



Village of Bayside
9075 N Regent Road
Board of Trustees Meeting
December 1, 2021
Village Board Room, 6:00pm

**BOARD OF TRUSTEES
AGENDA**

I. CALL TO ORDER AND ROLL CALL

II. PLEDGE OF ALLEGIANCE

III. CITIZENS AND DELEGATIONS

Open to any citizen who wishes to speak on items not on the agenda. Please note there may be limited discussion on the information received, however, no action will be taken. Please state your name and address for the record.

IV. BUSINESS AGENDA

A. COMMITTEE AND COMMISSION REPORTS

1. Plan Commission

- a.** Discussion/action on Resolution 21-____, a Resolution Creating Tax Incremental District No. 1, Approving its Project Plan, and Establishing its Boundaries.
- b.** Discussion/action on Development Agreement Between Village and Property Owner/Developer Regarding Tax Incremental District No. 1.

V. ADJOURNMENT

Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. Contact Village Hall at 414-206-3915. It is possible that members of and possibly a quorum of members of other Boards, Commissions, or Committees of the Village may be in attendance in the above stated meeting to gather information; no action will be taken by any other Boards, Commissions, or Committees of the Village except by the Board, Commission, or Committee noticed above. Agendas and minutes are available on the Village website (www.baysidewi.gov)

**STATE OF WISCONSIN
MILWAUKEE AND OZAUKEE COUNTIES
VILLAGE OF BAYSIDE**

RESOLUTION NO: 21-____

**A Resolution Creating Tax Incremental District No. 1, Approving its Project Plan, and
Establishing its Boundaries**

WHEREAS, the Village of Bayside (the "Village") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the Village; and

WHEREAS, Tax Incremental District No. 1 (the "District") is proposed to be created by the Village as a district in need of rehabilitation or conservation in accordance with the provisions of Wisconsin Statutes Section 66.1105 (the "Tax Increment Law"); and

WHEREAS, a Project Plan for the District has been prepared that includes:

- a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in Wisconsin Statutes Sections 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., outside of the District;
- b. An economic feasibility study;
- c. A detailed list of estimated project costs;
- d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
- e. A map showing existing uses and conditions of real property in the District;
- f. A map showing proposed improvements and uses in the District;
- g. Proposed changes of zoning ordinances, master plan, map, building codes and Village ordinances;
- h. A list of estimated non-project costs;
- i. A statement of the proposed plan for relocation of any persons to be displaced;
- j. A statement indicating how the District promotes the orderly development of the Village;
- k. An opinion of the Village Attorney or of an attorney retained by the Village advising that the plan is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).; and

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to owners of all property in the proposed district, to the chief executive officers of Milwaukee County, the Maple Dale – Indian Hill School District, the Nicolet Union High School District and the Milwaukee Area Technical College District, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Plan Commission, on November 17, 2021 held a public hearing concerning the project plan and boundaries and proposed creation of the District, providing interested parties a reasonable opportunity to express their views thereon; and

WHEREAS, after said public hearing, the Plan Commission designated the boundaries of the District, adopted the Project Plan, and recommended to the Village Board that it create such District and approve the Project Plan.

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village of Bayside that:

1. The boundaries of the District that shall be named "Tax Incremental District No. 1, Village of Bayside", are hereby established as specified in Exhibit A of this Resolution.
2. The District is created effective as of January 1, 2022.
3. The Village Board finds and declares that:
 - (a) Not less than 50% by area of the real property within the District is in need of rehabilitation or conservation work within the meaning of Wisconsin Statutes Section 66.1337(2m)(b).
 - (b) Based upon the finding stated in 3.a. above, the District is declared to be a district in need of rehabilitation or conservation work based on the identification and classification of the property included within the District.
 - (c) The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
 - (d) The equalized value of the taxable property in the District does not exceed 12% of the total equalized value of taxable property within the Village.
 - (e) That there are no parcels to be included within the District that were annexed by the Village within the preceding three-year period.
 - (f) The Village estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Section 66.1105(5)(b).
 - (g) The project costs relate directly to promoting the rehabilitation or conservation of the area consistent with the purpose for which the District is created.

4. The Project Plan for "Tax Incremental District No. 1, Village of Bayside" (see Exhibit B) is approved, and the Village further finds the Plan is feasible and in conformity with the master plan of the Village.

BE IT FURTHER RESOLVED THAT the Village Clerk is hereby authorized and directed to apply to the Wisconsin Department of Revenue, in such form as may be prescribed, for a "Determination of Tax Incremental Base", as of January 1, 2022, pursuant to the provisions of Wisconsin Statutes Section 66.1105(5)(b).

BE IT FURTHER RESOLVED THAT pursuant to Section 66.1105(5)(f) of the Wisconsin Statutes that the Village Assessor is hereby authorized and directed to identify upon the assessment roll returned and examined under Wisconsin Statutes Section 70.45, those parcels of property which are within the District, specifying thereon the name of the said District, and the Village Clerk is hereby authorized and directed to make similar notations on the tax roll made under Section 70.65 of the Wisconsin Statutes.

PASSED AND ADOPTED by the Village Board of Trustees of the Village of Bayside on this first day of December, 2021.

VILLAGE OF BAYSIDE

Eido M. Walny
Village President

Lynn Galyardt
Administrative Services Director/Clerk/Treasurer

November 17, 2021

PROJECT PLAN

Village of Bayside, Wisconsin

Tax Incremental District No. 1



Prepared by:

Ehlers

N21W23350 Ridgeview Parkway West,

Suite 100

Waukesha, WI 53188

BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

Organizational Joint Review Board Meeting Held:	Scheduled for Nov. 17, 2021
Public Hearing Held:	Scheduled for Nov. 17, 2021
Approval by Plan Commission:	Scheduled for Nov. 17, 2021
Adoption by Village Board:	Scheduled for Dec. 1, 2021
Approval by the Joint Review Board:	TBD

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SECTION 1:

Executive Summary

DESCRIPTION OF DISTRICT

Tax Incremental District (“TID”) No. 1 (“District”) is a proposed In Need of Rehabilitation or Conservation District comprising approximately 27.4 acres located at the northeast corner of Interstate 43 and Brown Deer Road. The District will be created to facilitate mixed-use redevelopment consisting of various office, retail, residential and public uses (“Project”) to be developed by Bayside Development Partners, LLC (“Developer”). In addition to the incremental property value that will be created, the Village expects the Project will provide increased opportunities for employment, personal income and business income related to the construction and operation of the anticipated redevelopment projects, and provision of housing opportunities and retail services for Village residents.

AUTHORITY

The Village is creating the District under the provisions of Wis. Stat. § 66.1105.

ESTIMATED TOTAL PROJECT COST EXPENDITURES

Following Developer’s completion of the site infrastructure the Village will provide Developer a Municipal Revenue Obligation (MRO #1) in a principal amount of \$9,500,000. When Developer has \$18 million in incremental value coming on-line the Village will issue a second Municipal Revenue Obligation (MRO #2) in a principal amount of \$4,500,000. When Developer has completed additional site infrastructure and has an additional \$20 million in incremental value coming on-line, for a total of \$38 million in incremental value, the Village will provide Developer with a third Municipal Revenue Obligation (MRO #3) in a principal amount of \$5,500,000. The MROs will bear interest with payments subject to annual appropriation and funded solely from tax increments generated by the Project.

Including the foregoing, the Village anticipates making total expenditures of approximately \$34.92 million (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). The principal and estimated interest to be paid on the MROs total to an estimated \$29.79million. These payments reimburse Developer for the cost of installing public infrastructure and site improvements necessary to permit redevelopment in the District. Other costs include an estimated \$4.74 million for traffic safety and other public infrastructure improvements, and \$390,000 for administrative costs.

INCREMENTAL VALUATION

The Village projects that the Project will create approximately \$84.23 million in new land and improvements value of by the end of District's maximum life. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumptions as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

EXPECTED TERMINATION OF DISTRICT

Based on the Economic Feasibility Study located within Section 9 of this Plan, the Village anticipates that the District will generate sufficient tax increment to pay all Project Costs within 19 of its allowable 27 years.

SUMMARY OF FINDINGS

As required by Wis. Stat. § 66.1105, and as documented in this Plan and the exhibits contained and referenced herein, the following findings are made:

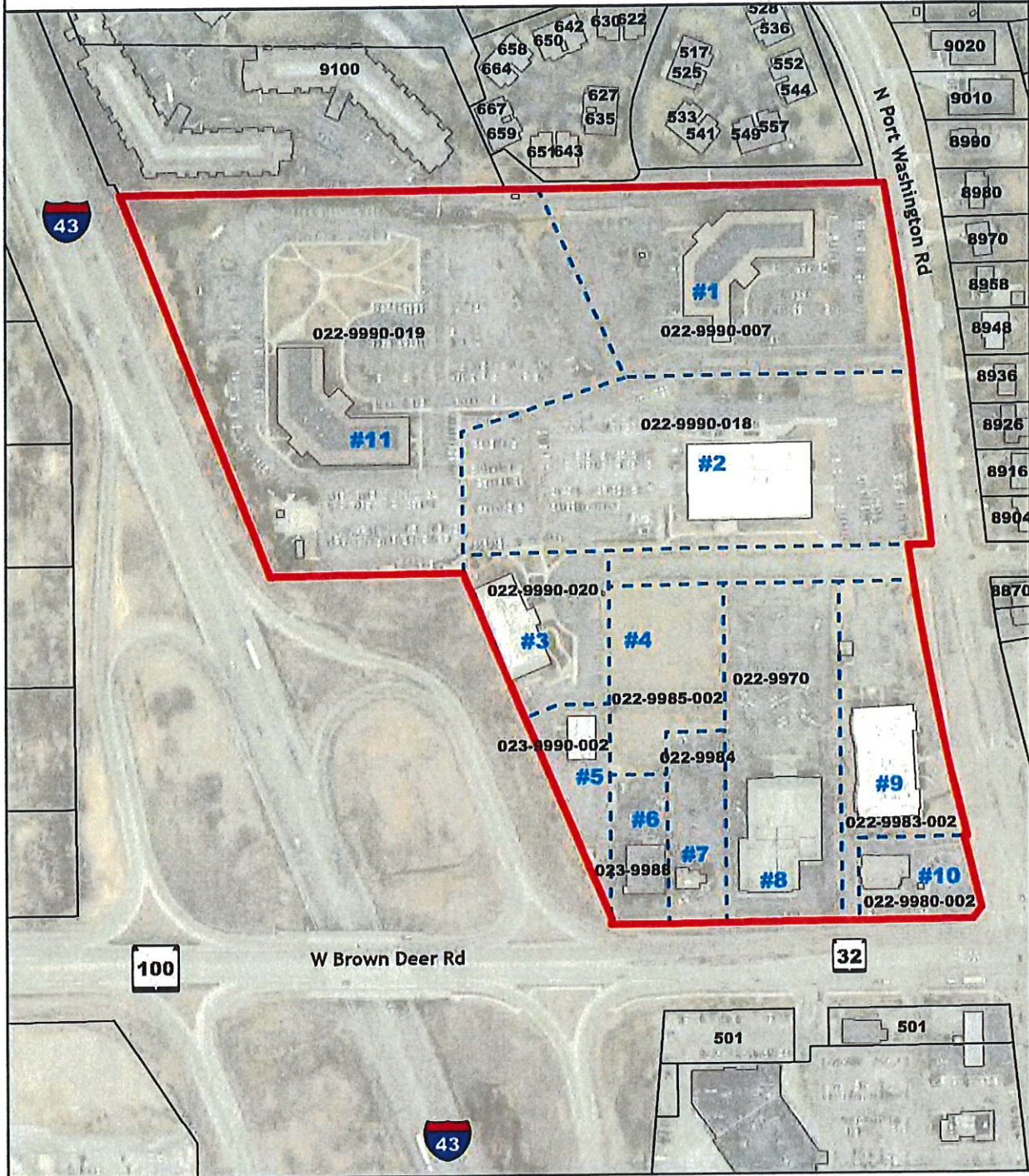
1. That "but for" the creation of this District, the development projected to occur as detailed in this Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the Village. For the redevelopment Project to proceed Developer will need to demolish existing structures and improvements, install new public or private water, sanitary sewer, and street infrastructure and an underground stormwater management system. The Village has determined that but for the use of tax incremental financing to assist in payment of these costs, the Project would not proceed as proposed. The specific level of assistance to be provided will be set forth in an agreement with Developer and approval of this Plan does not constitute approval of the proposed incentives included within it. Prior to approval of a development agreement the Village will undertake additional due diligence as it deems necessary to ensure that incentives to be provided are appropriate and economically necessary to permit the Project to proceed.
2. The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the Village has considered that in addition to the incremental property value that will be created, the Village expects the Project will provide increased opportunities for employment, personal income and business income related to the construction and operation of the anticipated redevelopment projects, and provision of housing opportunities and retail services for Village residents.

