

AGENDA

NEENAH COMMUNITY DEVELOPMENT AUTHORITY

Monday, December 7, 2015

4:00 P.M.

Hauser Room, City Administration Building

1. Approval of September 14, 2015 meeting minutes.
2. Approval of November 10, 2015 meeting minutes.
3. Public Appearances (Ten minutes divided among those wishing to speak on topics pertinent to the Community Development Authority).
4. Consideration of the Site 7 Development Agreement.
5. Announcements and Future Agenda items.
6. Adjournment.

**Neenah City Hall is accessible to the physically disadvantaged.
If special accommodations are needed please contact the
Department of Community Development Office
at 886-6125 at least 24 hours in advance of the meeting.**

Community Development Authority of the City of Neenah
September 14, 2015
4:30 PM

Present: Board Members: John Ahles, Jim Perras, Michelle Bauer, Ald. Cari Lendrum, Grant Birtch and Ald. Lee Hillstrom. Also Present: CDA Executive Director Chris Haese, City Attorney Jim Godlewski, Office Manager Samantha Jefferson, and Ald. Bill Pollnow.

Approval of Minutes: MSC Hillstrom/Birtch to approve the minutes of the June 1, 2015 meeting. Motion carried.

Approval of Minutes: MSC Hillstrom/Lendrum to approve the closed session minutes of the June 1, 2015 meeting. Motion carried.

Public Appearances: None.

Neenah Foundry Update: Neenah Foundry was recently provided a draft acquisition agreement prepared by staff. A Phase II Environmental Assessment will be completed after the DNR issues a Liability Clarification Letter and the property is acquired. This letter will detail the City's responsibility if environmental issues are found. The current plan for this acquisition will be to create a regional stormwater pond. If an extensive amount of environmental are discovered, which would make the construction of a stormwater pond cost prohibitive, the secondary plan is to create a redevelopment site. At that point, the site would need to be declared a redevelopment area by the CDA. Member Birtch asked how long the Foundry has been on that site and what possible contaminants might be found. The Foundry has been on that property for over one-hundred years and expected contaminants would be heavy metals. Director Haese also mentioned that homes and gas stations have been located on that property so some petroleum issues may arise as well. Council Member Pollnow asked if the City could complete the acquisition after the Phase II investigation has taken place. This would be not be possible as Neenah Foundry would then be responsible for findings and could not claim LGU as the City could.

The soil that will be removed for a potential stormwater pond would assembly be adaptively reused – possibly by relocating it to under the overpass. Neenah Foundry will sell this land to the City for \$1000.00. If an imminent threat to citizens is found after the Phase II assessment, the City would have to take care of it immediately. Ald. Pollnow questioned the amount of tax revenue we would lose by purchasing this land.

EPA Grant Extension Update: The EPA Grant funds that the CDA was awarded was set to expire in September 2015. Through Stantec, the CDA requested an additional year to utilize these funds and the request was successful. Approximately half of the original \$400,000 is still available to be used. A bulk of these funds have been used for Phase I and Phase II assessments along with other smaller projects. Member Perras and Member Birtch would like to minutes to reflect the good work that Director Haese on getting this grant extended and also how wonderful of a development tool that the grant is.

Stantec Environmental Services: When Stantec was originally hired, the CDA preferred to reevaluate their contract at each \$100,000 increment. Stantec is requesting the approval of Master Service Agreement Task Order #4, allowing their contract with the City to continue. Member Perras asked for clarification of the services that Stantec provides. Director Haese pointed out their administrative work on the EPA grant, their completion of several Phase I and Phase II assessments, and additional administrative overview of other grants.

MSC Birtch/Hillstrom to approve the Master Service Agreement, Task Order No. 4, with Stantec Consulting Services for environmental services associated with the EPA Site Assessment Grants.

MSC Lendrum/Birtch to convene into Closed Session pursuant to Wis. Stats. Sec. 19.85(1)(e) for the purposes of developing bargaining strategy related to potential development proposals on Site 7 in Redevelopment Area No. 2, Downtown Gateway Redevelopment Plan, including potential land acquisition adjacent to or in the vicinity of Site 7. Motion carried.

MSC Birtch/Lendrum to convene into open session. Motion carried.

Announcements and Future Agenda items:

Director Haese is hopeful that a development agreement for a new development on Site 7 may be ready for review by the end of the year.

Adjournment: The meeting was adjourned at 5:45 PM.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read 'Samantha Jefferson', followed by a horizontal flourish.

Samantha Jefferson
Office Manager, Community Development

**Community Development Authority of the City of Neenah
November 10, 2015
4:30 PM**

Present: Board Members: John Ahles, Michelle Bauer, Ald. Cari Lendrum, Grant Birtch and Ald. Lee Hillstrom. Also Present: CDA Executive Director Chris Haese, City Attorney Jim Godlewski, Office Manager Samantha Jefferson, Administrative Assistant Katie Osthelder, and Ald. Bill Pollnow.

Public Appearances: None.

