ATTACHMENTS

III

4.4

Res. No. 161 - 14 - 15. By Alderperson Hammond. March 2, 2015.

A RESOLUTION approving the Agreement between the John Michael Kohler Arts Center, Inc. and the City of Sheboygan for Payments in Lieu of Taxes for the former Sentry Store located at 725-737 S. Taylor Drive.

RESOLVED: That the Common Council approve the Agreement between the John Michael Kohler Arts Center, Inc. and the City of Sheboygan for Payments in Lieu of Taxes for the former Sentry Store located at 725-737 S. Taylor Drive.

Finance

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

AGREEMENT BETWEEN
JOHN MICHAEL KOHLER ARTS CENTER, INC.
AND THE CITY OF SHEBOYGAN
FOR PAYMENTS IN LIEU OF TAXES

THIS AGREEMENT (the "Agreement") is made as of the 20 day of February, 2018, by and between John Michael Kohler Arts Center, Inc., a Wisconsin corporation, with its principal offices located at 608 New York Avenue, Sheboygan, WI 53081 (hereinafter "JMKAC" or "Owner"), and the City of Sheboygan, a municipal corporation of the State of Wisconsin, with its principal offices located at 828 Center Avenue, Sheboygan, WI 53081 (hereinafter "City").

WITNESSETH:

WHEREAS, the Owner has acquired a property referred to herein alternatively as the "Subject Property" or the "Property," located in the City, and more particularly described in Exhibit "A" attached hereto; and

WHEREAS, use of the Property will consist of public tours for art enthusiasts, conservation of artworks and educational training related thereto, exhibition staging and educational training related thereto, scholarly research, photography of art work for data collection and the public, and the storage/warehousing of the artworks for exhibit staging in a one-story building formerly known as the Sentry grocery store building located at 725-737 S. Taylor Drive, Sheboygan, WI (the "Project"); and

WHEREAS, the Owner intends to file a request with the City for real and personal property tax exemption under state law relative to its ownership and usage of the Property; and

WHEREAS, the Owner nonetheless recognizes that, notwithstanding a determination by the City upon such request of the Property qualifying for property tax exempt status, valuable government services will be provided to it, which services directly or indirectly relate to health, safety and welfare and, which include, but are not limited to general governmental administrative services and police services; and

WHEREAS, the Owner, upon a determination of property tax exempt status for the Property, wishes to make payments in lieu of taxes (PILOTs) to the City for the Property in recognition of those services.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Incorporation of Whereas Clauses**. The parties hereby acknowledge that the above clauses are part of this Agreement.

2. **City Services**.

(a) *Certain Services Typically Covered by Property Tax.* Irrespective of Property tax status, the City agrees to continue to furnish general governmental administrative services and police services to the Owner and the Property of the same type, and to the same extent, as are furnished, from time to time, without cost or charge (except by means of property tax and authorized fees, assessments and charges), to other similarly situated warehouses and storage facilities in the City. Nothing in this Agreement shall be construed to give Owner a contractual right to governmental services, or to impose upon City any additional duties, it being the parties' intent that the City provide public service subject to the same duties and liability as apply to the public generally. Services included herein are general governmental administrative services and police services. The City shall not have breached its obligations hereunder if it is prevented from providing such services because of typical force majeure reasons (e.g. war, flood, fire, labor dispute, supply shortage, act of God, natural disaster, etc.), or because of budgetary constraints or because any person or entity shall assert a right which prevents delivery of such services as are furnished from time to time without cost or charge (except by means of property tax) to other warehouses and storage facilities in the City.

(b) *Special Assessment, Special Charges and Fees.* Notwithstanding the above paragraph or the property tax exempt status of the Property, the Owner understands that it will be subject to special assessments, special charges and special taxes as defined in Wis. Stats. 74.01 (and as also referred to in Wis. Stats. Ch. 66) and fees charged by the City in the same manner and to the same extent that such special assessments, special charges, special taxes and fees are charged for similar services and/or undertakings to warehouses and storage facilities within the City. This provision shall not affect the City's powers, consistent with the law, to determine the services (other than those typically covered by the property tax) that shall be provided to the Property and/or similarly situated property pursuant to this paragraph. Nothing contained herein shall preclude the Owner from appealing, as provided by law, the imposition of such special assessments, special charges, special taxes or fees by the City.

3. **PILOT Payments**.

