	T.I.F. CAPACITY	T.I.F. G. O. Bond				
			Six Points / Farmers Market				
			Total Yearly Revenue	Balance beginning of Year	Plus interest on debt at 5.85%	Equals New balance	
General Obligation Issue	General Obligation Due (2nd Issue)	Total Market Rate Obligations	Total Yearly Revenue	Balance beginning of Year	Plus interest on debt at 5.85%	Equals New balance	
\$1,425,000	91	\$4,425,000	\$ -	\$ 4,425,000.00	\$ -	\$ 4,425,000.00	2004
\$1,000,000	\$1,500,000	\$2,300,000	\$ -	\$ 6,925,000.00	\$ 40	\$ 6,925,000.00	1
50	50	50	\$ 721,500	\$ 6,203,494.35	\$ 362,904.42	\$ 6,566,398.77	2
50	50	50	\$ 1,113,000	\$ 5,433,311.73	\$ 319,018.74	\$ 5,752,330.47	3
\$5,500,000	50	\$3,900,000	\$ 1,414,200	\$ 7,678,012.88	\$ 447,994.92	\$ 8,126,007.80	4
\$1,500,000		\$1,500,000	\$ 1,402,830	\$ 8,203,150.02	\$ 479,884.28	\$ 8,683,034.30	5
50	50	50	\$ 1,413,540	\$ 7,229,457.62	\$ 425,265.03	\$ 7,654,722.65	6
50	50	50	\$ 1,424,230	\$ 6,370,502.91	\$ 366,824.42	\$ 6,737,327.33	7
50	50	50	\$ 1,873,636	\$ 4,763,701.68	\$ 238,676.33	\$ 5,002,378.01	8
50	50	50	\$ 1,820,711	\$ 3,161,620.24	\$ 184,957.56	\$ 3,346,577.80	9
50	50	50	\$ 1,857,831	\$ 1,458,794.61	\$ 85,319.48	\$ 1,544,114.09	10
50	50	50	\$ 1,894,956	\$ 1,350,651.74	\$ 120,524.83	\$ 1,471,176.57	11
50	50	50	\$ 1,932,177	\$ 12,273,553.07	\$ 1,133,002.85	\$ 13,406,555.92	12
50	50	50	\$ 1,969,400	\$ 14,515,958.69	\$ 1,252,483.59	\$ 15,768,442.29	13
50	50	50	\$ 1,916,621	\$ 16,485,101.00	\$ 1,379,378.70	\$ 17,864,480.31	14
50	50	50	\$ 1,923,920	\$ 18,788,448.60	\$ 1,514,124.24	\$ 20,302,572.84	15
50	50	50	\$ 1,931,220	\$ 111,233,849.72	\$ 1,657,181.38	\$ 112,891,031.10	16
50	50	50	\$ 1,496,241	\$ 113,587,392.50	\$ 1,783,162.46	\$ 115,370,554.96	17
50	50	50	\$ 1,503,743	\$ 115,674,300.20	\$ 1,916,946.74	\$ 117,591,250.00	18
50	50	50	\$ 1,511,192	\$ 118,102,441.85	\$ 11,058,092.85	\$ 128,160,534.70	19
50	50	50	\$ 1,518,622	\$ 120,690,106.95	\$ 11,209,386.20	\$ 139,899,493.15	20
50	50	50	\$ 1,526,150	\$ 123,416,082.88	\$ 11,369,840.85	\$ 151,785,923.73	21
50	50	50	\$ 1,533,744	\$ 126,319,628.00	\$ 11,539,700.15	\$ 163,859,328.15	22
50	50	50	\$ 1,541,336	\$ 129,403,704.97	\$ 11,719,941.24	\$ 176,179,646.21	23
50	50	50	\$ 1,548,926	\$ 132,669,612.13	\$ 11,911,172.31	\$ 188,850,718.44	24
50	50	50	\$ 1,556,633	\$ 136,137,417.54	\$ 12,114,038.94	\$ 201,964,757.38	25
50	50	50	\$ 1,564,339	\$ 139,815,795.40	\$ 12,329,224.05	\$ 215,544,021.43	26
50	50	50	\$ 1,572,052	\$ 143,717,191.60	\$ 12,557,450.45	\$ 229,591,571.88	27
\$10,425,000	\$1,500,000	\$11,925,000		\$11,925,000			