Consideration and recommendation of the refinancing lease revenue bonds:

In 2008, the CDA issued bonds to fund projects in TID #8. At this time, those bonds can be refinanced for savings. In 2008, those bonds were created with an interest rate of 4.0% - 4.75%. It is estimated that those rates could be lowered to approximately 3.22%. The estimated savings would be upwards of \$125,000.

Member Birtch asked how the CDA should proceed with the refunding. The Finance Committee would authorize the refunding (after the CDA's authorization to proceed). A public hearing would then be convened by the CDA closely followed by a Council meeting. Council would then take action for or against.

MSC Birtch/Lendrum, the CDA to authorization for the Finance Committee and Council to consider refinancing the Lease Revenue Bonds first issued in 2008 for community development projects in TID #8.

EPA Grant Extension Update: The EPA Grant funds that the CDA was awarded was set to expire in September 2015. Through Stantec, the CDA requested an additional year to utilize these funds and the request was successful. Approximately half of the original \$400,000 is still available to be used. A bulk of these funds have been used for Phase I and Phase II assessments along with other smaller projects. Member Perras and Member Birtch would like to minutes to reflect the good work that Director Haese on getting this grant extended and also how wonderful of a development tool that the grant is.

MSC Hillstrom /Lendrum to convene into Closed Session pursuant to Wis. Stats. Sec. 19.85(1)(e) for the purposes of developing bargaining strategy related to potential development proposal in Redevelopment Area No. 2, Downtown Gateway Redevelopment Plan Motion carried.

MSC Birtch/Lendrum to convene into open session. Motion carried.

Announcements and Future Agenda items:

Director Haese will continue to keep the CDA informed of any new developments on Site 7.

Adjournment: The meeting was adjourned at 5:15 PM.

Respectfully Submitted,



Samantha Jefferson
Office Manager, Community Development



M E M O R A N D U M

DATE: December 1, 2015
TO: Chairman Ramos, Chairman Martin, Finance Committee and CDA Members
FROM: Chris A. Haese, CDA Executive Director
RE: **Site 7 Redevelopment**

Attached for your review and consideration is the final draft of the Tax Incremental District No. 10 Development Agreement for the anticipated Site 7 redevelopment. The proposed project calls for the construction of a five-story, 55,000 square foot building with an anticipated value of at least \$6 million. The primary components of the Agreement are found in Article 3, "Undertakings of the Developer", and Article 4, "Undertakings of the City and CDA". They are summarized as follows:

Developer Commitments:

- The Developer will construct a multi-story office building of at least 55,000 square feet of gross area with a minimum investment of \$6 million.
- The Developer will be responsible for the acquisition and demolition of the property at 116 Main Street as well as incorporating the property into one overall redevelopment site.
- The Developer will provide the necessary easements for utilities and access through the site.
- The Developer will install all necessary on-site private utilities.

City/CDA Commitments:

- The Site will be provided to the developer at a cost of \$1.
- The CDA will be responsible for removal of all asphalt from the development site and all concrete sidewalk immediately adjacent to the site.
- The CDA will be responsible for removal and disposal of all environmentally impacted soil.
- The CDA will be responsible for replacement of all public sidewalk and curb repair on the perimeter of the site.
- The CDA will be responsible for bringing all necessary public utilities (storm, water, & sanitary sewer) to the site.
- The CDA will be responsible for relocating an existing public storm sewer that extends through the site.

CITY OF NEENAH
Dept. of Community Development

December 2, 2015 – Page 2

- The CDA will be responsible for the asbestos investigation and asbestos abatement, should it be necessary, from 116 Main Street prior to demolition.
- The CDA will provide 161 off-site parking spaces to support the Development. The spaces will be provided at no charge, however the developer will be responsible for maintenance, including snow removal, from said parking areas. A subsequent license agreement for the off-site parking will be required to more accurately define responsibilities of each party.
- The City will provide development assistance in the amount of \$420,000, plus interest, to offset costs incurred by the Developer that are above and beyond a typical green field development. These funds will be provided via any awards received by the CDA from the Wisconsin Economic Development Corporation's Community Investment Grant and in the form of a Developer-Financed TIF payment equivalent to 70% of the additional tax revenue collected on the site.

I look forward to discussing the Agreement in more detail at the respective meetings. Certainly, if you have any questions prior to the meetings, please do not hesitate to contact me.

**TAX INCREMENT DISTRICT NO. 10
DEVELOPMENT AGREEMENT**

THIS DEVELOPMENT AGREEMENT is dated as of the ____ day of December 2015 by and between Neenah Downtown Redevelopment Associates Limited Partnership, a Wisconsin limited partnership (the "Developer"), the CITY OF NEENAH, a Wisconsin municipal corporation, (the "City") and the COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF NEENAH, a Wisconsin municipal corporation (the "CDA").

RECITALS

The City, CDA and Developer acknowledge the following:

A. The City and CDA has acquired through various transactions the property located at the southeast corner of Main Street and Wisconsin Avenue in the City of Neenah, more particularly described on Exhibit A, attached hereto and made a part hereof (hereinafter referred to as "Site 7").

