

COMMUNITY DEVELOPMENT AUTHORITY  
CITY OF WEST ALLIS  
RESOLUTION NO: 1378  
DATE ADOPTED: February 9, 2021

Resolution to consider amendment #2 to the Purchase and Sale Agreement by and between Six Points West Allis Apartments, LLC and the Community Development Authority of the City of West Allis relative to the Development Finance Agreement (North of National Avenue "NONA")

WHEREAS, the Community Development Authority of the City of West Allis (the "Authority") entered into a Development Agreement (the "Agreement") with Six Points West Allis Apartments, LLC, dated May 1, 2018, for the development of a 177-unit apartment building located on the northwest side of W. National Ave. and Six Points Crossing (the "Property"); and,

WHEREAS, the Property has reached construction completion and Six Points West Allis Apartments, LLC ("Developer") has obtained permanent financing; and,

WHEREAS, per the Agreement, the Authority was an investor to help advance the redevelopment and to fill a financial gap at the time of Construction; and,

WHEREAS, the terms of the Agreement specifically provide conditions for the Developer to provide repayments of the CDA's investment as well as the distribution of construction savings between the Authority and the Developer; and,

WHEREAS, the Developer and Authority agree to the following changes to the Agreement:

1. Accepting of a \$1.54 million loan repayment to the Authority
2. Accepting the construction savings calculation payment of approximately \$665,656. This payment may be made in 2 parts, with the majority of the payment coming up front and the 2<sup>nd</sup> payment upon the Developer receiving WDNR Closure of the site.
3. On the repayment of the \$2.5 million loan from the Authority, the Developer proposes the following:
  - a. Pay the Authority \$1.5 million today as a principal payment on the \$2.5 million sub participating debt.
  - b. Developer will continue to pay interest on the unpaid portion of the sub participating debt (\$1.0 million).
  - c. At reversion, in ten (10) years, the Authority receives the first \$1,000,000 if/after the investors achieve a 15% IRR. After the first \$1,000,000, the Authority and Developer will share 60/40 in favor of the Developer in remaining proceeds with the Authority's participation being capped at \$500,000. Upon receipt of the \$500,000, the CDA would be fully paid on the \$2.5 million sub participating debt plus the additional \$500,000 noted in the previous line.

WHEREAS, the Executive Director recommends the approval of the amendment and acceptance of the payment terms.

NOW, THEREFORE, BE IT RESOLVED by the Community Development Authority of the City of West Allis that it hereby approves amendment #2 to the Purchase and Sale Agreement by and between Six

Points West Allis Apartments, LLC and the Community Development Authority of the City of West Allis relative to the Development Finance Agreement (North of National Avenue "NONA").

BE IT FURTHER RESOLVED that the Authority approves the following amendment to Agreement for the following distributions:

1. Accepting of a \$1.54 million loan repayment to the Authority
2. Accepting the construction savings calculation payment of approximately \$665,656. This payment may be made in 2 parts, with the majority of the payment coming up front and the 2<sup>nd</sup> payment upon the Developer receiving WDNR Closure of the site.
3. On the repayment of the \$2.5 million loan from the Authority, the Developer proposes the following:
  - a. Pay the Authority \$1.5 million today as a principal payment on the \$2.5 million sub participating debt.
  - b. Developer will continue to pay interest on the unpaid portion of the sub participating debt (\$1.0 million).
  - c. At reversion, in ten (10) years, the Authority receives the first \$1,000,000 if/after the investors achieve a 15% IRR. After the first \$1,000,000, the Authority and Developer will share 60/40 in favor of the Developer in remaining proceeds with the Authority's participation being capped at \$500,000. Upon receipt of the \$500,000, the CDA would be fully paid on the \$2.5 million sub participating debt plus the additional \$500,000 noted in the previous line.

BE IT FURTHER RESOLVED that the City Attorney be and is hereby authorized to make such non-substantive changes, modifications, additions and deletions to and from the various provisions of amendment #2 to the Purchase and Sale 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 the Executive Director, or his designee, be and is hereby authorized and directed to execute and deliver the aforesaid amendment #2 to the Purchase and Sale Agreement on behalf of the Community Development Authority.

Approved: 

Patrick Schloss, Executive Director  
Community Development Authority