3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the Village finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
4. Not less than 50% by area of the real property within the District is in need of rehabilitation or conservation work as defined by Wis. Stat. § 66.1337(2m)(a).
5. Based on the foregoing finding, the District is designated as a district in need of rehabilitation or conservation.
6. The Project Costs relate directly to the rehabilitation or conservation of property and improvements in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the Village does not exceed 12% of the total equalized value of taxable property within the Village.
9. The Village estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).
10. That there are no parcels to be included within the District that were annexed by the Village within the preceding three-year period.
11. The Plan for the District is feasible and is in conformity with the Master Plan of the Village.

SECTION 2: Preliminary Maps of Proposed District Boundary


Maps Found on Following Pages.

Proposed District Boundary

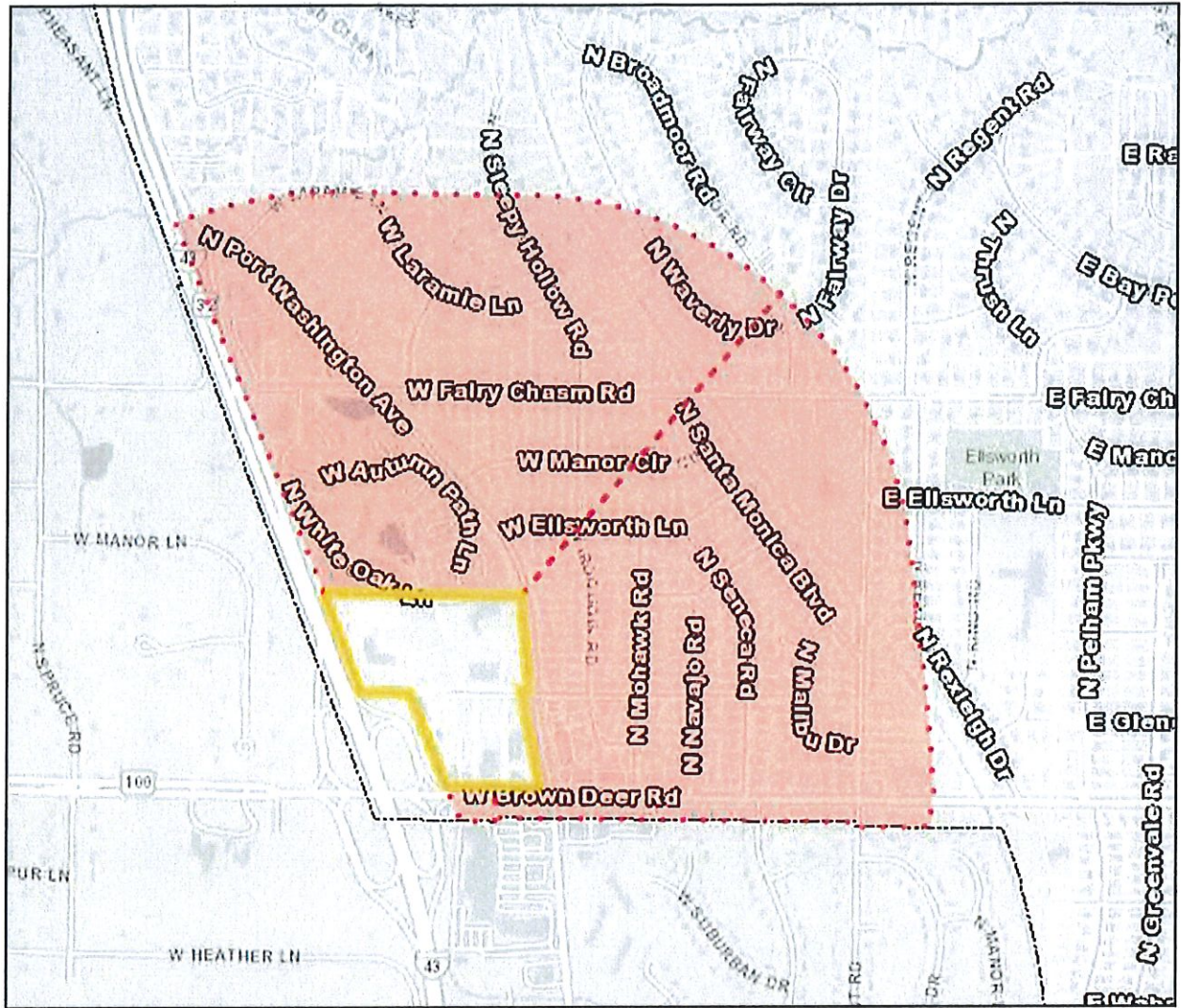


BAYSIDE

- Tax Incremental District Boundary
- Property Lines Within TID
- #1 - Property Existing Use Callout



1 inch = 233 feet

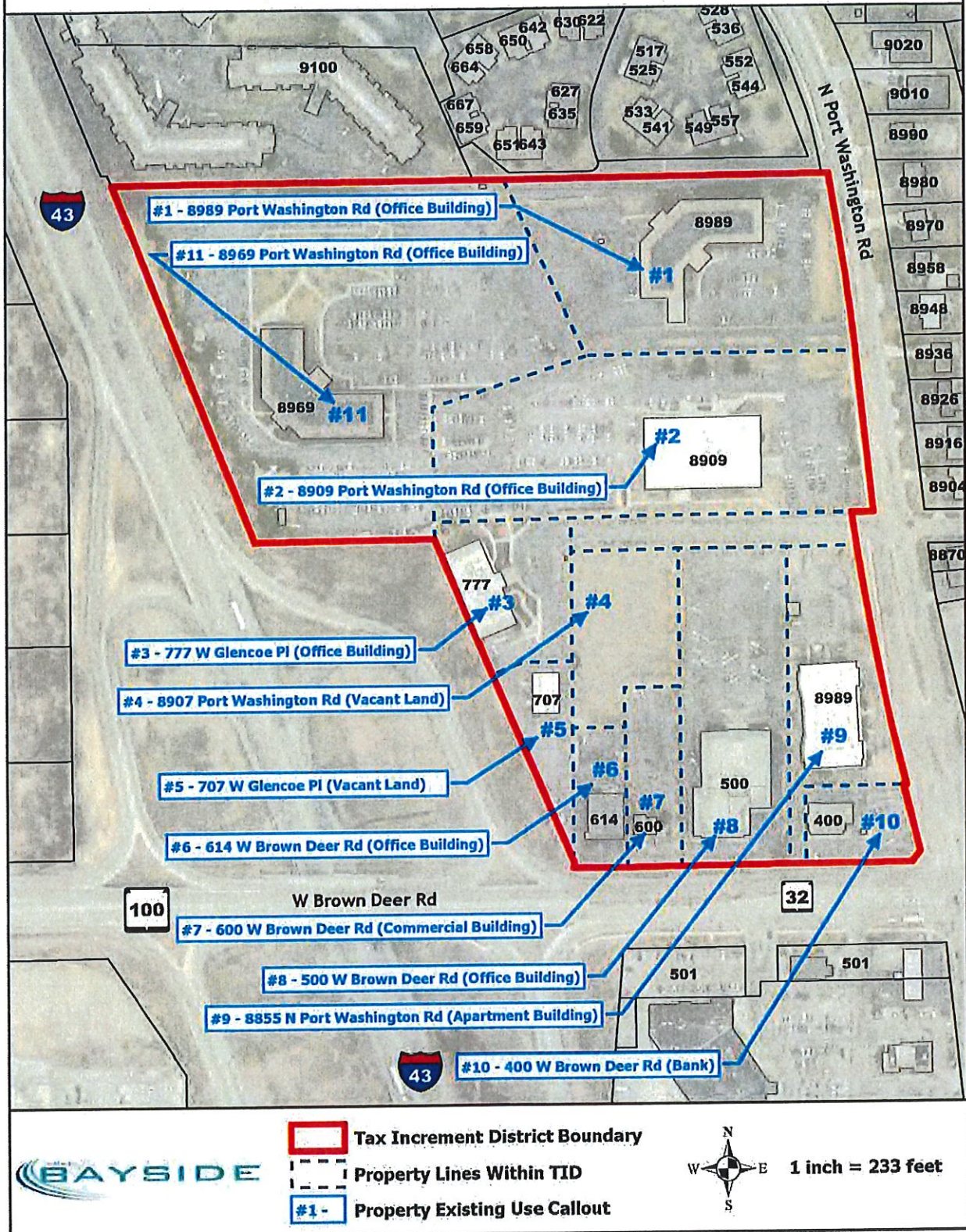


Map Depicting Area Within 1/2 Mile of District Boundary

SECTION 3: Map Showing Existing Uses and Conditions

Map Found on Following Page.