B. In 2015 the City created Tax Increment District No. 10 (the "District") pursuant to Section 66.1105, Wis. Stat. (the "Tax Increment Law") and approved a plan for the redevelopment of the District (the "District Plan") which includes the Property within the District.

C. Subject to obtaining the financial assistance set forth herein, Developer intends to undertake the acquisition of the property located at 116 Main Street more particularly described at Exhibit A-1 (the combined Site 7 and 116 Main referred to as the "Property" or "Development Area"), construct a minimum 55,000 square foot office building development on the Property (the "Development Project") that will increase the Property's value and provide other tangible benefits to the surrounding neighborhoods and to the City as a whole. The Development Project is consistent with the District Plan for TIF 10

D. The City desires to encourage economic development including the elimination of slum and blight, expand its tax base, and create new jobs within the City, the District and the Property. The

City finds that the development of the Property and the fulfillment, generally, of the terms and conditions of this Agreement are in the vital and best interests of the City and its residents and serve a public purpose in accordance with state and local law.

E. The Development Project would not occur without the use of Tax Incremental Financing. The City, pursuant to Common Council Action dated December ___, 2015, and the CDA, pursuant to its Board action on December ___, 2015 have approved this Agreement and authorized the execution of the Agreement by the proper City and CDA officers on the CDA's and City's behalf.

F. The Developer has approved this Agreement and authorized John F. Bergstrom to execute this Agreement on the Developer's behalf.

G. All terms that are in upper case but not defined in this Agreement and that are defined under the Tax Increment Law shall have the definitions assigned to such terms by the Tax Increment Law.

NOW THEREFORE, in consideration of the above recitals, which are contractual, and the mutual promises contained herein, the parties agree to the following terms and conditions.

ARTICLE 1 PURPOSES - DEFINITIONS

1.1 Purpose of Agreement. The parties have agreed upon a conceptual plan for an office tower development comprised of minimum 55,000 square foot building at the Development Area (the "Development"). The purpose of this Agreement is to formalize and record the understandings and undertakings of the parties and to provide a framework within which the redevelopment of the land will take place.

1.2 Definitions. The terms listed below shall be defined for the purposes of this Agreement as follows:

1.2.1. **"City"** means the City of Neenah, a Wisconsin Municipal Corporation. The City may also be referred to as the City of Neenah.

1.2.2. **"CDA"** means the Community Development Authority of the City of Neenah, a Wisconsin municipal corporation.

1.2.3. **"Contribution" or "City Contribution"** means the Tax Increment Revenue Financing payment made to the Developer by the City pursuant to Section 4.4 upon the satisfactory completion, on the part of all parties, of all undertakings as specified in Articles 3 and 4 as related to the Development Project.

1.2.4. **"Developer"** means Neenah Downtown Redevelopment Associates Limited Partnership, a Wisconsin limited partnership.

1.2.5. **"Development Project" or "Project"** means the overall construction of the improvements and uses anticipated by the Development Plan and this Agreement for the Development Area.

1.2.6. **"Development Area"** means the sum of all property described in Exhibits A and B, and constitutes the total boundaries of the project for which this Agreement is provided.

1.2.7. **"Development Plan"** means the Development as shown on Exhibit B as improved by the site improvements outlined in Exhibit C and as further described by this Agreement.

1.2.8. **"Development Phase"** means the acquisition of the property, remediation, site preparation work including building demolition, construction of site improvements and development as hereinafter described in Section 3.5.

1.2.9. **"Minimum Total Tax Value"** means the minimum Tax Increment Value required for the Development upon completion

1.2.10. **"Minimum Contribution"** means the minimum amount of the Contribution made by the City to the Project.

1.2.11. **"Site Plan"** means the specific physical layout of the Development Area as shown on the Development Plan as shown on Exhibit B attached hereto.

1.2.12. **"Tax Increment Base Value"** means the equalized value of Real and Personal Property of the Development Area on January 1, 2015 as certified by the State Department of Revenue.

1.2.13. **"Tax Increment Value"** means the equalized value above the Tax Increment Base Value established for the Development Area as determined by the City of Neenah assessor. The equalized value is calculated by taking the assessed value reported by the City of Neenah Assessor that is certified by the State Department of Revenue times the aggregate ratio.

1.2.14. **"Tax Increment"** or **"Tax Increment Revenue"** means the personal and real property tax revenue (as defined in Section 66.1105(2)(i) of the Wisconsin Statutes) generated by the Tax Increment Value generated by the Project.

1.2.15. **"TID 10"** means Tax Incremental District No. 10 created by City Res. No. 2015-32 adopted on August 5, 2015.

1.2.16. **"Zoning Code"** means Chapter 26 of the Code of Ordinances of the City of Neenah. The Zoning Code may also be referred to as the "Code"

ARTICLE 2 DESCRIPTION OF DEVELOPMENT

2.1 **Development Area.** The Development includes the land area described in full in Exhibits A and A-1 as previously defined in the Agreement as the Development Area. The Development Area will be redeveloped and improved with a 55,000 square foot office tower, with site improvements as described and depicted in the attached Exhibit C, on a timetable and with estimated property valuation as described in the attached Exhibit D.