(a) *Calculation for Tax Years 2015 and Subsequent Tax Years.* In recognition of those services covered by paragraph 2(a) of this Agreement, in the event the Property is determined to be tax exempt for tax year 2015 and subsequent tax years, the Owner agrees to pay the City an annual PILOT payment for the exempt portion of the Property for each tax year (or portion thereof) during which the Owner owns the Property. If the Owner transfers or conveys the Property, the PILOT for that year will be prorated based upon the number of full months for which the Owner owned the Property.

The annual PILOT payments for such services shall be $7,000. The PILOT payment due shall be adjusted annually based upon the change in the United States Bureau of Labor Statistics Consumer Price Index (www.bls.gov) all Urban Consumers Midwest Area, Size B/C from January through December 2015 and each year thereafter. The City shall provide JMKAC with the calculation of the PILOT every five years where actual increases in the cost of providing services are reviewed and the PILOT payment is adjusted as appropriate.

(b) *Payment Due Date.* PILOTs for tax year 2015 and subsequent years shall be due and payable in full on or before January 31 of the year following the tax year for which the PILOT was calculated.

(c) *Use of Payment.* The City may use and expend PILOTs hereunder in such manner and for such purposes as to offset the City levy for those services covered under paragraph 2(a).

(d) *Nonpayment.* The Owner has a good faith duty to take affirmative steps to satisfy its PILOT obligations hereunder by making timely payments to the City. A lien shall attach to the Property in the event of nonpayment or partial payment. If the Owner meets its good faith duties under the terms of the Agreement, the City shall not take and hereby waives any enforcement or collection action against the Owner related to the PILOT. The City expressly retains its governmental rights, authority and powers available at law or in equity.

4. **Exempt Status**. Even if the City initially determines that, if the Owner uses the Property for the purposes described to City in an application for exemption, all or a portion of the Property will qualify for real and personal property tax exemption under Wisconsin law, the City Assessor's Office may review the Property's exempt status under Wis. Stats. 70.11 from time to time with the respective January dates being the reference dates for

those exemption reviews. If the City, as a result of those reviews or otherwise, including an event described in paragraph 5(b)through (d) herein, determines that the Property no longer qualifies for exemption from property tax, for the year in which the determination is made:

(a) The City will provide notice of such determination to the Owner, no later than April 30th of that year;

(b) This Agreement shall terminate with respect to that and any subsequent years for which exemption no longer applies;

(c) If a PILOT has been paid for that year, the City shall promptly refund such PILOT, or at the option of the City, offset such payments against any property taxes due from Owner; and

(d) The Property shall be placed on the property tax rolls for that and any subsequent years for which exemption has been determined not to apply.

If the Owner disagrees with the City's determination that the Property no longer qualifies for tax exemption, the Owner may challenge such determination by the appropriate procedure provided under Wisconsin law for similarly situated property.

5. **Term**. The PILOT agreement shall terminate on the soonest of any of the following-described dates:

(a) The day before the respective January 1 of the year concerning which the City determines that the Property no longer qualifies for the property tax exemption;

(b) The effective date of an enactment by the State of Wisconsin of a mandatory payment for municipal services by owners of a property exempt from the general property tax or similarly situated owners of exempt property;

(c) The effective date of a repeal by the State of Wisconsin of the property tax exemption for the Property and other similarly situated property; and

(d) The effective date of legislation or case law, which indicates that PILOT payments are not permitted by exempt property owners.

6. **Documents, Inspection, Cooperation**. The Owner agrees to cooperate with the City (including, but not limited to, the City Assessor's Office, the City Development Office, the City Attorney's

Office and the City Finance Office) with respect to this Agreement by allowing inspections of the Property upon reasonable written request of the City and by allowing inspection of leases of the Property and other documents requested of the Owner. Notwithstanding the foregoing, the City expressly reserves all its rights in law and equity to inspect and to obtain disclosure, documents, inspection and information to the extent the property owner is required to allow any such inspection under Wisconsin Law. The Owner is not hereby granting rights to inspection beyond those provided by law.

7. **Amendment**. The City and the Owner expressly reserve the right to modify and amend this Agreement from time to time, as they shall mutually agree in writing executed by both parties.

8. **Severability; Governing Law**. If any provision hereof is duly held by a court of competent jurisdiction to be invalid with respect to any circumstance or otherwise, the remainder of the Agreement and/or the application of the Agreement to any other circumstance shall not be affected thereby. The parties intend that the laws of the State of Wisconsin and ordinances and regulations of the City of Sheboygan shall be the governing law with respect to this Agreement.

9. **Authority**. The Owner represents and warrants to the City that its agents executing this Agreement have been duly authorized to so execute and to cause the Owner to enter into this Agreement. The City represents and warrants to the Owner that the undersigned City officials are duly authorized to execute and to enter into this Agreement.