Existing Uses and Conditions



SECTION 4: Preliminary Parcel List and Analysis

The preliminary parcel list is found on the following page. All parcels within the District are in need of rehabilitation or conservation as defined in Wis. Stat. § 66.1337(2m)(a). Specifically, the following activities will be undertaken which will constitute an urban renewal project:

1. Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements. Improvements located on parcels 1 and 9 will be rehabilitated by Developer.
2. Acquisition of real property and demolition, removal or rehabilitation of buildings and improvements on the property where necessary to eliminate unhealthful, unsanitary, or unsafe conditions, lessen density, reduce traffic hazards, eliminate obsolete or other uses detrimental to the public welfare, to otherwise remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities. Improvements located on parcels 3, 7, 8 and 11 will be demolished to eliminate obsolete uses.
3. Installation, construction or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out the objectives of the urban renewal project. Street and utility improvements will be made throughout the District to allow for the redevelopment of the area to occur.

	Equalized Value					District Classification			
						Applicable Criteria ³			
Total	Equalized Value Ratio ²	Land	Imp	PP	Total	In Need of Rehab. Or Conservation	Wis. Stat. § 66.1337(2m) (a)1.	Wis. Stat. § 66.1337(2m) (a)2.	Wis. Stat. § 66.1337(2m) (a)3.
4,597,900	97.649%	1,913,786	2,694,539	100,257	4,708,582	4.00	Yes		Yes
4,320,400	97.649%	2,408,618	1,996,941	18,843	4,424,402	5.00			Yes
1,680,300	97.649%	799,084	921,665	0	1,720,749	1.24		Yes	Yes
510,000	97.649%	522,277	0	0	522,277	1.27			Yes
150,000	97.649%	153,611	0	0	153,611	0.61			Yes
637,700	97.649%	367,027	284,487	1,536	653,051	0.56			Yes
337,500	97.649%	262,572	75,679	7,373	345,624	0.74		Yes	Yes
2,575,600	97.649%	1,673,334	886,847	77,420	2,637,600	3.00		Yes	Yes
4,781,800	97.649%	643,220	4,250,105	3,584	4,896,909	1.80	Yes		Yes
1,066,000	97.649%	699,544	335,998	56,119	1,091,661	0.62			Yes
4,651,400	97.649%	2,048,144	2,225,616	489,609	4,763,369	8.55		Yes	Yes
25,308,600		11,491,217	13,671,876	754,741	25,917,834 Estimated Base Value	27.403 100.00%			

vements.

roperty where necessary to eliminate unhealthful, unsanitary or unsafe conditions, lessen density, reduce traffic hazards, to provide land for needed public facilities.

essary for carrying out the objectives of the urban renewal project.

SECTION 5: Equalized Value Test

The following calculations demonstrate that the Village expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the Village.

The estimated base value of the proposed District totals \$25,917,834. This value is less than the maximum of \$84,749,820 in equalized value that is permitted for the Village.

Village of Bayside, Wisconsin Tax Increment District #1 Valuation Test Compliance Calculation	
District Creation Date	12/1/2021
Valuation Data Currently Available	2021
Total EV (TID IN)	706,248,500
12% Test	84,749,820
Incremental Value of Existing TIDs	0
Projected Base of District	25,917,834
Total Value Subject to 12% Test	25,917,834
Compliance	PASS

SECTION 6: Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments, or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning, design and construction is completed.

With all Project Costs, the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating Village ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

The following is a list of public works and other tax incremental financing eligible Project Costs that the Village expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number, and location of potential Project Costs.

Property, Right-of-Way, and Easement Acquisition

Property Acquisition for Development

To promote and facilitate development the Village may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred to make the property suitable for development. Any revenue received by the Village from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the Village to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property

assembly costs” as defined in Wis. Stat. § 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Property Acquisition for Conservancy

To promote the objectives of this Plan, the Village may acquire property within the District that it will designate for conservancy. These conservancy objectives include preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

Acquisition of Rights-of-Way

The Village may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the Village to identify, negotiate, and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The Village may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the Village to identify, negotiate, and acquire easement rights are eligible Project Costs.

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include but are not limited to preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

Site Preparation Activities

Environmental Audits and Remediation

If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the Village related to environmental audits, testing, and remediation are eligible Project Costs.

Demolition

To make sites suitable for development, the Village may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

Land within the District may require grading to make it suitable for development, to provide access, and to control stormwater runoff. The Village may need to remove and dispose of excess material or bring in fill material to provide for proper site elevations. Expenses incurred by the Village for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

To allow development to occur, the Village may need to construct, alter, rebuild, or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding, or expansion of collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild, or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Water System Improvements

To allow development to occur, the Village may need to construct, alter, rebuild, or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding, or expansion of distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District,

and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild, or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff. To manage this stormwater runoff, the Village may need to construct, alter, rebuild, or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding, or expansion of stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and riverbanks; and infiltration, filtration, and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild, or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

To create sites suitable for development, the Village may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the Village to undertake this work are eligible Project Costs.

Gas Service

To create sites suitable for development, the Village may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the Village to undertake this work are eligible Project Costs.

Communications Infrastructure

To create sites suitable for development, the Village may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to telephone lines, cable lines and fiber optic cable. Costs incurred by the Village to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

To allow development to occur, the Village may need to construct or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

To attract development consistent with the objectives of this Plan, the Village may install amenities to enhance development sites, rights-of-way, and other public spaces. These amenities include but are not limited to landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces, and street crossings. These and any other similar amenities installed by the Village are eligible Project Costs.

Community Development

Cash Grants (Development Incentives)

The Village may enter into agreements with property owners, lessees, or developers of land located within the District for sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the Village executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the Village are eligible Project Costs.

Miscellaneous

Projects Outside the Tax Increment District

Pursuant to Wis. Stat. § 66.1105(2)(f)1.n, the Village may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the Village's corporate boundaries; and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs and may include any project cost that would otherwise be eligible if undertaken within the District. **To support the Project, the Village may need to make pedestrian safety improvements, reconstruct or resurface streets, and repair or reconstruct sanitary sewer infrastructure in rights of way adjacent to the District or within ½ mile of the District's boundaries.**

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include but are not limited to architectural; environmental; planning; engineering; legal; audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

Administrative Costs

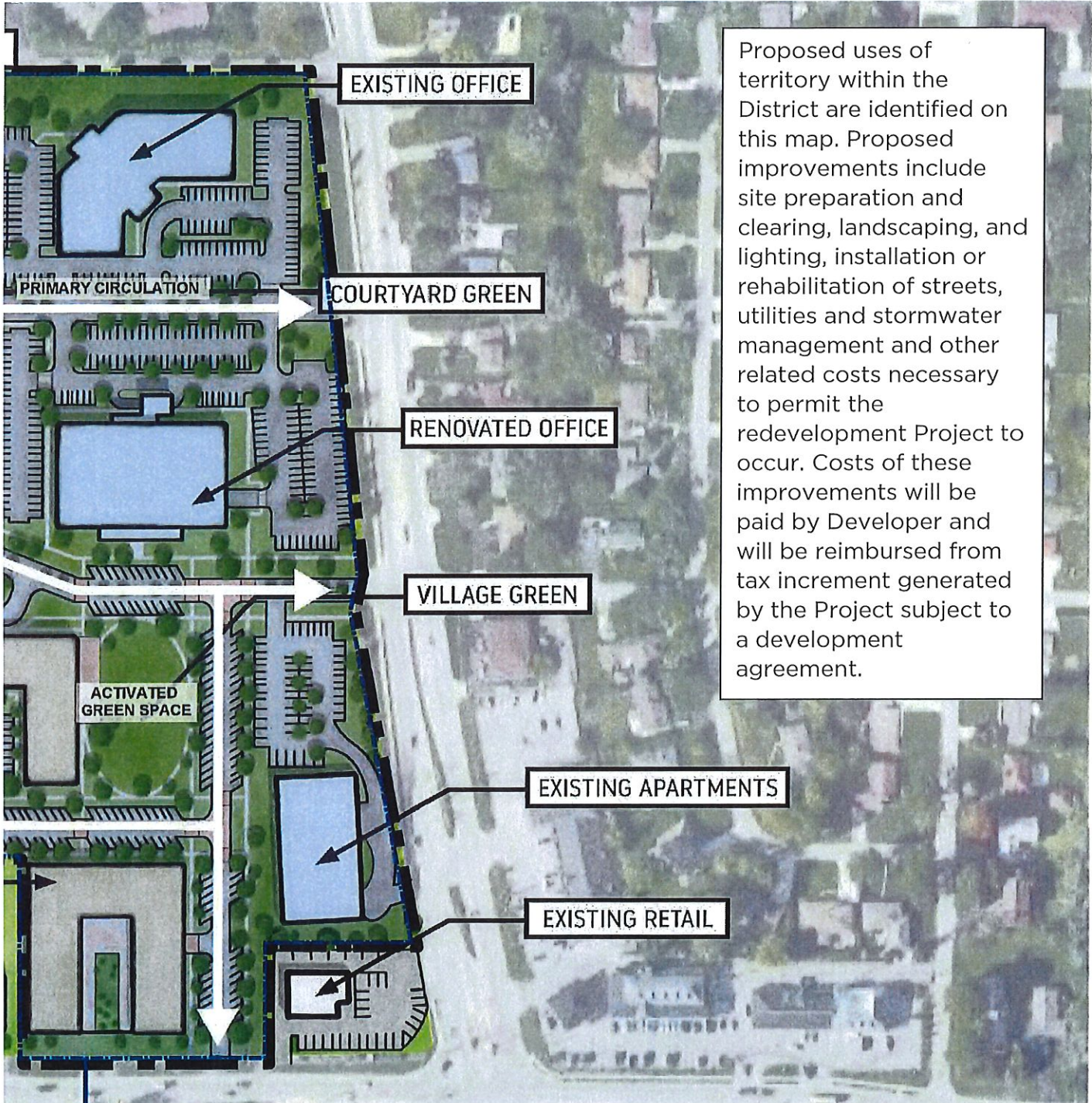
The Village may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by Village employees relating to the implementation of the Plan.

Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

SECTION 7: Map Showing Proposed Improvements and Uses

Map Found on Following Page.



Proposed uses of territory within the District are identified on this map. Proposed improvements include site preparation and clearing, landscaping, and lighting, installation or rehabilitation of streets, utilities and stormwater management and other related costs necessary to permit the redevelopment Project to occur. Costs of these improvements will be paid by Developer and will be reimbursed from tax increment generated by the Project subject to a development agreement.