2.2 Building. Conceptual building plans propose a five story structure with 11,000 square feet of floor area on each floor. The primary use is planned to be office, with limited retail as a potential secondary use.

ARTICLE 3 UNDERTAKINGS OF THE DEVELOPER

The Developer agrees that it shall:

3.1 Initiate, or cause to initiate by third parties, the Development Project and complete it in accordance with all applicable City zoning and building codes, fire codes, ordinances and regulations. The general components of the Development Project and the estimated timetable for completion of each component are set forth on Exhibit D, attached hereto. All Project Costs expended by Developer, after August 5, 2015, including costs incurred before the date of this Agreement, and which are eligible for funding pursuant to §66.1105 of the Wisconsin Statutes, are referred to as "Developer Costs". Developer Costs shall include, without limitation, costs for the construction of improvements, including hard and soft construction costs, professional fees, architectural fees, construction period interest, civil engineering fees, general contractor fees, infrastructure improvements, environmental remediation costs, demolition, public parking facilities, and the clearing, grading and construction of the Development Project, and other costs permitted pursuant to Section 66.1105, Wis. Stat.

3.2 Developer warrants and represents to the City that but for the assistance to be provided by the City and the Wisconsin Economic Development Corporation (WEDC) under Article 4, herein, Developer would not be able to proceed with the Project.

3.3 Developer or others on its behalf shall acquire 116 Main Street and include it as part of the Development Project.

3.3.1 Developer shall cause to be prepared a certified survey map that combines Site 7 and 116 Main into one development parcel.

3.3.2 Developer shall undertake to demolish the building on 116 Main and prepare the site for redevelopment.

3.4 Developer or others shall prepare site plans, specifications, development timetables, and budgets for redevelopment and construction work to be undertaken in Development Phase.

3.5 Developer has presented an Implementation Plan for the Development Project, which is attached as Exhibit D.

3.6 Developer will implement or cause to be implemented the Development Project in the appropriate location of the Development Area as provided in Exhibits D, expending at least Six Million Dollars (\$6,000,000) in construction costs. Based on the projected construction costs, the City has estimated that the Development Project will have a Tax Increment Value of Six Million Dollars (\$6,000,000.00) for the purpose of calculating the payment schedule for the Developer Grant provided for at §4.6.1 below. The Developer shall commence construction of the Development Project on or before May 1, 2016 and conclude construction on or before February 28, 2017.

3.7 In addition to the Developer's obligations listed elsewhere in this agreement, the Developer shall:

3.7.1 Cooperate with the City and CDA to facilitate their performance under Article 4.

3.7.2 Be responsible for obtaining all permits.

3.7.3 Except as set forth in this agreement, bear responsibility for the costs of the installation and maintenance of utilities and improvements within the Development Area, including, but not limited to sewer, storm sewer, water, electricity, gas, phone, internet/WIFI and television. The Developer shall be solely responsible for complying with the State of Wisconsin's prevailing wage rates if applicable.

3.7.4 The Developer shall provide necessary utility easements; access easements to and from the alley adjacent to the Property between Wisconsin and Doty Avenues; access easement to existing dumpster corral.

3.7.5 Developer shall provide to the City's Finance Director documentation from the Developer's bank and/or other funding sources confirming that the Developer has the ability to permanently finance the Development Project before it commences.

3.7.6 Subsequent to the transfer of the Development Area to the Developer, the Developer shall be responsible for all general property taxes, special and Business Improvement District (BID) assessments on the Development Area.

ARTICLE 4 UNDERTAKINGS OF THE CITY AND CDA

The City and CDA agrees that they shall:

4.1 Appropriate sufficient funds for the performance of their obligations under this Agreement as described in this section.

4.2 City and CDA shall cooperate with Developer throughout the implementation of the Development Project and shall promptly review and/or process all submissions and applications in accordance with applicable City ordinances.

4.3 The City and CDA shall transfer Site 7 to the Developer for ONE DOLLAR (\$1.00) to allow for the construction of the Project

4.4 City has created TID 10 to finance public improvement, and will install the following improvements:

4.4.1 Sidewalks and curb closures on the public right of ways adjacent to the Property.

- 4.4.2 Utilities & utility easements to the boundary of the Property, including necessary water, sanitary sewer, and storm sewer laterals and the relocation of any public storm sewer lines running through the Development Area.
- 4.4.3 Development Area asbestos assessment, abatement and disposal;
- 4.4.4 Development Area soil remediation and management
- 4.4.5 Street lights on the public right of way adjacent to the Property.

