



TIF DEVELOPMENT AGREEMENT FOR

A BUILDING PROJECT LOCATED IN MILTON
TIF DISTRICT NO. 11

FOR DEVELOPMENT PURPOSES

BY AND BETWEEN

CITY OF MILTON

"THE CITY"

AND

"PUTMAN PARKWAY I CORP., A

WISCONSIN CORPORATION"

(The "AGREEMENT")

TIF 11 DEVELOPMENT AGREEMENT

I. PARTIES

A. The **CITY OF MLTON** is a Wisconsin Municipal Corporation located in the County of Rock, conducting its principal business at 710 S. Milton St., Milton, WI 53563 ("**CITY**"),

B. **Putman Parkway I Corp.**, is a Wisconsin corporation, doing business at 400 Midland Court, Suite 101, in the City of Janesville, County of Rock, State of Wisconsin, (hereinafter the "**DEVELOPER**") and is the **DEVELOPER** of certain real property described below.

C. The **DEVELOPER** shall be and hereby is the beneficiary and recipient of the proceeds from a certain **LOAN**, described below that evinces and secures the indebtedness of the **DEVELOPER** to the **CITY** for the **LOAN**.

D. The **DEVELOPER** plans to construct an approximately 50,067 sq. ft. **ADDITION** to the existing **FACILITY** owned by the **DEVELOPER** located at 1750 Putman Parkway, known as the **PROPERTY**, with construction reaching full completion no later than the 31st day of December 2023 so that the increased real property valuation and assessment shall be included in the assessment and equalized valuation set on January 1, 2024.

E. To these legitimate and beneficial ends and purposes, the **CITY** is able to provide to the **DEVELOPER**, at the times set forth herein, the **INCENTIVE** principal sum of \$500,000 as a pay as you go incentive payment "**LOAN**."

F. As part of the consideration for the **CITY's LOAN**, the **DEVELOPER** promises to and shall create, achieve, and successfully provide and maintain the **FACILITY** upon the **PROPERTY** as set forth and required below in this *Agreement*.

II. DESCRIPTION OF THE PROPERTY.

A. The **PROPERTY** is located at 1750 Putman Parkway, in the City of Milton, County of Rock, State of Wisconsin 53563 (Tax Parcel ID# 257 15950113), and is contained within the City of Milton Tax Increment Financing District No. 11. The **PROPERTY** consists of approximately 7.75 acres of land owned by the **DEVELOPER**. The **PROPERTY** is graphically depicted on attached **EXHIBIT A**.

B. The existing **PROPERTY** and existing **FACILITY** has an assessed value of \$3,435,400.00 and the existing real property tax bill in the amount of \$74,885.22 and shall be referred to herein as the **BASE YEAR PROPERTY VALUE**.

III. PURPOSE OF AGREEMENT

A. The **DEVELOPER** shall construct an approximately 50,067 sq. ft. **ADDITION** to the existing **FACILITY**. The **LOAN**, **FACILITY** construction, and job creation are each intended and anticipated to provide, foster, and encourage additional employment in the **CITY**; enhance the health, welfare, and benefit of the **CITY**; and add significantly to the economic, tax, and industrial base of the **CITY** and to this part of Milton.

B. To these legitimate ends and purposes, the **DEVELOPER** is hereby entering into this

Agreement with the **CITY** in order to construct the **FACILITY**, and to develop said **PROPERTY** consistent with such overall and particular **CITY** plans and in such manner as shall produce revenues to the **CITY** through increased assessed and equalized value of real property, tax increments, tax payments, other, and/or “tax equivalent” payments sufficient and required under this *Agreement* to repay to the **CITY** the **LOAN** and certain **CITY** T.I.F. expenditures and related costs and expenses within T.I.F. District No. 11. Said arrangement is to the **CITY’s** as well as to the **DEVELOPER’s** benefit, as the T.I.F. taxation mechanism, terms of this *Agreement*, and related business factors evince. Both parties acknowledge that **DEVELOPER** and **CITY** will, by separate site plan review, agree upon all design standards that the **CITY** requires for the **FACILITY**.

C. By approving and entering into this *Agreement*, the governing body of the **CITY** finds the *Agreement* and project are each in the best interest and benefit of the **CITY** and of benefit to the community.