SECTION 8: Detailed List of Estimated Project Costs

The following list identifies the Project Costs that the Village currently expects to incur in implementing the District's Plan. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

Village of Bayside, Wisconsin

Tax Increment District #1

Estimated Project List

<u>Project Cost Category</u>	<u>Cost Estimate</u>	<u>Est. Timing</u>
Reimbursement of Developer Funded Infrastructure ¹		
MRO #1 ²	13,489,991	2024 - 2035
MRO #2 ³	7,087,872	2025 - 2038
MRO #3 ⁴	9,211,711	2026 - 2042
Other Project Costs ⁵	4,743,729	2025 - 2042
Administrative Expense	386,750	2022 - 2042
Total Estimated Project Cost	<u>34,920,053</u>	

Notes:

¹Payments will reimburse Developer for the cost of approximately \$19.5 million in public infrastructure, site improvements and related costs.

²MRO principal amount of \$9,500,000 plus \$3,989,991 in estimated interest expense.

³MRO principal amount of \$4,500,000 plus \$2,587,872 in estimated interest expense.

⁴MRO principal amount of \$5,500,000 plus \$3,711,711 in estimated interest expense.

⁵Amounts projected to be available to pay for other potential Project Costs such as traffic safety safety improvements and other TID-related public infrastructure costs.

SECTION 9: Economic Feasibility Study, Description of the Methods of Financing Estimated Project Costs and the Time When Related Costs or Monetary Obligations are to be Incurred

This Section includes a forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how Project Costs would be financed, and a projected cash flow demonstrating that the District is economically feasible.

Key Assumptions

The Project Costs the Village plans to make are expected to create approximately \$75.1 million in incremental value by January 1, 2026, and a total of \$84.23 million in incremental value by the end of the District's maximum life assuming an annual 0.5% increase in valuations. Estimated valuations and timing for construction of the Project are included in **Table 1**. Assuming an initial equalized TID Interim tax rate of \$26.48 per thousand decreasing by 0.25% per year, the Project would generate \$51.5 million in incremental tax revenue over the 27-year term of the District as shown in **Table 2**.

Village of Bayside, Wisconsin

Tax Increment District #1

Development Assumptions

Construction Year		Projected Value ¹	Less Est. Base Value	Annual Total	Construction Year	
1	2022	33,038,300	(25,917,834)	7,120,466	2022	1
2	2023	22,040,000		22,040,000	2023	2
3	2024	38,175,000		38,175,000	2024	3
4	2025	7,250,000		7,250,000	2025	4
5	2026			0	2026	5
6	2027			0	2027	6
7	2028			0	2028	7
8	2029			0	2029	8
9	2030			0	2030	9
10	2031			0	2031	10
11	2032			0	2032	11
12	2033			0	2033	12
13	2034			0	2034	13
14	2035			0	2035	14
15	2036			0	2036	15
16	2037			0	2037	16
17	2038			0	2038	17
18	2039			0	2039	18
19	2040			0	2040	19
20	2041			0	2041	20
21	2042			0	2042	21
22	2043			0	2043	22
23	2044			0	2044	23
24	2045			0	2045	24
25	2046			0	2046	25
26	2047			0	2047	26
27	2048			0	2048	27
Totals		<u>100,503,300</u>	<u>(25,917,834)</u>	<u>74,585,466</u>		

Notes:

¹Estimated valuations and timing taken from "Bayside DFF Submittal Cover Letter and Supporting Materials.pdf" prepared by Cobalt Partners.

Table 1 - Development Assumptions

Village of Bayside, Wisconsin

Tax Increment District #1

Tax Increment Projection Worksheet

Type of District	Rehabilitation		Base Value	25,917,834
District Creation Date	December 1, 2021		Appreciation Factor	0.50%
Valuation Date	Jan 1,	2022	Base Tax Rate ¹	\$26.55
Max Life (Years)	27		Rate Adjustment Factor	-0.25%
Expenditure Period/Termination	22	12/1/2043		
Revenue Periods/Final Year	27	2050		
Extension Eligibility/Years	Yes	3		
Eligible Recipient District	Yes			

Construction Year	Valuation Value Added	Inflation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	
1	2022	7,120,466	2023	0	7,120,466	2024	\$26.48	188,566
2	2023	22,040,000	2024	35,602	29,196,068	2025	\$26.42	771,246
3	2024	38,175,000	2025	145,980	67,517,049	2026	\$26.35	1,779,077
4	2025	7,250,000	2026	337,585	75,104,634	2027	\$26.28	1,974,063
5	2026	0	2027	375,523	75,480,157	2028	\$26.22	1,978,974
6	2027	0	2028	377,401	75,857,558	2029	\$26.15	1,983,896
7	2028	0	2029	379,288	76,236,846	2030	\$26.09	1,988,831
8	2029	0	2030	381,184	76,618,030	2031	\$26.02	1,993,778
9	2030	0	2031	383,090	77,001,120	2032	\$25.96	1,998,738
10	2031	0	2032	385,006	77,386,126	2033	\$25.89	2,003,710
11	2032	0	2033	386,931	77,773,056	2034	\$25.83	2,008,694
12	2033	0	2034	388,865	78,161,922	2035	\$25.76	2,013,691
13	2034	0	2035	390,810	78,552,731	2036	\$25.70	2,018,700
14	2035	0	2036	392,764	78,945,495	2037	\$25.63	2,023,721
15	2036	0	2037	394,727	79,340,222	2038	\$25.57	2,028,755
16	2037	0	2038	396,701	79,736,923	2039	\$25.51	2,033,802
17	2038	0	2039	398,685	80,135,608	2040	\$25.44	2,038,861
18	2039	0	2040	400,678	80,536,286	2041	\$25.38	2,043,933
19	2040	0	2041	402,681	80,938,967	2042	\$25.32	2,049,017
20	2041	0	2042	404,695	81,343,662	2043	\$25.25	2,054,114
21	2042	0	2043	406,718	81,750,381	2044	\$25.19	2,059,223
22	2043	0	2044	408,752	82,159,132	2045	\$25.13	2,064,346
23	2044	0	2045	410,796	82,569,928	2046	\$25.06	2,069,481
24	2045	0	2046	412,850	82,982,778	2047	\$25.00	2,074,629
25	2046	0	2047	414,914	83,397,692	2048	\$24.94	2,079,789
26	2047	0	2048	416,988	83,814,680	2049	\$24.88	2,084,963
27	2048	0	2049	419,073	84,233,754	2050	\$24.81	2,090,149
Totals		74,585,466		9,648,288		Future Value of Increment		51,496,747

Notes:

¹Reflects equalized tax rate calculated using DOR Form PC-202 methodology and actual valuations and tax levies from the 2020/21 tax year.

Table 2 – Tax Increment Projection Worksheet

Financing and Implementation

Financing for the Project will be provided solely on a “pay as you go basis” using the incremental taxes generated from the Project. Prior to receiving any financial assistance through the District, Developer must make a \$20 million equity investment in the Project of which at least \$10 million must be cash. Once the minimum equity investment threshold is met, and following Developer’s completion of the site infrastructure, the Village will provide Developer a Municipal Revenue Obligation (MRO #1) in a principal amount of \$9,500,000. When Developer has \$18 million in incremental value coming on-line the Village will issue a second Municipal Revenue Obligation (MRO #2) in a principal amount of \$4,500,000. When Developer has completed additional site infrastructure and has an additional \$20 million in incremental value coming on-line, for a total of \$38 million in incremental value, the Village will provide Developer with a third Municipal Revenue Obligation (MRO #3) in a principal amount of \$5,500,000. The MROs will bear interest with payments subject to annual appropriation and funded solely from tax increments generated by the Project.

In addition to the development incentives funded by the obligations described above, the Village will incur administrative expense related to the creation and ongoing administration of the District. The Village may also find it necessary to make pedestrian safety improvements, reconstruct or resurface streets, and repair or reconstruct sanitary sewer infrastructure in rights of way adjacent to the District or within ½ mile of the District’s boundaries. The Village expects to pay these costs with cash generated by the District or from advances provided from other Village funds. The Village could also elect to borrow for these costs. To the extent these costs are funded through advances or issuance of debt, the Village would pay the interest expense from District revenues.

Based on the Project Cost expenditures as included within the cash flow exhibit (**Table 3**), the District is projected to accumulate sufficient funds by the year 2042 to pay off all Project cost liabilities and obligations. The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

Projected Expenditures						Balances			Year
Developer Reimbursements			Other Project	Admin.	Total	Annual	Cumulative	MRO Principal	
MRO Bond #1	MRO Bond #2	MRO Bond #3	Costs ²		Expenditures				
9/1/2022	9/1/2023	9/1/2025							
				15,000	15,000	(15,000)	(15,000)	9,500,000	2022
				15,300	15,300	(15,300)	(30,300)	14,427,500	2023
169,710	0	0		15,606	185,316	3,251	(27,049)	14,907,028	2024
491,621	202,500	0	34,157	15,918	744,196	27,050	0	20,172,110	2025
1,151,170	202,500	247,500	161,671	16,236	1,779,077	0	0	19,478,686	2026
1,326,657	202,500	247,500	180,845	16,561	1,974,063	0	0	18,578,570	2027
1,331,076	202,500	247,500	181,005	16,897	1,978,974	0	0	17,633,579	2028
1,335,507	202,500	247,500	181,159	17,230	1,983,896	0	0	16,641,531	2029
1,339,948	202,500	247,500	181,308	17,575	1,988,831	0	0	15,600,452	2030
1,344,401	202,500	247,500	181,451	17,926	1,993,778	0	0	14,508,072	2031
1,348,864	202,500	247,500	181,589	18,285	1,998,738	0	0	13,362,071	2032
1,353,339	202,500	247,500	181,720	18,651	2,003,710	0	0	12,160,025	2033
1,357,825	202,500	247,500	181,846	19,024	2,008,694	0	0	10,899,401	2034
939,874	624,947	247,500	181,965	19,404	2,013,691	0	0	9,577,553	2035
0	1,569,330	247,500	182,078	19,792	2,018,700	0	0	8,191,713	2036
0	1,573,849	247,500	182,184	20,188	2,023,721	0	0	6,738,991	2037
0	1,294,745	531,134	182,284	20,592	2,028,755	0	0	5,216,366	2038
0	(0)	1,830,422	182,377	21,004	2,033,802	0	0	3,620,680	2039
0	0	1,834,975	182,462	21,424	2,038,861	0	0	1,948,636	2040
0	(0)	1,839,539	182,541	21,852	2,043,933	0	0	196,786	2041
0	0	205,641	1,821,087	22,289	2,049,017	0	0	(0)	2042
0	(0)	0			(0)	2,054,114	2,054,114	0	2043
0	0	0			0	2,059,223	4,113,338	(0)	2044
0	(0)	0			(0)	2,064,346	6,177,683	0	2045
0	0	0			0	2,069,481	8,247,164	(0)	2046
0	(0)	0			(0)	2,074,629	10,321,793	0	2047
0	0	0			0	2,079,789	12,401,582	(0)	2048
0	(0)	0			(0)	2,084,963	14,486,545	0	2049
0	0	0			0	2,090,149	16,576,694	(0)	2050
13,489,991	7,087,872	9,211,711	4,743,729	386,750	34,920,053				Total

Other Project Costs such as traffic safety improvements and other TID-related public infrastructure costs.