4.5 Parking: Upon substantial completion of the Development Project, the City and CDA shall provide by perpetual license up to 161 designated offsite parking spaces in no more than two parking lots to be constructed by the City within 2 blocks of the Development Area ("Offsite Parking") . The initial location of the Offsite Parking is shown on Exhibit E. The Offsite Parking shall be provided at no cost to the Developer for the first forty (40) years of the license, however Developer shall be responsible for all maintenance of the Offsite Parking, including snow plowing and surface maintenance (sealing, resurfacing and restriping). The City or CDA may propose moving the 161 parking stalls to another location in downtown Neenah in proximity to the Office Building. Any such proposed move is subject to Developer's written approval. In the event that the relocated Offsite Parking is to a parking structure within the first forty years of the Offsite Parking license and the City or CDA is required to assume maintenance of the Offsite Parking, then the Developer shall pay a per stall parking fee based on the following schedule:

- 4.5.1 If the Offsite Parking is relocated to a parking structure during years 1 to 20 of the Offsite Parking License, at the average cost of maintenance incurred by the Developer for the Offsite Parking over the time period that the Offsite Parking was located on surface lots, but no more than twenty-five percent (25%) of the per stall permit rate established by the City.

4.5.2 If the Offsite Parking is located in a parking structure occurs during years 21 to 30 of the Offsite Parking License, at the per stall cost of maintenance of the parking structure but no more than twenty-five percent (25%) of the per stall permit rate established by the City.

4.5.3 If the Offsite Parking is located in a parking structure occurs during years 31 to 40 of the Offsite Parking License, at the per stall cost of maintenance of the parking structure but no more than fifty percent (50%) of the per stall permit rate established by the City.

4.5.4 After forty (40) years the Developer shall pay the then current per stall parking rate set by the City less a ten percent (10%) discount.

4.5.5 The parties to this agreement will negotiate in good faith a license agreement for the Offsite Parking consistent with these terms.

4.6 Subject to all of the terms, covenants and conditions of the Agreement and applicable provisions of law, and as inducement by the City to Developer to carry out the Development Projects, the City will provide payments to the Developer to assist with the Developer Costs.

4.6.1 Developer Costs –Development Project. Subject to all of the terms, covenants and conditions of the Agreement and applicable provisions of law, and as an inducement by the City to Developer to carry out the Development Project, the City will provide payments to the Developer to assist with Developer Costs solely from future tax increments from the Development Area and from the WEDC's Community Development Investment Grant. TIF Project Costs incurred subsequent to the effective date of this Agreement by the Developer may be counted as reimbursable expenses. The City Contribution for Developer Costs, shall be limited to a maximum of **\$420,000** plus interest thereon at the rate provided for in Par. 4.7 below. A maximum of 70% of the property Tax Increment Revenue attributable to the Development Project shall be payable in annual installments as provided hereunder. The City's Contribution may be prepaid at any time, but until paid in full, the payments, including grant proceeds

awarded by the WEDC, will be provided to the Developer as follows: Each year beginning September 1, 2018 and continuing each September 1 thereafter until September 1, 2023, the City will pay to the Developer 70% of the Tax Increment Revenue received by the City with respect to the Development in that year. No payments will be distributed until the property taxes have been paid on the property.

4.7 The Developer shall submit to the City's Director of Community Development copies of original invoice documentation, or other documentation such as an affidavit of certification from the general contractor or project architect, of eligible Developer Costs to support \$420,000 for Development Phase for documentary support of the City's contribution from Tax Increment Revenue. Developer shall be entitled to interest on the City's Contribution for expenses determined by the City to be eligible expenses. Interest on the City's Contribution shall begin to accrue effective January 1 of the year following receipt of Developer Costs by the City's Director of Community Development, and Assessment unless the Director of Community Development and Assessment notifies the Developer that said costs are not approved as eligible costs within 21 days of receipt . The interest rate on the City's Contribution shall be the lesser of 1.) The interest paid by the Developer to any lender, as evidenced by the note indicating the loan amount; or 2.) Five percent (5) %).

4.7.1 As sources for payment of the City Contribution the City agrees to pay Developer solely from a combination of WEDC grant Funds, if any, and up to seventy percent (70%) of the property tax increment attributable to the Property pursuant to this Agreement, based on taxes accrued through a date (the "Expiration Date") which shall be the earliest to occur of: (i) the date on which the City Contribution has been paid in full; or (ii) September 1, 2023.

4.8 Payments pursuant to this Agreement shall be made by September 1 solely from WEDC Grant Funds and Tax Increment revenue attributable to the Development Project actually received by the City. In no event shall the City's tax incremental payments to the Developer exceed seventy percent (70%) of

the Tax Increment Revenue generated by the property limited to a maximum of \$420,000 plus interest thereon. The City Contribution, as evidenced by this Agreement, shall be a special and limited obligation of the City and not a general obligation.

4.9 Developer hereby acknowledges that, as a result of the special and limited nature of the City's obligation to pay the City Contribution, Developer's recovery of the full amount of the City Contribution, plus interest thereon, depends on factors including, but not limited to, future mill rates, changes in the assessed value of a Development Project, the failure of the Development Project to generate the Tax Increment Revenue at the rate expected by Developer, reduction in Tax Increment Revenue caused by revenue-sharing, changes in the Tax Increment Law, and other factors beyond the City's and/or Developer's control.

