

Term Sheet

This Term Sheet is entered into as of this ___ day of _____, 2021 by and between **General Capital Group, LLP** (“Developer”) and the **City of Waukesha** (the “City”) regarding the development of the approximately 2.5 acres of land located at the northwest corner of Barstow Street and Bank Street and the southwest corner of W. St. Paul Avenue and Brehm Street, Tax Key Nos. WAKC1305075, WAKC1305373, and part of WAKC1305370 in Waukesha, Wisconsin (the “Property”).

The purpose of this Term Sheet is to set forth the economic terms on which the parties might be willing to enter into an agreement regarding the development of the Property and does not purport to identify all matters that may be covered by a written development agreement to be drafted by the parties’ respective counsel. It is possible that negotiations will not result in a binding agreement. The parties acknowledge that there is not yet any binding agreement or obligation upon the parties with respect to the development of the Property and that this term sheet does not in any way create any legally-binding obligation on the parties.

- 1. Project.** The Project shall consist of a mixed-use development consisting of three buildings:
- a. River Building – A mixed-use (commercial and multi-family residential) building with 66 apartment units, tenant amenities, indoor parking, and approximately 2,000 square feet of commercial space along Barstow Street.
 - b. East Building – A 74-unit apartment building with indoor parking.
 - c. West Building – A 52-unit apartment building with indoor parking.

The development will be similar to the conceptual site and architectural plans attached hereto as Exhibit A (the “Concept Plan”).

- 2. City Contribution.** The City would provide tax increment financing to Developer to offset the cost of constructing certain improvements, including, but not limited to, infrastructure, site grading, drainage, utilities, floodplain mitigation, environmental remediation, enclosed parking, and construction costs for the multi-family buildings. The financing and assistance would be structured as follows:
- a. An upfront payment of \$2,840,000 will be paid to the Developer at property closing.
 - b. Up to an additional \$4,750,000 in the form of a municipal revenue obligation (MRO) in which the City would reimburse the Developer up to \$4,750,000 (subject to qualified TIF cost limitations) as it is earned between 2024 and 2039 in the form of a payment representing the excess tax increment generated by the project. This reimbursement will consist of the increment generated by the project less the City’s cost of debt service and 7% for administration and not to exceed \$325,000 in any given year until the City’s debt service related to this project is retired. If the Developer is paid a total of \$4,750,000 in MRO

payments earlier than 2039, the City may choose to close the district at that time.

- c. The financial assistance described above would be contingent approval of a development agreement by the Common Council.
- d. The City will acquire the additional right-of-way needed for the reconstruction of Bank Street and Brehm Street. The City will reimburse the Developer for the cost to reconstruct the public roadways of Brehm and Bank streets per City specifications. Payment will be made at agreed upon milestones for the road construction project.

3. Developer Obligations. In connection with the City Contribution, Developer would do the following:

- a. Phase 1: Developer would commence construction of the Phase 1 (River Building) on or before March 31, 2022, and would complete it by December 31, 2023
- b. Phase 2: Developer would commence construction of Phase 2 (East and West Buildings) on or before March 31, 2023, and would complete it by December 31, 2024.
- c. Public Roads and Infrastructure. Developer would commence reconstruction of Bank Street and Brehm Street no later than March 31, 2023, with completion of both streets no later than December 31, 2024. The final roadway plans for Bank Street and Brehm Street must be approved by the City Board of Public Works and Common Council prior to the issuance of building permits for Phase 1 of the Development.
- d. Infrastructure. Developer would install the infrastructure improvements required to service the Property, which improvements would include water lines, gas lines, sewer lines/assessments water retention facilities, private driveways, and other items typical of such development. Developer shall also coordinate the locations of any infrastructure and utilities to serve the future City park with the Waukesha Parks, Recreation and Forestry Department.
- e. Impact Fees. The Developer will also pay the required impact fees related to the development.
- f. Repayment. The City Contribution, plus interest, would be repaid through property taxes as set forth in the TIF District Approval and the Development Agreement.

4. Projected Valuations. Developer expects that the overall development would have a completed value in excess of \$31,000,000. Specifically, Developer expects that upon stabilization, the development would have a value of \$31,000,000. If the assessed value of this Development does not reach the guaranteed assessed value or becomes tax exempt, the Developer would make a payment in lieu of taxes representing the difference between the taxes paid and the taxes that would have been paid if such value had been achieved, each and every year that the assessed value is not achieved.