Projected TID Closure

Table 3 - Cash Flow

SECTION 10: Annexed Property

A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. None of the property within the proposed District boundary was annexed during the past three years.

SECTION 11: Estimate of Property to Be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the Village estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 12: Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and Village Ordinances

Zoning Ordinances

The proposed Plan is in general conformance with the Village's current zoning ordinances. Individual properties may require rezoning at the time of development.

Master (Comprehensive) Plan and Map

The proposed Plan is in general conformance with the Village's Comprehensive Plan identifying the area as appropriate for mixed use development.

Building Codes and Ordinances

Development within the District will be required to conform to State Building Codes and will be subject to the Village's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

SECTION 13: Statement of the Proposed Method for the Relocation of any Persons to be Displaced

Should implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

SECTION 14: How Creation of the Tax Incremental District Promotes the Orderly Development of the Village

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the Village by creating opportunities for mixed use redevelopment, rehabilitating, and conserving property, providing necessary public infrastructure improvements, and providing appropriate financial incentives for private development projects. Through use of tax increment financing, the Village can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as increased opportunities for employment, personal income and business income related to the construction and operation of the anticipated redevelopment projects, and provision of housing opportunities and retail services for Village residents.

SECTION 15:

List of Estimated Non-Project Costs

Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

SECTION 16:
Legal Opinion Advising Whether the Plan is Complete
and Complies with Wis. Stat. § 66.1105(4)(f)

Legal Opinion Found on Following Page.



November 17, 2021

Via U.S. Mail and Electronic Mail: (ewalny@baysidewi.gov)

Eido M. Walny
President
Village of Bayside
9075 N. Regent Road
Bayside, WI 53217

Re: Tax Increment District No. 1

Dear President Walny:

As Village Attorney for the Village of Bayside, I have reviewed the Project Plan for Tax Increment District No. 1 located in the Village of Bayside. In my opinion, the Project Plan is complete for a Rehabilitation or Conservation Tax Increment District under Wis. Stat. §66.1105(4)(c) as defined in Wis. Stat. §66.1337(2m) and complies with Wis. Stat. §66.1105(4)(f).

Very truly yours,

Davis & Kuelthau, s.c.

A handwritten signature in blue ink, appearing to read "Chris Jaekels".

Christopher J. Jaekels
Village Attorney – Village of Bayside

CJJ/das

Phone 414.276.0200 Direct 414.225.1409 Fax 414.278.3609
111 E. Kilbourn Avenue Suite 1400, Milwaukee, WI 53202
cjaekels@dkattorneys.com

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APPLETON | BROOKFIELD | GREEN BAY | MADISON | MILWAUKEE

www.dkattno.com

SECTION 17: Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

The following projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.

Revenue Year	MMSD	MATC	Village	County	Maple Dale - Indian Hill	Nicolet Union High	Total	Revenue Year
2024	10,796	7,839	47,261	32,720	58,050	31,899	188,566	2024
2025	44,157	32,063	193,300	133,827	237,429	130,470	771,246	2025
2026	101,859	73,961	445,896	308,707	547,692	300,962	1,779,077	2026
2027	113,023	82,067	494,766	342,541	607,719	333,948	1,974,063	2027
2028	113,304	82,271	495,997	343,393	609,231	334,778	1,978,974	2028
2029	113,586	82,475	497,231	344,247	610,746	335,611	1,983,896	2029
2030	113,869	82,681	498,468	345,103	612,265	336,446	1,988,831	2030
2031	114,152	82,886	499,707	345,962	613,788	337,283	1,993,778	2031
2032	114,436	83,092	500,950	346,822	615,315	338,122	1,998,738	2032
2033	114,721	83,299	502,197	347,685	616,846	338,963	2,003,710	2033
2034	115,006	83,506	503,446	348,550	618,380	339,806	2,008,694	2034
2035	115,292	83,714	504,698	349,417	619,918	340,651	2,013,691	2035
2036	115,579	83,922	505,954	350,286	621,460	341,499	2,018,700	2036
2037	115,866	84,131	507,212	351,157	623,006	342,348	2,023,721	2037
2038	116,155	84,340	508,474	352,031	624,556	343,200	2,028,755	2038
2039	116,443	84,550	509,739	352,907	626,110	344,053	2,033,802	2039
2040	116,733	84,760	511,007	353,784	627,667	344,909	2,038,861	2040
2041	117,024	84,971	512,278	354,664	629,228	345,767	2,043,933	2041
2042	117,315	85,183	513,552	355,547	630,794	346,627	2,049,017	2042
2043	117,606	85,395	514,830	356,431	632,363	347,490	2,054,114	2043
2044	117,899	85,607	516,110	357,318	633,936	348,354	2,059,223	2044
2045	118,192	85,820	517,394	358,207	635,513	349,220	2,064,346	2045
2046	118,486	86,033	518,681	359,098	637,093	350,089	2,069,481	2046
2047	118,781	86,247	519,971	359,991	638,678	350,960	2,074,629	2047
2048	119,076	86,462	521,265	360,886	640,267	351,833	2,079,789	2048
2049	119,373	86,677	522,561	361,784	641,860	352,708	2,084,963	2049
2050	119,670	86,893	523,861	362,684	643,456	353,586	2,090,149	2050
Totals	2,948,400	2,140,845	12,906,804	8,935,748	15,853,368	8,711,582	51,496,747	

DEVELOPMENT AGREEMENT

This Development Agreement (this "Agreement") is entered into as of _____, 2021 by and between BAYSIDE DEVELOPMENT PARTNERS II, LLC, a Wisconsin limited liability company ("Developer"), and the VILLAGE OF BAYSIDE, a Wisconsin municipal corporation ("Village").

RECITALS

Village and Developer acknowledge the following:

A. Developer and Village have identified for redevelopment certain real property located within the Village and described on Exhibit A attached hereto (the "Property").

B. Pursuant to Section 66.1105, Wis. Stat. (the "Tax Increment Law"), the Village has created Tax Increment District No. 1 (the "District") and approved a project plan for redevelopment within the District (the "TID Project Plan"). The boundaries of the District include all of the Property.

C. Subject to the Village's providing the assistance set forth herein, Developer intends to acquire all of the Property and may over time acquire more real estate located within the District (the portion of the District acquired by Developer is referred to as the "Project Site"), demolish the existing improvements, install new public infrastructure, and prepare the Project Site for vertical redevelopment ("Project"). Upon completion of the Project, Developer then intends to develop the Project Site into a mixed-use project containing one or more professional services/general office, medical office/general medical, general commercial retail/fitness, parks/public recreation, full-service restaurant, multi-family and senior residential apartment, townhome and condominium, civic/public library and parking structure components. A preliminary site plan showing projected future development of and uses on the Project Site is attached hereto as Exhibit B (the "Preliminary Development Plan"), which is consistent with the current zoning of the Property. The Preliminary Development Plan is also consistent with the TID Project Plan.

D. The projected aggregate assessed valuation for the District, as depicted in the Preliminary Development Plan, is anticipated to be approximately [\$100,503,300], as shown on the valuation schedule attached hereto as Exhibit C (the "Project Valuations").

E. The Village desires to encourage economic development, expand its tax base, and create new jobs within the Village, the District and the Property, all in furtherance of and in compliance with the TID Project Plan. The Village finds that redevelopment of the Project Site and the fulfillment of the terms and conditions of this Agreement are in the vital and best interests of the Village and its residents and serve a public purpose in accordance with state and local law.

F. The Project would not occur without the assistance provided herein.

G. The Village, pursuant to Village Board action dated _____, 2021, has approved the terms of this Agreement and authorized the execution of the Agreement by the proper Village officers on the Village's behalf and has further approved the issuance of the MRO

Bond, the First Additional MRO Bond, and the Second Additional MRO Bond (as hereinafter defined).

H. The Developer has approved this Agreement and authorized its managers to execute this Agreement on the Developer's behalf.

I. All terms that are capitalized 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.

AGREEMENTS

In consideration of the Recitals and the promises and undertakings set forth herein, the parties mutually agree and covenant as follows:

ARTICLE I THE PROJECT AND DEVELOPER OBLIGATIONS

A. Subject to satisfaction of the conditions set forth in this Agreement, Developer shall perform the following:

1. Enter into the Public Improvement Agreement (Site Development) ("Site Improvement Agreement") with the Village as called for under Village Ordinance No. 21-726.
2. On or before January 1, 2023, acquire not less than 20 acres of the land comprising the Project Site. To the extent that Developer is unable to acquire all of the Property, the land so acquired shall be sufficient in size and configuration to allow a comprehensive redevelopment substantially similar to the Preliminary Development Plan.
3. On or before January 1, 2024, complete the demolition of improvements on the Project Site in a manner that supports the orderly implementation of the Project.
4. Install the Project Site infrastructure improvements set forth on Exhibit D, attached hereto (the "Initial Site Infrastructure") on or before December 31, 2023. Included within the Initial Site Infrastructure are certain improvements that will be dedicated or conveyed to the Village, or subjected to access and use easements for the benefit of the public, as noted on Exhibit D (the "Initial Public Improvements"). All Initial Public Improvements shall be bid and constructed in accordance with the Site Improvement Agreement.
5. To the extent applicable, dedicate any Initial Public Improvements to the Village in accordance with the Site Improvement Agreement and the schedule set forth on Exhibit D.
6. On or before January 1, 2024, legally divide the Project Site into development parcels consistent with the Preliminary Development Plan.

7. Invest not less than \$20,000,000 in equity (which shall include at least \$10,000,000 of cash contributed to Developer by its members) toward the costs of performing its development obligations under this Section I.A and procure financing sufficient to fund the remaining costs of Developer's obligations, net of the Village's financial obligations set forth herein.

8. As additional property may be acquired by Developer, submit to the Village a request to rezone such property to be within Planned Unit Development District Number One.

B. As market conditions warrant, but in any event on or before January 1, 2028, Developer shall perform the following:

1. Acquire additional land now or hereafter located within the District for redevelopment to the extent feasible as determined by Developer in its sole discretion (including 8969 N. Port Washington Road).

2. Complete the demolition of improvements on any additional land acquired by Developer in a manner that supports further redevelopment of the Project.