Project Plan Amendment

EXHIBIT B

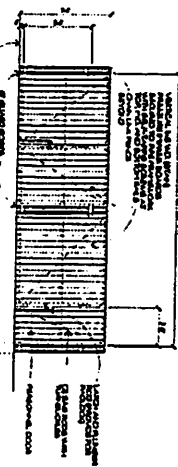
# EXHIBIT C

## Site Plan



### PROJECT SUMMARY

BUILDING	231,741 SF.
EXISTING/ADJACENT BUILDING AREA	231,741 SF.
<b>TOTAL G.L.A.</b>	<b>231,741 G.L.A.</b>
NEW SERVICE CONNECTION	314 LF.
<b>TOTAL G.L.A.</b>	<b>334,449 G.L.A.</b>
<b>PARKING</b>	
TOTAL PARKING PROVIDED	1,416 SPACES
PARKING RATIO	3.87 SPACES / 1,000 SF OF G.L.A.
NOTE: 21 HOURS OF 24 HOURS	
NOTE: 21 HOURS OF 24 HOURS	



### PROPOSED SITE PLAN

1. SEE THE EXISTING SITE PLAN FOR THE PROPOSED SITE PLAN.
2. SEE THE EXISTING SITE PLAN FOR THE PROPOSED SITE PLAN.
3. SEE THE EXISTING SITE PLAN FOR THE PROPOSED SITE PLAN.
4. SEE THE EXISTING SITE PLAN FOR THE PROPOSED SITE PLAN.
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8. SEE THE EXISTING SITE PLAN FOR THE PROPOSED SITE PLAN.
9. SEE THE EXISTING SITE PLAN FOR THE PROPOSED SITE PLAN.
10. SEE THE EXISTING SITE PLAN FOR THE PROPOSED SITE PLAN.

### 'CUT THRU' PHASE

**WEST ALLIS TOWNE CENTRE**  
 WEST ALLIS, WISCONSIN

**WAY VIA ASSOCIATES**  
 ARCHITECTS & ENGINEERS  
 1000 W. WISCONSIN AVENUE, SUITE 200  
 MILWAUKEE, WI 53233  
 TEL: 414.224.1111  
 FAX: 414.224.1112  
 WWW.WAYVIA.COM

**PRELIMINARY**

**A 1.1**

EXHIBIT D

Debt Service Repayment Schedule and Excess Tax Revenue Estimates

Borrowed \$ 1,499,980  
Int Rate 5.5%

Year	Taxable Value of Towne Center Parcels	Base Value	Increment	Tax Rate	Projected Excess Tax Revenues	Debt Service Guaranteed by Developer	Cap Interest Draw	Account Balance
2009	\$ 19,932,500	\$ 19,932,500	-	\$ .02258	\$ -	\$ -	\$ 74,323	\$ 1,582,479
2010	\$ 19,932,500	\$ 19,932,500	\$ -	\$ .02258	\$ 72,151	\$ -	\$ 74,323	\$ 1,591,104
2011	\$ 22,137,046	\$ 19,932,500	\$ 3,195,008	\$ .02258	\$ -	\$ 216,976	\$ -	\$ 1,524,084
2012	\$ 27,347,843	\$ 19,932,500	\$ 7,415,343	\$ .02258	\$ 167,457	\$ 216,976	\$ -	\$ 1,431,241
2013	\$ 30,981,832	\$ 19,932,500	\$ 11,049,332	\$ .02258	249,522	\$ 216,976		\$ 1,281,050
2014	\$ 30,981,832	\$ 19,932,500	\$ 11,049,332	\$ .02258	\$ 249,522	\$ 216,976		\$ 1,122,598
2015	\$ 30,981,832	\$ 19,932,500	\$ 11,049,332	\$ .02258	\$ 249,522	\$ 216,976		\$ 955,437
2016	\$ 30,981,832	\$ 19,932,500	\$ 11,049,332	\$ .02258	\$ 249,522	\$ 216,976		\$ 779,071
2017	\$ 30,981,832	\$ 19,932,500	\$ 11,049,332	\$ .02258	\$ 249,522	\$ 216,976		\$ 593,010
2018	\$ 30,981,832	\$ 19,932,500	\$ 11,049,332	\$ .02258	\$ 249,522	\$ 216,976		\$ 396,716
2019	\$ 30,981,832	\$ 19,932,500	\$ 11,049,332	\$ .02258	\$ 249,522	\$ 216,976		\$ 189,626
2020	\$ 30,981,832	\$ 19,932,500	\$ 11,049,332	\$ .02258	\$ 249,522	\$ 216,976	\$ -	Paid off
Total						\$2,169,760	\$ 148,646	

ORIGINAL

Revised 4-30-09

DEVELOPMENT AGREEMENT  
FOR WEST ALLIS TOWNE CENTRE

COPY

THIS DEVELOPMENT AGREEMENT (the "Agreement"), is made and entered into as of the 7th day of May, 2009, by and between RAMCO- GERSHENSON PROPERTIES, L.P., a Delaware limited partnership ("Developer"), and the CITY OF WEST ALLIS, a Wisconsin municipal corporation (the "City").