D. The further purpose of this *Agreement* is to facilitate the construction of the **ADDITION** upon the **PROPERTY** and operate within the **ADDITION** by the **DEVELOPER**, which shall add jobs in the **CITY** in the manner set forth in this *Agreement*. The employment creation purposes shall also more than adequately satisfy and greatly facilitate the intent and goals of the **CITY** and its land use and development plans for T.I.F. District No.11. The **DEVELOPER** acknowledges that the **CITY** is only able to reimburse certain development costs upon the **PROPERTY** through the

T.I.F. District No. 11 Project Plan, pursuant to applicable Wisconsin laws and statutes, which enable the **CITY** to receive and utilize specially designated and directed future real property tax revenues from the **PROPERTY** as generated by **DEVELOPER’s** **ADDITION** thereon which increases the overall equalized value of T.I.F. District No. 11. Further, by law, the **CITY** must use such increased incremental tax revenues generated by such development project(s) and **ADDITION(s)** located within T.I.F. District No. 11 to repay its T.I.F. District development, related costs, and expenses. But for each party’s payments, promises, and agreements herein, and representations herein and otherwise, neither party would enter into this *Agreement*. Each party relied and relies upon such representations, promises, and agreements of the other party.

IV. THE AGREEMENT

A. In consideration of the **CITY’S** performance of the **CITY’S** promises and obligations set forth in paragraphs IV. B. and E., the **DEVELOPER** shall:

- a. Prior to the start of any construction, foundation work, or installation of any structure or other improvement upon the **PROPERTY**, seek and obtain approval from the City Site Plan Review Coordinator and City Plan Commission of the Site Plan, Conditional Use Permit and exterior appearance of every structure, improvement, and implementation proposed by the **DEVELOPER** upon and/or for the **ADDITION** and **PROPERTY**.
- b. Prior to the start of any site preparation work for the **FACILITY** or upon the **PROPERTY**, seek and obtain soil erosion and sediment control permits from the Wisconsin Department of Natural Resources
- c. Fully complete or cause to be fully completed the 50,067 sq. ft. **ADDITION** to the existing **FACILITY** and obtain or cause to obtain a Final Certificate of Occupancy for the **ADDITION**, and the **PROPERTY** from the **CITY**. The **ADDITION** shall be completed no later than noon on December 31, 2023, so that the increased real property valuation and assessment shall be included in the assessment and equalized valuation set on January 1, 2024.
- d. Arrange, solely at **DEVELOPER's** cost, but only to the extent necessary, for the installation, connection, and lateral extension of water, sewer, storm drainage, natural gas and underground electrical utilities from the Gateway Drive right-of-way to the **FACILITY**.
- e. The **DEVELOPER** shall use the **LOAN** solely for the construction of the **ADDITION** upon the **PROPERTY**. The amount paid to the City on an annual basis, shall be referred to herein as the "**Property Break-Even Amount**". Beginning in tax year 2024 (payable in 2025), and for each year thereafter until the **TOTAL AGGREGATE DEVELOPER REPAYMENT OBLIGATION** of (\$500,000.00) is satisfied in full, the **DEVELOPER** shall pay to the **CITY** the **higher** of:
 - i. the actual real property taxes for the **PROPERTY** net of any State of Wisconsin property tax credits for that year; *or*
 - ii. a combination of: (1) such real property taxes for the **PROPERTY** actually levied and paid, net of any State of Wisconsin property tax credits, and (2) such additional sums of monies ("**tax equivalent payments**"), which together in the aggregate amount to not less than \$50,000.00 over the base year property tax.
- f. In the event that the **DEVELOPER**, in any and all years, is required to make a **tax equivalent payment** under the terms of this subsection, said **tax equivalent payment** shall be due and payable to the **CITY**, and the **DEVELOPER** agrees and shall make such payment, at the same time that the real property taxes for the **PROPERTY** become due and payable for each applicable property tax year. [Example: If a **tax equivalent payment** is owed for 2024, the **tax equivalent payment** shall be made when real property taxes for the **PROPERTY** are paid in 2025.] The purpose for such payments, and the intent and goal of this subsection, is to guarantee that the **CITY** fully recovers its proportionate share of T.I.F. District No. 11 expenditures from the **DEVELOPER** within the recovery time period provided by law, regardless of the actual assessed or other value of the **PROPERTY** or real property tax mill rate after the construction of the **ADDITION**.
- g. For all future real estate expansions that either stand alone or are an expansion of

an existing **FACILITY** upon the **PROPERTY** within TIF No. 11, the **DEVELOPER** agrees to and shall fully comply with each and every of the **CITY's** Industrial Park Deed Restrictions, each of which is incorporated herein by reference in this Agreement as if fully set forth verbatim.