4.10 City covenants to Developer that:

4.10.1 City shall not use more than the thirty percent (30%) of the Tax Increment Revenue, as previously indicated, for the purposes other than to pay the City Contribution plus the allocable interest thereon.

4.10.2 Until the City Contribution plus interest thereon has been paid in full, or a sum sufficient to pay off the City Contribution has been set aside to cover payment of the City Contribution, the City shall not close the District prior to the Expiration Date. Upon the Expiration Date, or payment in full of (or a sum sufficient set aside to pay in full) the City Contribution, the City will be entitled to close the District and no liability shall remain from the City to the Developer upon expiration of the District.

ARTICLE 5 TAX STATUS

5.1 As long as the District is in existence, or until the City has recouped its investment in TID 10 project costs , the Development Project including the land and all buildings and improvements thereon shall be owned by a taxable entity and taxable for real estate tax, special assessment purposes

and personal property taxes. The City may waive the above restriction upon execution of a payment in lieu of taxes (PILOT) agreement, on a form acceptable to the City, made between the City and the owner or lessee of an exempt Development Project.

ARTICLE 6 NO PARTNERSHIP OR VENTURE

6.1 Developer and its contractors or subcontractors shall be solely responsible for the completion of the Project. Nothing contained in this Agreement shall create or effect any partnership, venture or relationship between the City and Developer or any contractor or subcontractor employed by Developer in the construction of the Project.

ARTICLE 7 CONFLICT OF INTEREST

7.1 No member, officer or employee of the City, during his/her tenure or for one year thereafter, will have or shall have had any interest, direct or indirect, in this Agreement or any proceeds thereof. Notwithstanding the foregoing, it is acknowledged that the City's Mayor has an interest in 116 Main Street being acquired by the Developer as part of the Development Project pursuant to §3.3 of this Agreement. The City's Mayor has recused himself from any involvement in the Development Project and the City's and CDA's approvals required for the project to proceed. The City further obtained an opinion from the Winnebago County District Attorney's office dated July 16, 2015 indicating that recusal was the appropriate action for the Mayor to comply with applicable law.

ARTICLE 8 WATER AND WATER RELATED PUBLIC IMPROVEMENTS

8.1 The City has already furnished water to the boundary of the Development. Should additional laterals be required, they will be installed by the City. The Developer shall be solely responsible for the installation and maintenance of utility improvements to provide water service within the

Development Project. Water service within the Development Project shall remain a private service. Private hydrants cannot be used for any purposes other than fire protection.

8.2 All plans and specifications for the design of the infrastructure and water improvements within the boundaries of the Development shall be subject to the approval of the City's Department of Public Works & Utilities and, where necessary, Building Inspections, prior to the beginning of construction. Such approval shall not be unreasonably withheld.

ARTICLE 9 SANITARY SEWER

9.1 The City has already provided sanitary sewer to the boundary of the Development. Should additional laterals be required, they will be installed by the City. The Developer shall be solely responsible for installing and maintaining sanitary sewer infrastructure on the Development including any necessary lift stations, force mains and other improvements from the Development to the City's existing infrastructure. Sanitary sewer service within the Development shall remain a private service.

9.2 Under any of the circumstances set forth herein, the City shall permit the Owner/Developer to connect with the City's sanitary sewer system at such reasonably accessible and economically feasible locations as determined by the City.

9.3 All plans and specifications for the design of the infrastructure and sanitary sewer improvements within the boundaries of the Development shall be subject to the approval of the City's Department of Public Works & Utilities and, where necessary, Building Inspections, prior to the beginning of construction. Such approval shall not be unreasonably withheld.

ARTICLE 10 STORMWATER MANAGEMENT

10.1 The Developer shall follow all applicable State and City Stormwater Ordinances. Except as otherwise set forth herein, the Developer shall be solely responsible for installing and maintaining all

on-site stormwater management practices.. Stormwater management within the Development Area shall remain private. he Developer shall provide for a storm sewer easement to the City either as shown on a certified survey map of the Development Area or in a separate easement document acceptable to the City.

10.2 All plans and specifications for the design of the infrastructure and storm water sewer improvements within the boundaries of the Development shall be subject to the approval of the City's Department of Public Works & Utilities and, where necessary, Building Inspections, prior to the beginning of construction. Such approval shall not be unreasonably withheld.

ARTICLE 11 STREET IMPROVEMENTS

11.1 The City shall construct, during the 2016 construction season, curb, gutter, and public sidewalk adjacent to the Property (the "Street Improvements"). The Street Improvements shall be constructed in accordance with plans and specifications on file in the City's Department of Public Works.

11.2 Developer shall cooperate with the City to facilitate the construction of the Street Improvements during the 2016 road construction season.