WHEREAS, Developer is the fee simple owner of approximately 23 acres of land and the improvements thereon located at the northeast corner of South 70th Street and West Greenfield Avenue in the City of West Allis, Milwaukee County, Wisconsin, commonly referred to as West Allis Towne Centre and more particularly described in Exhibit A attached hereto (the "Property"), upon which there has been developed over 300,000 square feet of retail store building space and approximately 1,100 surface parking spaces; and

WHEREAS, the current assessed value of the Property, as currently improved, is \$19,932,500; and

WHEREAS, Developer has considered potential improvements to the Property, including various building façade, paving, curb and gutter, lighting, sidewalk, utility, landscaping and irrigation improvements including but not limited to a new ingress/egress corridor through the Property and connecting the Property to the office complex at the north, commonly known as "Summit Place"; and

WHEREAS, such Summit Place office complex is located in the vicinity of the 6700 block of Washington Street, primarily consisting of the former Allis-Chalmers manufacturing complex which complex falls within the boundaries of Tax Incremental District Number Seven (the "District"), and the Property is located within a one-half mile radius of the District's boundaries; and

WHEREAS, the ingress/egress corridor will provide a much needed relief to the traffic-congested office/industrial areas in Summit Place as well as increased accessibility to Whitnall Summit; and

WHEREAS, the City has amended the project plan of the District to add the additional project costs described in this Agreement, by the amendment attached hereto as Exhibit B (the "Amendment"); and

WHEREAS, the Amendment was approved by the City's Common Council on or about February 3, 2009 and by the Joint Review Board on or about February 18, 2009; and

WHEREAS, the Amendment gives the City the ability to increase property tax base within, as well as outside of, the District by promoting redevelopment and improvement to the District and on the Property consistent with the objectives of the District's original project plan and the Amendment by creating the new ingress/egress corridor through the Property to connect to Summit Place, which is an eligible project cost to be paid with tax increment revenues from the District; and

WHEREAS, Developer intends to redevelop the Property consistent with the site plan attached hereto as Exhibit C (the "Site Plan") such that an assessed value increment of up to \$10,484,000 will be created on the Property by 2013 and the Property's aggregate assessed value of taxable property will be increased to up to \$30,416,000;

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the parties agree as follows:



**I. CONTINGENCY.**

The parties acknowledge that the City cannot contract away its governmental powers and that certain approvals may require issuance by or cooperation from government bodies external to the City. The parties also acknowledge that, to be able to develop, construct and operate the Property as intended, the Developer must obtain all of the governmental approvals described in this Agreement, including but not limited to, adoption of the Amendment, execution of and performance under this Agreement and various site plan and architectural approvals. The City shall use its best good faith efforts to grant and/or obtain all necessary governmental approvals on a timely basis, including but not limited to, approvals required from government bodies external to the City such as the Joint Review Board. All rights and obligations of the City and the Developer under this Agreement are contingent upon final approval by all governmental bodies with jurisdiction of all approvals necessary to facilitate the redevelopment and operation of the Property consistent with the Site Plan.

**II. DEVELOPER OBLIGATIONS.** Subject to the contingencies set forth in Section I above, Developer shall be obligated as follows:

A. Project Description. Developer shall redevelop the Property (including, but not limited to constructing the new ingress/egress corridor through the Property to access Summit Place) consistent with the Site Plan attached hereto as Exhibit C (the "Site Plan") and all other plans approved or to be approved by governmental bodies with jurisdiction as well as applicable City ordinances and regulations. While Developer has recently invested approximately \$3,500,000 to redevelop Office Depot and Harbor Freight tenant spaces on the Property, Developer estimates that it will spend up to an

additional \$11,000,000 to redevelop the Property consistent with the Site Plan, including but not limited to tenant improvements for Dollar Tree and a future Burlington Coat Factory as well as various other site and building improvements.