B. In consideration of the **DEVELOPER's** performance of the **DEVELOPER's** promises and obligations set forth in paragraph IV. A. herein, the **CITY** shall:

- a. The **CITY'S "INCENTIVE"** as described in this Section shall be paid to the **DEVELOPER** in ten annual installment payments. Payments of \$50,000.00 annually, being paid on or before August 31, 2025 and each successive August 31st until 2034 or until the full amount of incentive principal owed has been paid. Provided, that the amount of each annual installment payment shall not exceed the amount of tax incremental revenue generated by **DEVELOPER'S PROPERTY AND FACILITY** and any tax equivalent payments. Expenditures applicable to the **PROPERTY** is the incentive principal sum of \$500,000.00.

C. No part, portion, or whole of the **FACILITY** or **PROPERTY**, during the life of T.I.F. District No. 11, may, by the **DEVELOPER**, or anyone else, be sold, conveyed, transferred, leased, subleased, or in any other manner whatsoever alienated, assigned, or encumbered to any person, firm, corporation, partnership, association, joint or other venture, or other entity of whatsoever kind or nature, who/which would not be legally or otherwise required to pay, or who would not, could not, or does not pay in full the property taxes and/or guaranteed minimum payments agreed to be paid pursuant to this *Agreement*. Until the **TOTAL AGGREGATE DEVELOPER REPAYMENT OBLIGATION** (\$500,000.00) is satisfied in full, no sale, conveyance, or encumbrance of the **PROPERTY** or **FACILITY** may occur without the prior written approval of the **CITY**. Notwithstanding the foregoing, the **DEVELOPER** shall have the right to mortgage the **PROPERTY** with a first priority lien, to the lender of its choice, to secure a construction loan for the project provided for herein as well as any subsequent refinancing thereof without first obtaining the written approval of the **CITY**.

D. The **DEVELOPER's** performance under this *Agreement* is subject to and contingent upon the **DEVELOPER** obtaining all of the following prior to payment of the **"INCENTIVE"**:

- a. All required approvals, including signage and exterior appearance, by all governmental agencies necessary for the design and construction of the **ADDITION** on terms and conditions satisfactory to the **DEVELOPER**.
- b. Commitments for construction financing and permanent project financing for the **ADDITION** upon terms and conditions satisfactory to the **DEVELOPER**.

E. The **CITY's** obligation to perform under this *Agreement* is contingent upon the **CITY's** receipt of any and all waivers and satisfactions of contingencies required of the **DEVELOPER** under this *Agreement*.

V. OTHER PROVISIONS

A. Time is of the essence as to the performance of this *Agreement* and each obligation herein. In the event that the **CITY** is delayed for any reason in performing any of its promises as set forth in this *Agreement*, all dates shall be extended for a reasonable period not to exceed thirty (30) days.

B. The **CITY** warrants and represents that the Common Council for the City of Milton has lawfully authorized this transaction and has otherwise authorized the City Administrator to take such steps, enter into negotiations, and draft, prepare, execute, file and/or record this and related agreements, documents, forms and other papers as the City Administrator may, from time to time, determine necessary and/or desirable to consummate and/or effectuate the transaction(s) set forth in, and intent and purposes of, this *Agreement*.

C. The **DEVELOPER** acknowledges the **CITY** has informed the **DEVELOPER** of Wisconsin Statutes ss. 66.1105 (6c), as from time to time amended or renumbered, which requires any for-profit entity that operates within a TIF district for which the City has incurred TIF costs, to notify the Department of Workforce Development and the local private industry council of any position to be filled for a period of one year from the payment of such project costs.

D. The **CITY** shall provide to the **DEVELOPER** at or before closing certified photocopies of all necessary Common Council resolution(s) and/or minutes evincing said authorizations in a form suitable for filing with the Rock County Register of Deeds.

E. The word "**obtain**" as it appears throughout this *Agreement* as it pertains to required performances by the **DEVELOPER** means that the **DEVELOPER** shall:

- a. Seek to acquire such approval or permission as is required in this *Agreement* and that granting such authority or permission is discretionary and not mandatory on the part of the **CITY** or any of its boards, commissions, bodies, or officials;
- b. Receive such discretionary authority or permission as necessary prior to any further obligation on the part of the **CITY**.