10. **Binding Effect**. The rights and obligations under this Agreement shall run with the land and along with the conditions hereof, shall be binding upon the parties' successors, heirs and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized agents as of the date and year first written above.

CITY OF SHEBOYGAN	**JOHN MICHAEL KOHLER ARTS CENTER, INC.**
BY: _____ Michael Vandersteen Mayor	**BY:** _____ 2-20-15
ATTEST: _____ Susan Richards City Clerk	**ATTEST:** _____
DATED: _____	**DATED:** 2-2-15

This document is authorized by and in accordance with Res. No. _____-14-15.

This document consists of six (6) typewritten pages, including the signature page.

Approved as to form this
_____ day of _____, 2014.

_____
Stephen G. McLean
City Attorney
Sheboygan, WI 53081
WI State Bar No. 01011662

EXHIBIT "A"

LEGAL DESCRIPTION FOR JOHN MICHAEL KOHLER ARTS CENTER, INC. FORMER SENTRY STORE PROPERTY

Lot 1 of the Certified Survey Map recorded in the office of the Register of Deeds for Sheboygan County, Wisconsin, in Volume 15 of Certified Survey Maps on pages 337-340 as Document Number 1532887, being part of the SE1/4 of the SE1/4 and part of the SW1/4 of the SE1/4 and part of the NE1/4 of the NE1/4, Section 28, City of Sheboygan, Sheboygan County, Wisconsin.

(Tax Parcel No. 59281215130)

III

4.5

Res. No. 162 - 14 - 15. By Alderperson Hammond. March 2, 2015.

A RESOLUTION establishing the Commercial Façade Loan Program to be used in eligible areas to encourage revitalization of building facades in the downtown area.

WHEREAS, The Redevelopment Authority met on February 18, 2015 and recommends the Common Council consider establishing the program utilizing funding from the Economic Development Loan Program revolving loan fund account per the attached proposal.

WHEREAS, The program shall be administered by the Department of Planning and Development and new loans shall be negotiated and approved by the Redevelopment Authority on behalf of the Common Council.

RESOLVED: the Common Council approves the establishment of the new program to encourage reinvestment in older buildings in targeted areas.

Finance

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

Commercial Facade Loan Program
Proposal for RDA

Purpose:

- to encourage façade renovations following the 8th Street Design Guidelines.

Loan Requirements:

- Must create new Low-to-Moderate Income positions for up to $25,000 per job created
- An architect must be hired to prepare drawings for the proposed work. Drawings must be submitted for City Development staff approval prior to loan approval.
- Will have to pay federal wages

Loan Amount:

- up to $100,000 per property

Loan Terms:

- Interest free for 10 years
- No matching funds required

Eligibile Area:

- Michigan Ave (from N. 14th St to N. 8th St)
- 8th Street (from Michigan Ave to Indiana Ave)
- Indiana Ave (from S. 8th St to S. 14th St)

Outreach Plan:

- City Development will prepare postcards for all businesses located in target area as well as architects informing them of the program.

III

Other Matters

8.2

Res. No. 163 - 14 - 15. By Alderperson Hammond. March 2, 2015

A RESOLUTION approving amendments to the City of Sheboygan Economic Development Loan Program.

WHEREAS, The Redevelopment Authority met on February 18, 2015 and recommends the Common Council consider the following changes to the program:

1. Increase the amount loaned per job from $10,000 to $25,000 per new Full-time equivalent job created.
2. Increase the requirement that loans cannot exceed 30% of the total project costs to 50% of the total project cost.
3. Change the interest rate from 3% below the Prime Interest rate or a floor of 3% to the Applicable Federal Rate (AFR) at the time of the loan.

RESOLVED: the Common Council approves the amendments to the Economic Development Loan Program and authorizes the City Development Department to incorporate these changes in Economic Development Loan Program Policies and Procedures Manual for the program.

Finance

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

Res. No. 14 - 15. By Alderperson Hammond & Carlson
March 16, 2015

A RESOLUTION to authorize a transfer of appropriations in the 2015 Budget.

RESOLVED: That the Finance Director be and is hereby authorized and directed to make the following transfer of appropriations in the 2015 Budget for the purpose of:

Establish appropriation for New York Avenue and Lot 13, parking reconstruction and parking lot lighting.

FROM	**TO**	**AMOUNT**
Parking Utility Fund Unreserved Retained Earnings 650-272000	Parking Utility Fund Lot Improvements 65095000-631200	$435,000