



CDA MEMBERS PRESENT: R. Richardson, J. Garski, M. Langendorf, J. Henke, F. Risler & J. Thorsen

CDA MEMBERS ABSENT: G. Feest (excused)

VILLAGE BOARD MEMBERS PRESENT: J. Garski, A.M. Clausen, S. Havn, J. Hewitt, R. McCluskey & D. DeGroot

VILLAGE BOARD MEMBERS ABSENT: G. Feest (excused)

Staff: L. Martin, L. Million (RCEDC), L. Dawson (RCEDC), C. Geary

1. Call to Order/Roll Call

The CDA was called to order at 4:00 p.m. by R. Richardson. The Village Board was called to order at 4:00 p.m. by J. Garski.

2. Pledge of Allegiance

3. Public Comment - None

4. Approval of July 27, 2015 CDA Meeting Minutes

J. Thorsen motioned, F. Risler seconded to approve the July 27, 2015 CDA Meeting Minutes. Motion carried unanimously 6-0.

5. Seda North America, Inc. – First Amendment to Development Agreement | TID No. 1

L. Martin outlined the executive summary: In December 2011, the Village entered into a Development Agreement with Seda North America, Inc. providing Pay-As-You-Go annual tax reimbursements from TID No. 1. This agreement continues through the lifespan of TID 1 (expected to close in 2026) and reimburses a net 76% of Seda’s annual generated increment through a complex calculation involving several parcel values. The Agreement incorporated the possibility that Seda would acquire an “option parcel” south of the current facility for expansion, allowing them to benefit from additional value they may add there. Seda exercised this option and purchased the additional property in 2013.

Seda approached RCEDC and the Village in early 2015 to inquire about additional incentives to retain an expansion in Mount Pleasant as opposed to a new alternative location. The CDA and Village Board previously met in joint closed session meetings on April 6 and June 4, 2015 to discuss any additional incentive options for Seda. As a result of those discussions, RCEDC offered a combined incentive package from the Village and Racine County to retain the Seda expansion in May 2015 (which was accepted by Seda - see attached letter of assistance dated May 12, 2015). The Village offered incentive for the expansion totals \$250,000 in the form of a cash grant payable to Seda at the time of building occupancy. These funds would be expended from TID 1 Fund 420. As previously mentioned, Seda would also receive the benefit (per the original Agreement) of increased annual reimbursements - the added value of the expansion would be included as part of the annual calculation.



The expansion consists of 125,902 sq. ft. to be constructed off the south end of the existing facility. Seda obtained a height variance from the Zoning Board of Appeals on July 22, 2015 and site plan/building approval at the August 19 Plan Commission meeting. Attached you will find an amendment to the Development Agreement which outlines the terms of the \$250,000 grant for the expansion phase.

L. Martin recommended that the CDA and Village Board approve the First Amendment to Seda Development Agreement to formalize the \$250,000 one-time cash incentive.

J. Thorsen motioned, F. Risler seconded for the CDA to approve the amendment to the Seda Development Agreement, offering a one-time cash grant of \$250,000 for the building expansion. Motion carried unanimously 6-0.

D. DeGroot motioned, R. McCluskey seconded for the Village Board to approve the amendment to the Seda Development Agreement, offering a one-time cash grant of \$250,000 for the building expansion. Motion carried unanimously 6-0.

6. MLG/Hwy 20 Limited Partnership – Development Agreement | TID No. 4

L. Martin presented the basics of the Development Agreement and Executive Summary: In February 2015, the CDA and Village Board approved a Memorandum of Understanding between the Village and MLG outlining an original proposed TID 1 development in partnership with Opus (154,000 sq. ft. spec building). At that time, the scope involved a borrowing of \$2.16 million for TID 1 infrastructure and an increment guarantee by MLG totaling \$13.5 million. This plan for TID 1 was abandoned by MLG due to concern over the required increment and the remaining lifespan in TID 1.

Staff and MLG subsequently discussed alternatives for proceeding with the Opus project. On June 4, 2015, Village staff presented a concept for the creation of Tax Increment District (TID) No. 4, overlapping mainly undeveloped portions of TID 1 and incorporating the MLG properties. The creation of a new TID would start the 20 year district clock over, and thus require less increment to cover roughly the same borrowing and infrastructure cost. The basic terms of a Development Agreement were also presented on June 4 – outlining a \$2.19 million borrowing for construction of a portion of Globe Drive and pledged increment of \$8 million (phase 1 Opus building and other parcels – see Exhibit D). Since that time, the Village has completed the creation of TID No. 4 with the Joint Review Board adopting the final project plan by resolution on August 17. The Board also passed the initial resolution for the borrowing of \$2.19 on August 10. Staff has also been working closely with MLG and Ruekert & Mielke (consulting engineer) on the design of Globe Drive and related utilities, as well as the Opus site plan. The Village Plan Commission approved the Opus Phase 1 site plan/building elevations as well as a certified survey map by MLG dedicating the necessary portion of Globe Drive and creating the Opus parcel(s) at their August 19 meeting.

Attached you will find a Development Agreement formalizing the Village obligations relating to Globe Drive and utilities (“Initial Improvements”) as well as MLG obligations (Right of Way dedication, grading, increment target, Letter of Credit, Escrow Fund, any needed special assessments, etc). This Agreement differs from previous TIF agreements in that it does not hard date increment or building guarantees, but rather outlines a general intent. The agreement does, however, provide various mechanisms to make



the Village whole should MLG default or not generate the needed increment to cover any annual bond payments.

Total Project Incentive: \$2.0 Million (\$2.19 Million TID 4 Borrowing)
Increment Target: \$8.0 Million (January 1, 2017)

Construction of the public infrastructure as well as the Opus building is scheduled to begin in September/October 2015 with Completion mid-2016. Staff is also in process of coordinating a tri-party agreement between MLG, Opus, and the Village to provide certain guarantees to Opus relative to road completion and scheduling.

L. Martin recommended that the CDA and Board approve the Development Agreement with MLG/Highway 20 Limited Partnership to formalize the TID 4 Borrowing and allow for the public infrastructure and Opus building to proceed.

J. Thorsen motioned, F. Risler seconded for the CDA to approve the Development Agreement with MLG. Motion carried unanimously 6-0.

D. DeGroot motioned, S. Havn seconded for the Village Board to approve the MLG Development Agreement. Motion carried unanimously 6-0.

7. Adjournment

At 4:29 p.m., F. Risler motioned, and J. Henke seconded for the CDA to adjourn. Motion carried unanimously.

S. Havn motioned, and J. Hewitt seconded for the Village Board to adjourn. Motion carried unanimously.