3. Install the additional Project Site infrastructure improvements set forth on Exhibit D-1, attached hereto (the "Additional Site Infrastructure") in accordance with the commencement and completion schedule set forth on Exhibit D-1. Included within the Additional Site Infrastructure are certain improvements that will be dedicated or conveyed to the Village or subjected to access and use easements for the benefit of the public, as noted on Exhibit D-1 (the "Additional Public Improvements"). All Additional Public Improvements shall be bid and constructed in accordance with the Site Improvement Agreement.

4. To the extent applicable, dedicate the Additional Public Improvements to the Village in accordance with the Site Improvement Agreement and the schedule set forth on Exhibit D-1.

ARTICLE II VILLAGE OBLIGATIONS

A. To assist Developer, Village shall perform the following:

1. Enter into the Site Improvement Agreement with Developer.

2. To induce Developer to undertake development of the Project and incur various development costs and take on various development risks that may not otherwise be recouped by the Developer, when Developer has certified to the Village (in the form as that attached hereto as Exhibit F) that Developer has completed the Initial Site Infrastructure, issue to Developer a municipal revenue obligation bond (the "MRO Bond") in the principal amount of \$9,500,000 and bearing annual interest at the rate of 4.5% accruing as of the date of issuance.

a. The MRO Bond shall be issued in substantially the form attached here to as Exhibit G. The MRO Bond shall mature [twenty-_____] years following the date of issuance of the MRO Bond and installments of principal and interest on the MRO Bond will be due and payable on September 1 of each year commencing on the September 1 following the issuance of the MRO Bond (the "Bond Payment Date"). The amount of the annual payment of principal and interest due on each Bond Payment Date shall be equal to the amount of available "MRO Surplus Tax Increment" levied for the preceding calendar year calculated as of August 1 of the year the MRO Bond payment is due. MRO Surplus Tax Increment appropriated to make payments on the MRO Bond shall first be applied to accrued interest on the MRO Bond, with any remaining amount being applied toward principal. The MRO Bond shall be subject to prepayment in whole or in part at any time at the option of the Village. The amounts and maturities of the installments of principal of the MRO Bond which are to be prepaid shall be selected by the Village. The Village shall not close the District prior to April 15, 2049 if an unpaid balance remains on the MRO Bond, the First Additional MRO Bond, or the Second Additional MRO Bond, if issued.

b. "MRO Surplus Tax Increment" shall mean ninety percent (90%) of all tax increments (as defined by the Tax Increment Law) collected and retained by the Village solely from the District in a calendar year.

c. THE MRO BOND SHALL BE A SPECIAL, LIMITED REVENUE OBLIGATION OF THE VILLAGE PAYABLE ONLY FROM MRO SURPLUS TAX INCREMENT THAT IS APPROPRIATED BY THE VILLAGE BOARD FOR THAT PURPOSE. No property or other asset of the Village, except MRO Surplus Tax Increment appropriated to make payments with respect to the MRO Bond, is or shall be a source of payment of the Village's obligations thereunder. The MRO Bond shall not constitute a debt or obligation of the Village, the County in which it is located, the State of Wisconsin or any political subdivision thereof within the meaning of any State constitutional provision, statutory limitation, or charter provision or limitation thereof and shall not be a charge against their general credit or taxing powers.

d. THE VILLAGE MAKES NO REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, THAT THE MRO SURPLUS TAX INCREMENT, IF APPROPRIATED, WILL BE SUFFICIENT TO PAY, IN WHOLE OR IN PART, THE AMOUNTS WHICH ARE OR MAY BECOME DUE AND PAYABLE UNDER THE MRO BOND. THE VILLAGE'S OBLIGATION TO MAKE PAYMENTS ON THE MRO BOND IS LIMITED TO THE AVAILABILITY OF MRO SURPLUS TAX INCREMENT AND IS FURTHER SUBJECT TO ANNUAL APPROPRIATION BY THE VILLAGE BOARD.

e. In each year during the term of this Agreement the staff of the Village shall include the appropriation of MRO Surplus Tax Increment in the Village budget as submitted to the Village Board for consideration for the next succeeding fiscal year. If the Village Board determines not to appropriate any portion of such MRO Surplus Tax Increment, written notice thereof shall be

provided to the Developer within 14 days. The Village agrees that, subject to annual appropriation of said funds, on an annual basis all funds in the special fund of the District which constitute MRO Surplus Tax Increment will be used to make the payments due under the MRO Bond.

f. IF ON THE FINAL MRO BOND PAYMENT DATE, THERE REMAIN AMOUNTS OUTSTANDING AND UNPAID ON THE MRO BOND, THEN ALL INTEREST ACCRUED BUT UNPAID AND THE REMAINING BALANCE OF PRINCIPAL OF THE MRO BOND SHALL BE DEEMED PAID IN FULL, IT BEING UNDERSTOOD THAT UPON THE FINAL MRO BOND PAYMENT DATE, THE OBLIGATION OF THE VILLAGE TO MAKE ANY FURTHER PAYMENTS ON THE MRO BOND SHALL TERMINATE. THE VILLAGE SHALL HAVE NO OBLIGATION OF ANY KIND WHATSOEVER TO PAY ANY AMOUNT OF PRINCIPAL OR INTEREST ON THE MRO BOND WHICH REMAINS UNPAID AFTER THE FINAL MRO BOND PAYMENT DATE, AND THE DEVELOPER HOLDING THE MRO BOND SHALL HAVE NO RIGHT TO RECEIVE PAYMENT OF SUCH AMOUNTS.

g. The Village shall have no obligation to make payments on the MRO Bond while the Developer is in default of any of its obligations under this Agreement or if no MRO Surplus Tax Increment is available.

B. When Developer has (i) completed the Initial Site Infrastructure work described on Exhibit D and (ii) provided to the Village reasonably satisfactory confirmation that building improvements generating an increase in assessed value within the District of at least \$18,000,000 (net of any improvements demolished after January 1, 2022) are “coming on line,” the Village, within sixty (60) days of Developer’s satisfaction of the above preconditions, shall issue to Developer a municipal revenue obligation bond (the “First Additional MRO Bond”) in the principal amount of \$4,500,000, bearing annual interest at the rate of 4.5% accruing as of the date of issuance.

1. The First Additional MRO Bond shall be issued upon the same terms and conditions as provided for the MRO Bond under Sections II.A.2.a through g, above, except that the principal amount of the Additional MRO Bond shall be \$4,500,000.

2. MRO Surplus Tax Increment shall be applied first to pay interest due on the MRO Bond, next interest due on the First Additional MRO Bond, next principal outstanding on the MRO Bond and, finally, outstanding principal due on the First Additional MRO Bond.

C. When Developer has (i) satisfied the preconditions set forth in Section II.B, (ii) certified to the Village (in the form as that attached hereto as Exhibit F) that Developer has completed the Additional Site Infrastructure work described on Exhibit D-1, and (iii) provided to the Village reasonably satisfactory confirmation that building improvements generating an additional increase in assessed value within the District of at least \$20,000,000 (i.e. in addition to the \$18,000,000 of increment required under Section II.B) are “coming on line,” the Village, within sixty (60) days of Developer’s satisfaction of the above preconditions, shall issue to Developer a municipal revenue obligation bond (the “Second Additional MRO Bond”) in the

principal amount of \$5,500,000, bearing annual interest at the rate of 4.5% accruing as of the date of issuance.

1. The Second Additional MRO Bond shall be issued upon the same terms and conditions as provided for the MRO Bond under Sections II.A.2.a through g, above, except that the principal amount of the Second Additional MRO Bond shall be \$5,500,000.

2. MRO Surplus Tax Increment shall be applied first to pay interest due on the MRO Bond, next interest due on the First Additional MRO Bond, next interest due on the Second Additional MRO Bond, next principal outstanding on the MRO Bond, next principal outstanding on the First Additional MRO Bond and, finally, outstanding principal due on the Second Additional MRO Bond.

D. Future development values “coming on line” shall mean with respect to vertical projects developed by Developer or its affiliates, the value of land and vertical improvements approved by an institutional third party construction lender financing such improvements upon closing on such construction loan, and agreement (not to be unreasonably withheld, conditioned, or delayed) from the Village Assessor that such value reflects the anticipated assessed value of the land and vertical improvements.

E. The Village agrees that if: (i) the Developer is not in default of any of its obligations hereunder, (ii) there is MRO Surplus Tax Increment available on a MRO Bond Payment Date, First Additional MRO Bond Payment Date or Second Additional MRO Bond Payment Date to make a payment on the MRO Bond, the First Additional MRO Bond, or the Second Additional MRO Bond, as applicable, and (iii) the Village Board determines not to appropriate all or any portion of such MRO Surplus Tax Increment for such year, then:

1. If any other tax increment revenue bonds issued by the Village to other parties are then outstanding (the “Other Bonds”), the Village shall not appropriate any allocable tax increments or make payments on any of the Other Bonds in a greater proportion than the Village has done for any of the MRO Bond, the First Additional MRO Bond, or the Second Additional MRO Bond (for example, assume that in a given year, the Village appropriates only 25% of the available MRO Surplus Tax Increment for payment on any of the MRO Bond, the First Additional MRO Bond, or the Second Additional MRO Bond; then as to such year, the Village shall not appropriate more than 25% of the amount of any tax increments that, under the terms of any of the Other Bonds, are to be made available for such Other Bonds); and

2. Until such time as the Village subsequently makes an annual appropriation of all MRO Surplus Tax Increment available on a MRO Bond Payment Date, First Additional MRO Bond Payment Date, or Second Additional MRO Bond Payment Date, as applicable, toward payments due on the MRO Bond, the First Additional MRO Bond, and the Second Additional MRO Bond (including prior payments that would have been payable but for the Village Board’s prior determination not to appropriate funds), the Village shall not issue any new tax increment revenue bonds or other Village GO bonds to assist development within the Village whether or not similar to the MRO Bond, the First Additional MRO Bond, or the Second Additional MRO Bond.

E. If Developer acquires additional land within the District, the Village shall make reasonable good faith efforts to timely consider and act on Developer's request(s) to rezone such land to include it within Planned Unit Development District Number One.

ARTICLE III
[Intentionally Deleted]

ARTICLE IV
ADJUSTMENT TO SECOND ADDITIONAL MRO BOND

At the end of the fifth year following issuance of the Second Additional MRO Bond, Developer shall provide to the Village and its financial consultant all of Developer's financial records relating to the expenditures incurred and income received in connection with the Project. The Village's financial consultant shall determine Developer's annualized internal rate of return ("IRR") on Developer's equity investment in the Project. If the Developer's IRR exceeds 17% (with Developer's costs taking into account any Project cost overruns, and the approved Developer fee set forth in the Development Budget), then the Village shall be entitled to reduce the principal amount of the Second Additional MRO Bond by an amount equal to 35% of the amount of revenue that drove Developer's IRR above 17%. Such adjustment shall be made not later than thirty (30) days following written request from the Village. For purposes of the foregoing determination, the price of a land sale shall be the net selling price to a third party (including net of commissions) or, in the case of self-development, the land value as determined by a construction lender based on an independent appraisal for a particular parcel. In the event that a particular parcel has not been sold or self-developed at such time, then the parcel value shall be deemed to be equal to its equalized value on the Village's tax rolls.