ARTICLE 12 WRITTEN NOTICES

12.1 Any written notice required under this Agreement shall be sent to the following individuals:

FOR THE CITY AND CDA:

City of Neenah
Community Development Department
211 Walnut Street
Neenah, WI 54956

Attention: Dir. Chris Haese

With a copy to:

City of Neenah
City Attorney's Office
211 Walnut Street
Neenah, WI 54956
Attn: Attorney James G. Godlewski

DEVELOPER:

Neenah Downtown Redevelopment Association Limited Partnership
1 Neenah Center
Neenah, WI 54956
Attn.: John Hogerty II

With a copy to:

ARTICLE 13 MISCELLANEOUS

13.1 *Assignment.* No party to this Agreement may assign any of its interest or obligations hereunder without first obtaining the written consent of the other party except as otherwise provided for in this Agreement. Notwithstanding the foregoing, Developer may: (i) assign its rights and obligations under this Agreement to an entity that holds title to the Project and that is controlled by Developer or by one or more of the principals of Developer. The City shall not be bound to any such assignment until it has received written notice.

13.2 *Nondiscrimination.* The Developer agrees that neither the Development Area nor any portion thereof, shall be sold to, leased or used by any party in a manner to permit discrimination or restriction on the basis of race, creed ethnic origin or identity, color, gender, religion, marital status, age,

handicap, or national origin and that construction, redevelopment, improvement, and operation of the Development shall be in compliance with all effective laws, ordinances and regulations relating to discrimination or any of the foregoing grounds.

13.3 *Cost Overruns.* Except, as provided herein, all work, undertakings, or other actions to be taken by a specific party hereto shall be completed at the sole cost and expense of such party. Without limiting the foregoing, all cost overruns of any work, undertaking, or other action to be taken by City hereunder shall be borne by City. Likewise, and without limiting the foregoing, all cost overruns of any work, undertaking, or other action to be taken by the Developer hereunder shall be borne by Developer.

13.4 *No Third Party Beneficiaries.* This Agreement is made solely for the benefit of the parties hereto and their permitted assignees, and no other party shall acquire or have any rights under this Agreement or by virtue of this Agreement.

13.5 *No Personal Liability.* Under no circumstances shall any shareholder, partner, member, officer, director, employee, contractor, or agent of City or Developer have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability against any such party.

13.6 *Force Majeure.* No party shall be responsible to any other party for any resulting losses if the fulfillment of any of the terms of this Agreement is delayed or prevented by revolutions or other civil disorders, wars, acts of enemies, strikes, fires, floods, acts of God, or by any other cause not within the control of the party whose performance was interfered with, and which, by the exercise of reasonable diligence, such party is unable to prevent, whether of the class of causes hereinabove enumerated or not, (collectively, "events of force majeure") and the time for performance shall be extended by the period of delay occasioned by any such cause.

13.7 *Governing Law.* The laws of the State of Wisconsin shall govern this Agreement.

13.8 *Counterparts.* This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument. No amendment of this Agreement shall be effective unless in writing and signed by the party to be bound thereby.

13.9 *Severability.* If any provision of this Agreement shall be held or deemed to be inoperative or unenforceable as applied in any particular case in any jurisdiction because it conflicts with any other provision or provisions of this Agreement or any constitution or statute or rule of public policy, or for any other reason, then such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein invalid, inoperative, or unenforceable to any extent whatever. To the maximum extent possible, this Agreement shall be construed in a manner consistent with the powers of City, including, but not limited to, their powers under the Tax Increment Law, § 66.1105, Wis. Stats, and the Blight Elimination and Slum Clearance Act, § 66.1333, Wis. Stats., to achieve its intended purpose. Reference is made to Chapter 105, Laws of 1975 § 4, and to § 66.1333(17), Wis. Stats., which provide that the Tax Increment Law and the Blight Elimination and Slum Clearance Act should be construed liberally to effectuate their purposes.

13.10 *Further Assurances.* The parties shall enter into all such further agreements and instruments and shall take all such further actions as may be reasonably necessary or desirable to give further force or effect to this Agreement.

13.11 *Time is of the Essence.* Time is of the essence as to all dates and time periods set forth in this Agreement.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

CITY OF NEENAH:

By:

Todd M. Stevenson, Acting Mayor

ATTEST:

By:

Patricia A. Sturn, City Clerk

I hereby certify that the necessary funds have been provided to pay the liability incurred by the City of Neenah on the within Contract.

Michael K. Easker, Director of Finance

APPROVED AS TO FORM:

James G. Godlewski, City Attorney

COMMUNITY DEVELOPMENT AUTHORITY OF
THE CITY OF NEENAH

By:

Thomas A. Martin, Chairperson

DEVELOPER:

Neenah Downtown Redevelopment Associates
Limited Partnership

By:

_____, Member

Attest:

Chris A. Haese, Executive Director

SCHEDULE OF EXHIBITS

- A. Legal Description of the Property
 - A-1. Legal Description of 116 Main Street
- B. Development Plan
- C. Site Improvements
- D. Project Timetable

Exhibit A
Site 7 Development Area

- **110 Main Street – 10-0437-00-00**

PLAT OF NORTH NEENAH SUBDIVISION LOT 1, BLOCK 2 AND CSM NUMBER 888 LOTS 1 & 2 AND CORRECTION AFFIDAVIT RECORDED AS DOCUMENT NUMBER 718036 AND PART OF LOT 23 OF JONE'S 2ND ADDITION

- **232 W. Wisconsin Avenue – 10-0476-00-00**

JONE'S 2ND ADDITION LOT 14-15 & 16 BLOCK 3.