B. Project Construction. Developer shall use reasonable efforts to commence construction of the redevelopment of the Property, including the ingress/egress corridor, consistent with the Site Plan, within 60 days of issuance of all necessary governmental permits and to substantially complete such redevelopment not later than December 31, 2011, in all cases subject to "Force Majeure" defined in Section VI(C) below. Failure of Developer to commence and complete construction as set forth herein shall constitute a material breach of this Agreement. Time is of the essence.

C. Developer Guaranty. (1) In consideration of the receipt of tax incremental financing assistance from the City as described in Section III (F) below, Developer shall guarantee the debt service defined under Section III (F) below and set forth in the column labeled "Debt Service Guaranteed by Developer" on the attached Exhibit D ("Debt Service") and attributable to the eligible project costs defined under Section III (F) below and set forth on the attached Exhibit E. The Developer guaranty described in the previous sentence shall be in effect commencing with year 2011 and continuing until the earlier to occur of 2020 or the date on which cumulative "Excess Tax Revenues", as defined in this subsection, exceed the total Debt Service described in Section III(F) and set forth in the column labeled "Debt Service Guaranteed by Developer" on Exhibit D. (No guaranty payments will be due from Developer in 2008, 2009 or 2010 as the City intends to borrow capitalized interest in the amount of

\$148,646, which capitalized interest shall be used to fund interest costs in 2008, 2009 and 2010.) Developer's obligations to guarantee Debt Service hereunder shall be deemed waived, offset by and satisfied to the extent that property taxes generated from the Property (due and payable to any taxing authority, not just the City) exceed property taxes generated from the \$19,932,500 assessed base value of the Property ("Excess Tax Revenues").

(2) In the event that, in any year commencing with year 2011 and continuing through the earlier to occur of 2020 or the year in which cumulative Excess Tax Revenues exceed the total Debt Service, there is a shortfall between the amount of the annual Debt Service payment due in such year described in Section III(F) and on Exhibit D and the amount of Excess Tax Revenues generated in that year, the amount of the shortfall shall be considered credit extended from Developer to the City, and Developer shall pay the City the amount by which the annual Debt Service exceeds the Excess Tax Revenues for that year.

(3) The City shall repay Developer the shortfall, to the extent that any Excess Tax Revenues are produced by the Property (whether generated before or after occurrence of any shortfall) from the date hereof through 2020. The parties acknowledge, however, that the City intends to repay any amounts due to the Developer under this subsection, not as a new appropriation of general revenues, but from tax increment revenues generated from the District. Under no circumstances shall the City be obligated to pay to Developer any taxes in excess of the required Debt Service paid from Developer to the City.

EXAMPLE: For instance, if in the year 2013, the assessed value of the Property increases to \$30,981,832, Developer shall receive a credit and offset against its guarantee

obligations in an amount equal to the increased assessed value of the Property (\$30,981,832 less \$19,932,500), multiplied by the-then current mill rate for all taxing authorities levying property taxes against the Property, approximately \$11,049,332 times an estimated \$.02258 or \$249,494. In such instance, no guaranty payment shall be due from Developer for the year 2013 as the \$249,494 credit amount exceeds the \$216,976 annual Debt Service payment due as shown on Exhibit D. In addition, the amount by which the credit amount exceeds the annual Debt Service payment ( $\$249,494 - \$216,976 = \$32,518$ ) shall be made available to repay Developer any guaranty payments made or owing in previous or subsequent years.

(4) If Developer fails in any year to pay to the City the amount by which Debt Service due in that year exceeds Excess Tax Revenues, any such amount not paid by Developer may be placed on the property tax roll and collected as a special charge pursuant to Chapter 74 of the Wisconsin Statutes.

D. Maintenance of Property Value. In the event of fire, damage or any other casualty to any part of the Property, Developer agrees at its option to either (1) at its cost and expense, rebuild, repair and replace the redeveloped improvements on the Property consistent with the Site Plan to substantially the condition that existed immediately prior to the casualty; or (2) pay to the City all outstanding eligible project costs as shown on Exhibit E attached hereto (which shall equal the then outstanding principal balance of all Debt Service as referenced on Exhibit D attached hereto). The fair market value of the Property following reconstruction and/or repair by Developer must be substantially similar to the fair market value of the Property immediately prior to the casualty. This obligation to repair, rebuild or replace shall remain in effect for a period expiring upon