ARTICLE V
PAYMENT OF TAXES; PAYMENT IN LIEU OF TAXES

A. Throughout the life of the District, Developer will pay (or cause to be paid) all ad valorem property taxes properly assessed against any portion of the Project Site owned by the Developer before such taxes become delinquent. The foregoing shall not prohibit the Developer from contesting, in good faith, the assessed value of any portion of the Project Site.

B. In the event that any portion of the Project Site becomes exempt from ad valorem taxes during the statutory life of the District (other than the North Shore Library, if that library is located within the District, and other than other civic or community space of up to 10,000 square feet in the aggregate that may be located within the District, all of which the Village acknowledges may be tax exempt and shall not be subject to the provisions of this Article V), then for the remaining life of the District (the "PILOT Term"), the owner of such exempt portion of the Project Site shall make (or cause to be made) annual payments in lieu of taxes in amounts equal to what the ad valorem property taxes would have been for such portion of the Project Site (as determined by the Village Assessor, subject to the owner's right to contest such determination) had it not been exempt. The notice of such assessment shall be given in the same manner and timeframe as if the exempt portion of the Project Site was not exempt. Such payment in lieu of taxes shall be due and payable at the same time and in the same manner as the ad valorem taxes would have been due and payable for such year. If the then-owner fails to make a payment in lieu of taxes when due, the Village may, in addition to all other remedies available to it, levy a special assessment against the exempt portion of the Project Site owned by

such owner in the amount of the unpaid payments provided any recoveries are limited to the amount then due. Notwithstanding the levying of such special assessment, the payment obligation under this Article V shall be the personal obligation of the then-owner of the exempt portion of the Project Site. The covenant contained in this Article V shall be deemed to be a covenant running with the land and shall be binding upon the then-owners of any portion of the Project Site for the duration of the PILOT Term. The Village is hereby expressly declared to be a beneficiary of such covenant and entitled to enforce same against all of the then-owners of an exempt portion of the Project Site. The covenants and obligations set forth in this Article may be embodied in a separate document and recorded against the Project Site as provided herein.

ARTICLE VI
NO PARTNERSHIP OR VENTURE

Developer and its contractors or subcontractors shall be solely responsible for the completion of all of Developer's obligations set forth in this Agreement. Nothing contained in this Agreement shall create or effect any partnership, venture or relationship between the (i) Village and (ii) Developer, or any contractor or subcontractor employed by Developer.

ARTICLE VII
CONFLICT OF INTEREST

No elected official, member, officer, or employee of the Village, 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.

ARTICLE VIII
WRITTEN NOTICES

All notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given (i) upon delivery to an officer of the Village (as to the Village) or to an officer of Developer (as to Developer), if hand delivered; (ii) two business days following deposit in the United States mail, postage prepaid, or (iii) upon delivery if delivered by a nationally recognized overnight commercial carrier that will certify as to the date and time of such delivery; and each such communication or notice shall be addressed as follows, unless and until any of such parties notifies the other in accordance with this Article of a change of address:

If to the Village:

Village of Bayside
9075 N. Regent Road
Bayside, WI 53217
Attention: Andy Pederson

With a copy to:

Davis & Kuelthau, s.c.
111 East Kilbourn Avenue
Suite 1400
Milwaukee, WI 53202
Attention: Christopher J. Jaekels

If to the Developer:

Bayside Development Partners II, LLC
c/o Cobalt Partners, LLC
400 N. Broadway Street
Suite 100
Milwaukee, WI 53202
Attn: Scott J. Yauck

With a copy to:

Godfrey & Kahn, S.C.
833 E. Michigan Street, Suite 1800
Milwaukee, WI 53202
Attn: Michael J. Dwyer

ARTICLE IX DEFAULT

A. The occurrence of any one or more of the following events shall constitute a default ("Default") hereunder:

1. Developer shall fail to pay any amounts when due under this Agreement and further fails to pay such amounts on or before five days following written notice of such failure; or

2. Any material representation or warranty made by Developer pursuant to this Agreement shall prove to have been false in any material respect as of the time when made or given; or

3. Developer shall materially breach or fail to perform timely or observe timely any of its covenants or obligations under this Agreement (other than relating to the payment of money), and such failure shall continue for thirty days following notice thereof from the Village (or such longer period of time as is otherwise expressly set forth herein or as is reasonably necessary to cure the default as long as Developer has commenced the cure of the default within the thirty-day period, is diligently pursuing the cure of the default and as long as the default is cured not later than one hundred eighty days following the notice thereof from the Village or such longer period of time as is reasonably agreed to by the Village); or

4. Village shall materially breach or fail to perform timely or observe timely any of its covenants or obligations under this Agreement, and such failure shall continue for thirty days following notice thereof from Developer (or such longer period of time as is otherwise expressly set forth herein, or as required to address and cure such default under applicable law regarding legislative and administrative process, or as is reasonably necessary to cure the default as long as the Village has commenced the cure of the default within the thirty-day period, is diligently pursuing the cure of the default and as long as the default is cured not later than one hundred eighty days following the notice thereof from Developer); or

5. Developer:

(a) becomes insolvent or generally does not pay, or is unable to pay, or admit in writing its inability to pay, its debts as they mature; or

(b) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its/his assets; or

(c) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or files a petition in bankruptcy, for reorganization or to effect a plan or other arrangement with creditors; or

(d) has a petition or application filed against it in bankruptcy or any similar proceeding, or has such a proceeding commenced against it and such petition, application or proceeding shall remain undismissed for a period of ninety days or Developer shall file an answer to such a petition or application, admitting the material allegations thereof; or

(e) applies to a court for the appointment of a receiver or custodian for any of its assets or properties, with or without consent, and such receiver shall not be discharged within ninety days after his appointment; or

(f) adopts a plan of complete liquidation of its/his assets; or

(g) shall cease to exist.

B. Upon the occurrence of any Default, without further notice, demand or action of any kind by the non-defaulting party, the non-defaulting party may, at its option, pursue any or all rights and remedies available at law or in equity. The Village's rights shall include, but not be limited to, termination of this Agreement or temporary or permanent suspension of any payment of the MRO Bond, the First Additional MRO Bond, or the Second Additional MRO Bond.

No remedy shall be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, or now or hereafter existing at law or in equity. No failure or delay on the part of any party in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise of any right preclude other or further exercise thereof or the exercise of any other right or remedy.

C. In the event of a default by either party, all reasonable fees, costs and expenses incurred by the non-defaulting party, including reasonable attorneys' fees, in connection with the enforcement of this Agreement shall be paid by the defaulting party, including without limitation the enforcement of the non-defaulting party's rights in any bankruptcy, reorganization or insolvency proceeding.

ARTICLE X
MISCELLANEOUS

A. Developer shall have in effect at all times all permits, approvals and licenses as may be required by any governmental authority or non-governmental entity in connection with Developer's development, construction, management and operation of the Project.

B. Developer shall maintain or cause to be maintained the following insurance policies (the "Insurance Policies") issued by insurers licensed in the State of Wisconsin, with ratings and in the financial size category as requested by the Village, covering loss by perils, hazards, liabilities and other risks and casualties and in such amounts as may be reasonably required by the Village:

1. Following completion of construction of all components of the Project, "all risks" property insurance insuring against such risks as are insured against by owners of similar improvements, in amounts equal to 100% replacement cost of all such improvements with an extended replacement cost endorsement;

2. During the construction, builder's risk insurance in form and amounts reasonably satisfactory to the Village;

3. During the term of this Agreement, commercial general liability insurance covered under a comprehensive general liability policy including contractual liability in amounts maintained by owners of similar projects, and insuring against bodily injury, including personal injury, death and property damage; and

4. Such other insurance as may be reasonably requested by Village.

Each Insurance Policy shall require the insurer to provide at least thirty (30) days prior written notice to the Village of any material change or cancellation of such policy. The Village shall be named as an additional insured/loss payee on all policies of insurance except worker's compensation insurance.

C. If the Developer does not commence construction of the Initial Site Improvements by January 1, 2023 (subject to extension pursuant to Paragraph H, below), then the Village may, in its sole discretion, terminate this Agreement upon written notice to the Developer. The Village shall thereafter have no further obligations under this Agreement.

D. Developer hereby indemnifies, defends, covenants not to sue and holds the Village harmless from and against all loss, liability, damage and expense, including attorneys' fees, suffered or incurred by the Village by reason of the following: (a) the failure of Developer or its contractors, subcontractors, agents, employees, or invitees to comply with any environmental law, rule, regulation or ordinance, or any order of any regulatory or administrative authority with respect thereto; (b) any release by Developer or its contractors, subcontractors, agents, employees, or invitees of petroleum products or hazardous materials or hazardous substances on, upon or into the Property; (c) any and all damage to natural resources or real property or harm or injury to persons resulting or alleged to have resulted from any failure by the Developer or its contractors, subcontractors or agents to comply with any law, rule, regulation or ordinance or any release of petroleum products or hazardous materials or hazardous substances

as described in clauses (a) and (b) above; (d) any violation by Developer or at the Project of any environmental law, rule, regulation or ordinance; (e) claims arising in connection with the Project under the Americans With Disabilities Act, and any other laws, rules, regulations or ordinances; (f) the failure by Developer to comply with any term or condition of this Agreement; (g) injury to or death of any person at the Project or injury to any property caused by or at the Project; and (h) the failure of Developer to maintain, repair or replace, as needed, any portion of the Project. The foregoing indemnity shall not apply to any claims or damages arising under clauses (a) through (h) of the previous sentence to the extent such claims or damages are attributable to the negligence or willful misconduct of the Village.

The terms "hazardous substances" means any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances" under any applicable federal or state or local laws or regulations.

E. Time is of the essence of each and every obligation or agreement contained in this Agreement.

F. If Developer is delayed or prevented from timely commencing or completing construction of the Project, by reason of fire, earthquake, war, flood, material shortages, riot, strikes, labor disputes, governmental restrictions, judicial order, public emergency, delays due to pandemic or other public health emergency, or other causes beyond the reasonable control of the party obligated to perform ("Force Majeure Event"), performance of such act shall be excused for the period of such delay and the time for the performance of any such act shall be extended for a period equivalent to such delay.

G. A memorandum of this Agreement shall be recorded in the office of the Register of Deeds of Milwaukee County, Wisconsin, prior to the recording of any mortgage on the Project Site, it being understood by the parties that the provisions of Article V of this Agreement will run with the land and will be binding upon the Project Site and any owner or lessee or mortgagee of all or any portions of the Project Site and their successors and assigns.

