Summary of Main Elements – TID Agreement
City of Stoughton, Stoughton RDA and Movin' Out, Inc.
October 11, 2010

This summary is for discussion purposes only. The parties will not be bound until a final development agreement is prepared, approved and executed by all parties.

1. **RDA Obligations**: Provide up to $568,000 in TID funding toward the project, as follows:

   A. $140,000 – to be applied by the City/RDA to the purchase of the property from the current owner.

   B. City/RDA will pay for BeBR application (est. $5,000), environmental site assessments (est. $25,000), and site remediation costs not covered by BeBR grant.

   C. Upon completion of construction milestones, the City/RDA will provide development incentive grant funding in an amount up to the difference between $568,000 and the amount the City/RDA have paid or incurred under A and B above. Payment will be made in four equal installments at the completion of the following construction milestones: (1) building foundations are complete; (2) buildings are fully enclosed; (3) mechanicals are fully installed; (4) occupancy permit issued.

2. **Developer Obligations**:

   A. Construct 33 unit independent living facility by 12-31-2011 in accordance with approved GDP and SIP.

   B. Tax Increment guarantees. Guarantee that the City receives annually actual tax increment in an amount not less than the greater of (1) $36,219; or (2) the amount of tax increment that would be generated if the property had an assessed value for tax purposes of not less than $1,960,000. This guarantee would be effective beginning with taxes to be paid in 2013, and continue until the City/RDA has been reimbursed for all tax increment financing made available to the project (i.e., $568,000), plus 4.5percent interest on such amounts accruing from the date of disbursement. Once the City/RDA has been reimbursed, this Guarantee obligation will end.

   C. Provide security for Movin' Out's guarantee obligations as follows: [Note that the following terms are still being evaluated by City and RDA staff, mainly with respect to the adequacy of the junior mortgage, and are subject

to change. If the mortgage is insufficient, it may be necessary to consider special assessments.]

(1) Corporate guarantee from Movin Out, Inc

(2) Collateral assignment of Movin' Out's note and junior mortgage from project owner / investor, subordinate only to Harris Bank Loan of $1,600,000 and HOME funds of $371,000.

(3) Waiver of right to challenge assessed values up to minimum guaranteed value for life of TID 5.

D. Enter a tax agreement ("PILOT" agreement) for the life of TID 5. Until the TID loan has been repaid, the PILOT agreement will require payment of taxes (or payment for services in lieu of taxes) based on mil rate for all jurisdictions. Once the TID loan has been repaid, the PILOT agreement will require payment of only City taxes. The tax agreement will expire when TID 5 terminates.

E. Design and construct the following public improvements in accordance with City approved plans:

(1) Joint stormwater basin.
(2) Eighth Street expansion and storm sewer addition
(3) Public water main on site and in Eighth Street
(4) Bike trail
(5) River bank restoration

F. Comply with prevailing wage rate requirements for all public improvements.

G. Comply with stormwater management and erosion control requirements, including construction of private storm sewer water facilities from northern properties to joint stormwater basin.

H. Reimburse City / RDA for engineering costs in excess of $2,500 relating to the design review and construction of improvements.

I. Park dedications and fees:

(1) Dedicate a 75 foot wide strip of land fronting the river to the City.

(2) Pay a fee in lieu of land dedication of $54,200.

(3) Pay a park improvement fee of $21,941.53. [Note: Does Movin' Out really want to forego credits for trail construction ($15,000) and bank restoration ($5,000), for reasons relating to eligible basis?].

J. Notify DWD and local of position openings to satisfy 66.1106(6c)(b).

K. Obtain all necessary permits and approvals and comply with all City ordinances.

3. Conditions precedent to RDA's obligation to exercise option and to both parties obligations under development agreement.

A. Execution of remediation agreement and development agreement, and demonstration of financing per purchase agreement.
B. Award of BeBR grant
C. DNR approval of remedial action plan

4. Questions:

A. Still need to evaluate adequacy of mortgage.