F. The **PARTIES** make no warranties or representations except as expressly set forth herein.

G. The **CITY** agrees to execute and deliver such other documents as counsel for the **DEVELOPER** may reasonably request to consummate the transaction contemplated herein. This *Agreement* (which the parties agree shall also act as the promissory note) constitutes the entire *Agreement* between the parties and no modification shall be binding unless amended and agreed to in writing and signed by the affected parties. In the event of a conflict between the language contained in this *Agreement* and the language contained in any other document, this *Agreement* shall control.

H. The **DEVELOPER**, by signing below acknowledges having read, fully understanding, and having personally received a copy of this *Agreement*.

I. This *Agreement* shall remain in full force and effect until such time as Milton T.I.F. District No. 11. is terminated and dissolved *or* when each and every of the obligations of the **DEVELOPER** has been fully satisfied and discharged, whichever shall occur last.

J. All rights and remedies in this *Agreement* for each party are cumulative and in addition to any and all others in law and equity.

K. Any notice which is required in connection with this *Agreement* shall be mailed, certified mail with return receipt requested, or delivered by nationally recognized overnight carrier, or hand delivered, if to the **CITY**:

Al Hulick, City Administrator
City of Milton
710 S. Janesville St.
Milton, WI 53563

If to the **DEVELOPER**:

Putman Parkway I Corp.
c/o Badger Property Investments, LLC
410 Midland Avenue, Suite 101
Janesville, WI 53546

The person or place of notice may be changed from time to time by any party notifying the other in writing duly served of the change.

L. This *Agreement* survives any and all dates set forth above, runs with the land, may be recorded by the **CITY**, and shall be binding upon and inure to the benefit of the **DEVELOPER** and each and every of the **DEVELOPER's** conveyees, purchasers, assigns, lessees, sub-lessees, transferees, mortgagees, and successors of whatsoever kind or nature.

M. The **CITY's** conveyance of the **PROPERTY** to the **DEVELOPER** is subject to and incorporates all **CITY** Industrial Park Deed Design Overlay District, and all land use ordinances, regulations, laws, and restrictions.

N. This Agreement is subject to, governed by, and shall be interpreted, construed, and applied in accord with, the Laws of the State of Wisconsin, with Rock County as the proper venue. Any provision set forth herein shall, to the extent permitted by law, take precedence and govern notwithstanding anything set forth in this subsection to the contrary.

O. The performance obligations of **DEVELOPER** as described in paragraph IV. A. will be secured by a first mortgage to **CITY** from **DEVELOPER**. **CITY** will subordinate its mortgage upon request of **DEVELOPER** to any loan **DEVELOPER** may need to obtain to undertake the development activities involved on the **PROPERTY**, pursuant to an inter-creditor agreement in a commercially reasonable form. **CITY's** mortgage will be satisfied of record when the obligations of **DEVELOPER** as described above are completed and the **FACILITY** is assessed for tax purposes for such improvements.

This offer and *Agreement* are hereby accepted. The warranties and representations made herein survive the closing of this transaction. The undersigned hereby agrees to the terms, contingencies, conditions and obligations set forth above, and acknowledges receipt of a copy of this *Agreement*.

Offered, agreed to, and entered into this _____ day of _____, 2022.

Putman Parkway I Corp.

BY: _____
Managing Member

State of Wisconsin)
) ss
_____ County)

Subscribed to before me personally by _____
to me known to be the person who signed above this _____ day
of _____, 2022.

Notary Public _____

_____ County, _____

My commission _____.

This offer and *Agreement* are hereby accepted. The warranties and representations made herein survive the closing of this transaction. The undersigned hereby agree to the terms, contingencies, conditions, and obligations set forth, *supra*, and acknowledge receipt of a copy of this *Agreement*. This _____ day of _____, 2022.

CITY OF MILTON

BY: _____
Al Hulick
City Administrator

BY: _____
City Clerk

State of Wisconsin)
) ss
Rock County)

Subscribed to before me personally by Al Hulick,
City Administrator, and Jenny Salvo,
City Clerk, to me known to be the
same who signed above

this _____ day of _____, 2022.

Notary Public
Rock County, Wisconsin
My commission _____.

Exhibit 'A'
Map of the
PROPERTY
“Lot 1”