H. Nothing contained in this Agreement is intended to or has the effect of releasing Developer from compliance with all applicable laws, rules, regulations and ordinances in addition to compliance with all terms, conditions and covenants contained in this Agreement.

I. All financial reports and information required to be provided by Developer to the Village under this Agreement shall be provided to the Village's outside financial consultant for review on behalf of the Village. The Developer warrants and represents the accuracy of its financial reports and information in all material respects. The parties acknowledge that some of the financial information to be provided to the Village may qualify as proprietary or as "trade secrets" and that disclosure of same would have an adverse impact upon Developer and certain tenants of the Project. When financial information is provided to the Village, the provider of such financial information shall identify the information that is proprietary or constitutes a trade secret and the Village shall take reasonable steps to protect such trade secrets as allowed by law. The foregoing shall not apply to Developer's final actual costs for purposes of determining whether an adjustment to the Second Additional MRO Bond is required under Article IV.

J. This Agreement may not be assigned by the Developer without the Village's consent, which may be granted or withheld in the Village's reasonable discretion. Developer may collaterally assign this Agreement to Developer's construction lender or to other lenders for the Project. In the event that such construction lender or any other lender forecloses on its collateral and succeeds to ownership any portion of the Project Site, the Village shall fulfill its obligations hereunder provided that such construction lender or other lender assumes in writing all of the obligations of Developer hereunder.

K. Developer shall not be released from any of its obligations hereunder by any sale, foreclosure or other conveyance of all or any portion of the Project Site, either before or after completion of the Project, without the written consent of the Village.

L. Subject to applicable laws, Developer and the Village shall work together expeditiously and in good faith to obtain appropriate project entitlements, including, without limitation, approvals for site plan, architectural, landscaping, traffic, and offsite improvements.

M. Subject to applicable laws, Developer and the Village shall work together expeditiously and in good faith in support of optimizing the overall economic efficiency of the Project through appropriate structuring of such matters as Site Infrastructure financing and construction, etc.

N. This Agreement contains the entire agreement between the Village and Developer with respect to the subject matter of this Agreement and may be amended or modified only by subsequent written agreement duly signed by both parties hereto.

ARTICLE XI TERMINATION; CERTIFICATE OF COMPLETION

A. Developer shall have the right to terminate this Agreement immediately upon written notice to the Village in the event that Developer determines that it will not be able to satisfy the Village's preconditions to issuance of the First Additional MRO Bond set forth in Article II.

B. This Agreement shall automatically terminate and be of no further force or effect upon the last to occur of all of the following:

1. Timely completion of all of Developer's activities set forth on Exhibits D and D-1.
2. Payment in full of the MRO Bond, the First Additional MRO Bond, and the Second Additional MRO Bond;
3. Payment in full by Developer to the Village of any sums due in connection with a demand or claim that has been made by the Village upon Developer in connection with an alleged default in its obligations under this Agreement.
4. Payment in full by the Village to Developer of any sums due pursuant to Articles II or IV or in connection with a demand or claim that has been made by

Developer upon the Village in connection with an alleged default in other obligations of the Village under this Agreement.

Upon the occurrence of all of the foregoing, the Village agrees to execute and record in the Office of the Register of Deeds for Milwaukee County a memorandum of termination of this Agreement.

[Signatures on following page]

In Witness Whereof, this Agreement is executed as of the date first above written.

VILLAGE OF BAYSIDE, WISCONSIN

By: _____

Attest: _____

STATE OF WISCONSIN)
) ss.
_____ COUNTY)

Personally appeared before me this ____ day of _____, 20 __, the above-named _____ and _____, the _____, and _____, respectively, of the Village of Bayside, Wisconsin, to me known to be the persons who executed the foregoing agreement on behalf of the Village and by its authority.

BAYSIDE DEVELOPMENT PARTNERS II, LLC

By: Cobalt Investment Holdings LLC, Manager

By: Cobalt Partners, LLC, Manager

By: _____
Scott J. Yauck, Sole Member and Manager

By: La Macchia Real Estate V LLC, Manager

By: _____
William E. La Macchia, Manager

STATE OF WISCONSIN)
) ss.
_____ COUNTY)

Personally appeared before me this ____ day of _____, 2021, the above-named Scott J. Yauck, the Sole Member and Manager of Cobalt Partners, LLC, a manager of Cobalt Investment Holdings LLC, manager of Bayside Development Partners II, LLC, to me known to be the person who executed the foregoing agreement on behalf of said limited liability company and by its authority.

Name: _____
Notary Public, State of Wisconsin
My Commission expires: _____

STATE OF WISCONSIN)
) ss.
_____ COUNTY)

Personally appeared before me this ____ day of _____, 20____, the above-named William E. La Macchia, the Manager of La Macchia Real Estate V LLC, a manager of Bayside Development Partners II, LLC, to me known to be the person who executed the foregoing agreement on behalf of said limited liability company and by its authority.

Name: _____
Notary Public, State of Wisconsin
My Commission expires: _____

This instrument was drafted by
and upon recording return to:

SCHEDULE OF EXHIBITS

EXHIBIT A	The Property
EXHIBIT B	Preliminary Development Plan
EXHIBIT C	Project Valuations
EXHIBIT D	Initial Site Infrastructure
EXHIBIT D-1	Additional Site Infrastructure
EXHIBIT E	[Intentionally Omitted]
EXHIBIT F	Form of Certificate of Completion
EXHIBIT G	Form of Bond

EXHIBIT A

The Project

EXHIBIT B

Preliminary Development Plan

EXHIBIT C
Project Valuations

EXHIBIT D

Initial Site Infrastructure

EXHIBIT D-1

Additional Site Infrastructure

EXHIBIT E

[Intentionally Omitted]

EXHIBIT F

Form Of Certificate of Completion

_____, 20__

Village of Bayside
Attn: Village Clerk

Re: Certificate of Completion

Ladies & Gentleman,

This Certificate is being delivered pursuant to the Development Agreement dated as of _____, 202__ between the undersigned and the Village of Bayside, Wisconsin. Capitalized terms used herein which are not defined have the meanings given to them in the Development Agreement, as amended.

The undersigned hereby certifies the Initial Site Infrastructure has been completed in accordance with the requirements of the terms and conditions of the Site Improvement Agreement.

BAYSIDE DEVELOPMENT PARTNERS II, LLC

By: Cobalt Investment Holdings LLC,
Administrative Manager

By: Cobalt Partners, LLC, Manager

By: _____
Scott J. Yauck, sole member and
manager

EXHIBIT G

Form of Bond

MRO BOND

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF MILWAUKEE
VILLAGE OF BAYSIDE

TAXABLE TAX INCREMENT PROJECT MUNICIPAL REVENUE OBLIGATION (“MRO”)

<u>Date of Original Issuance</u>	<u>Amount</u>
_____	\$ _____

FOR VALUE RECEIVED, the Village of Bayside, Milwaukee County, Wisconsin (the “Village”) promises to pay to Bayside Development Partners II, LLC, a Wisconsin limited liability company (the “Developer”), through the Developer’s payment receiving agent, _____ (“Payment Agent”), or registered assigns, but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided, the principal amount not to exceed \$ _____, with interest at the annual rate of 4.5%.

This MRO shall be payable in installments of principal due on September 1 (the “Payment Dates”) in each of the years set forth in Schedule 1 attached hereto in an amount equal to the MRO Surplus Tax Increment, as such term is defined in the Development Agreement, for the prior year provided such payments are due under the Development Agreement; provided, however, final payment under this MRO contemplated in the year 20__ may occur at any time after May 31, 20__, but no later than September 1, 20__, as determined in the Village’s discretion (the “Final Payment Date”).

This MRO has been issued to finance projects within the Village’s Tax Incremental District No. __ (“District”) and is payable only from the income and revenues herein described, which income and revenues have been set aside as a special fund for that purpose and identified as the “Special Redemption Fund” provided for under the Resolution adopted on _____ by the Village Board of the Village (the “Resolution”). This MRO is issued pursuant to the Resolution and pursuant to the terms and conditions of the Development Agreement dated as of _____, 202__ between the Village and the Developer (“Development Agreement”).

This MRO does not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation or provision. This MRO shall be payable solely from MRO Surplus Tax Increment and appropriated by the Village Board to the payment of this MRO (the “Revenue”). Reference is hereby made to the Resolution and the Development Agreement for a more complete statement of the revenues from which and conditions and limitations under which this MRO is payable and the general covenants and provisions pursuant to which this MRO has

been issued. The Resolution and Development Agreement are incorporated herein by this reference. Capitalized terms used in this MRO which are not defined in this MRO shall have the meaning attributable to such terms as set forth in the Development Agreement.

The Village shall have no obligation to pay any amount of this MRO which remains unpaid after the Final Payment Date.

The Village makes no representation or covenant, express or implied, that the Available Tax Increment will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The Village's payment obligations hereunder are subject to appropriation, by the Village Board, of MRO Surplus Tax Increment to make payments due on this MRO. In addition, as provided in Article II of the Development Agreement, the total amount to be paid shall in no event exceed \$_____. When the amount of Revenue has been appropriated and applied to payment of this MRO, the MRO shall be deemed to be paid in full and discharged, and the Village shall have no further obligation with respect hereto. Further, as provided in Section IX.B of the Development Agreement, the Village shall have no obligation to make payments on this MRO in the event of certain defaults under the Development Agreement.

This MRO is a special, limited revenue obligation and not a general obligation of the Village and is payable by the Village only from the sources and subject to the qualifications stated, incorporated or referenced herein. This MRO is not a general obligation of the Village, and neither the full faith and credit nor the taxing powers of the Village are pledged to the payment of the principal of this MRO. Further, no property or other asset of the Village, except the above-referenced Revenues, is or shall be a source of payment of the Village's obligations hereunder.

This MRO is issued by the Village pursuant to, and in full conformity with, the Constitution and laws of the State of Wisconsin.

This MRO may be transferred or assigned, in whole or in part, only with the consent of the Village. Interests in this MRO may not be split, divided or apportioned. In order to transfer or assign the MRO, the transferee or assignee shall surrender the same to the Village either in exchange for a new, fully-registered municipal revenue obligation or for transfer of this MRO on the registration records for the MRO maintained by the Village. Each permitted transferee or assignee shall take this MRO subject to the foregoing conditions and subject to all provisions stated or referenced herein.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this MRO have been done, have existed and have been performed in due form and time.

IN WITNESS WHEREOF, the Village Board of the Village of Bayside has caused this MRO to be signed on behalf of the Village by its duly qualified and acting Village President and Village Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

VILLAGE OF BAYSIDE

By: _____
Name: _____
Title: _____

Attest: _____
Name: _____
Title: _____