- **228 W. Wisconsin Avenue – 10-0475-00-00**

LOT 13 BLOCK 3 OF JONE'S 2ND ADDITION TO NEENAH TENTH WARD.

- **219 W. Doty Avenue – 10-0482-00-00**

JONE'S 2ND ADDITION LOT 22 AND EAST 40 FEET OF LOT 23 BLOCK 3.

EXHIBIT A-1
Legal Description of 116 Main Street

PLAT OF NORTH NEENAH SUBDIVISION LOT 3 AND WEST 5 FEET OF LOT 2 BLOCK 2 INCLUDING LANDS DESCRIBED IN DOCUMENT NUMBER 837981 AND EXCLUDING LANDS IN DOCUMENT NUMBER 837982.

Property Id. No: 10-0439-00-00

Exhibit B

Development Plan



Exhibit C

Site Improvements

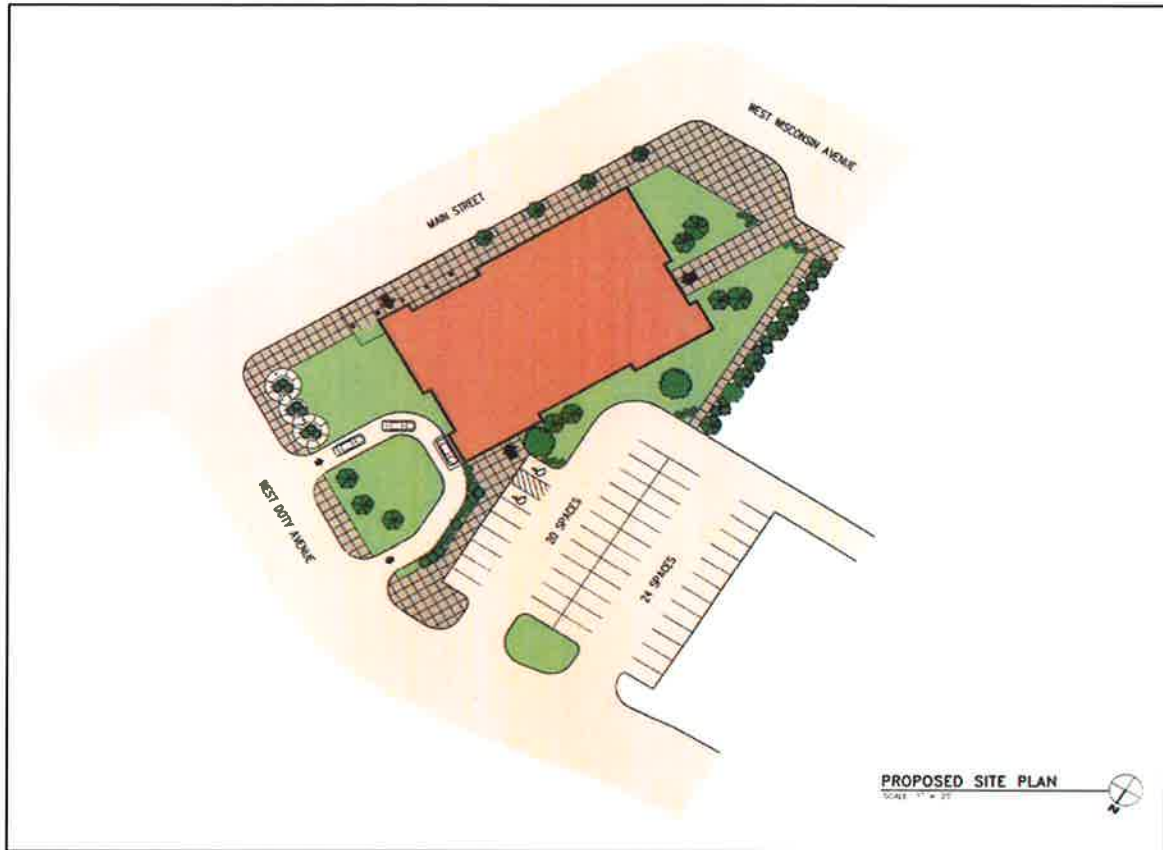


Exhibit D

Development Plan Time Table & Property Valuation

MAJOR MILESTONE	ESTIMATED DATE	ESTIMATED INVESTMENT
Acquisition of 116 Main St.	April 2016	-
Office and Site Improvement Construction	May 2016	-
Office Occupancy	February 2017	\$6,000,000 (est.)

Exhibit E

Map of Initial Offsite Parking Location