5. Further Conditions: The Development Agreement shall contain such additional provisions and assurances as are customarily contained in similar agreements with the City, including, but not limited to:

- a. The Developer will pay Ehlers Financial Advisors on behalf of the City to review the development proformas to verify the Project meets the statutorily required “but for” test. If this third-party review reveals the Project does not meet the required “but for” test then no development agreement will be executed by the parties.
- b. Developer will agree to not seek tax-exempt status nor convey the property to a tax-exempt entity for the life of TID 26 and for an additional 10-years after the closure of TID 26 unless a Payment in Lieu of Taxes (PILOT) is entered into.
- c. The parties will negotiate look back provisions as part of the final development agreement that may include but are not limited to, construction cost verification, income verification, IRR verification and certain guarantees of value beyond the life of the development agreement.

6. Successors and Assigns: The Development Agreement may be assigned to the successors and assigns of the Developer, provided Developer has a controlling interest in the successor or assign.

City of Waukesha

By: _____
Print: _____
Title: _____

Developer

By: _____
Print: _____
Title: _____

Exhibit A - Conceptual Plan



SIGMA
28.0 L17
117 N. Jefferson St. #200
Milwaukee, WI 53202
Phone: 414-662-7005
Fax: 414-662-6202

GENERAL CAPITAL GROUP
3020 N. Santa Monica Blvd.
Folsom, WI 53217
Phone: 414-228-3000

JOSEPH PROPERTY DEVELOPMENT
117 N. Jefferson St. #200
Milwaukee, WI 53202
Phone: 414-662-7005

AG ARCHITECTURE
1414 Lindenwood Ave #201
Wauwatosa, WI 53213
Phone: 414-4312131

**E. ST. PAUL AVENUE
WAUKESHIA, WISCONSIN**

LANDSCAPE OVERVIEW

- MATERIAL LEGEND**
- BI - BRICK COLOR 1
 - BF - BRICK COLOR 2
 - C - EXPOSED CONCRETE
 - FCL - FIBER CEMENT LAP SIDING WITH ALTERNATING EXPOSURE - COLOR A
 - FCD - FIBER CEMENT LAP SIDING WITH ALTERNATING EXPOSURE - COLOR B
 - FFC - FIBER CEMENT PANEL - COLOR A
 - FFD - FIBER CEMENT PANEL - COLOR B
 - FFE - FIBER CEMENT PANEL - COLOR C
 - FFW - FIBER CEMENT PANEL - WOOD LOOK



21 Oct. 2023

- MATERIAL LEGEND**
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 - FCD - FIBER CEMENT LAP SIDING WITH ALTERNATING EXPOSURE - COLOR B
 - FFC - FIBER CEMENT PANEL - COLOR A
 - FFD - FIBER CEMENT PANEL - COLOR B
 - FFE - FIBER CEMENT PANEL - COLOR C
 - FFW - FIBER CEMENT PANEL - WOOD LOOK



MATERIAL LEGEND

- B1 - BRICK COLOR 1
- B2 - BRICK COLOR 2
- C - EXPOSED CONCRETE
- F1 - FIBER CEMENT LAP SIDING WITH ALTERNATING EXPOSURE - COLOR A
- F2 - FIBER CEMENT LAP SIDING WITH ALTERNATING EXPOSURE - COLOR B
- F3 - FIBER CEMENT PANEL - COLOR A
- F4 - FIBER CEMENT PANEL - COLOR B
- F5 - FIBER CEMENT PANEL - COLOR C
- WP - FIBER CEMENT PANEL - WOOD GRAIN



EAST ELEVATION
Scale: 1/8" = 1'-0"



SOUTH ELEVATION
Scale: 1/8" = 1'-0"

MATERIAL LEGEND

- B1 - BRICK COLOR 1
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- F3 - FIBER CEMENT PANEL - COLOR A
- F4 - FIBER CEMENT PANEL - COLOR B
- F5 - FIBER CEMENT PANEL - COLOR C
- WP - FIBER CEMENT PANEL - WOOD LOOK



WEST ELEVATION
Scale: 1/8" = 1'-0"



NORTH ELEVATION
Scale: 1/8" = 1'-0"

- MATERIAL LEGEND**
- B1 - BRICK COLOR 1
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 - FCE - FIBER CEMENT LAP SIDING WITH ALTERNATING EXPOSURE - COLOR B
 - FP1 - FIBER CEMENT PANEL - COLOR A
 - FP2 - FIBER CEMENT PANEL - COLOR B
 - FP3 - FIBER CEMENT PANEL - COLOR C
 - FP4 - FIBER CEMENT PANEL - WOOD LOOK



- MATERIAL LEGEND**
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