

The Common Council met as Committee of Whole on July 17, 2018. Mayor Grigg called the Committee of Whole to order at 6:00 p.m.

Alders Present: Marschke, Frami, Miller, and Vanderhei.

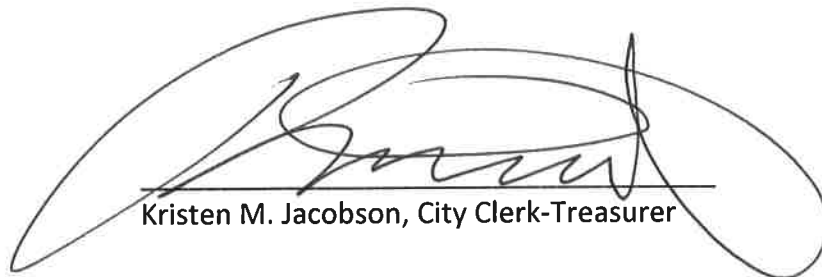
Alders Absent: Anfinson and Hady.

Mayor Grigg led the Pledge of Allegiance.

Motion by Vanderhei, second by Miller, to adjourn into Closed Session for the purpose of negotiating Developer Agreements per WI Stats. 19.85 (1)(c).

All voting AYE. Motion carried.

The Committee of Whole adjourned into Closed Session.



Kristen M. Jacobson, City Clerk-Treasurer

KMJ

**CLOSED SESSION**

The Committee of Whole adjourned into Closed Session on an announcement and motion made in Open Session.

Scott Harrington and Dan Johns of Vandewalle & Associates were also in attendance during the Closed Session.

Scott Harrington provided an explanation of the Term Sheet between Bogdana LLC and City of Horicon for the extension of Horicon Street. If the terms are agreeable to the Council the Term Sheet will be formulated into a Development Agreement for the Council's approval. Key elements of the Term sheet include the following:

- Bogdana is responsible for 1/3 of the cost of road.
- If Bogdana creates \$1,225,000 in assessed value on vacant lots by January 1, 2022 they will no longer be responsible for payment of the 1/3 cost of the road.
- If Bogdana fails to create \$1,225,000 in assessed value the amount owed to the City will be reduced by a percentage equal to the percentage of actual increase in assessed value created.
- The City will issue an MRO to Bogdana in the amount of \$50,000 with annual payments of 50% of the increment from new development on Bogdana property beginning in 2020 and ending in 2023.
- If the City recoups the 1/3 cost of the road from Bogdana it will continue to make 25% annual increment payments until the expiration of the TID in 2027
- At no point will the Bogdana receive more than \$50,000.
- The City will not provide additional TID assistance for TID #4 unless the individual project exceeds \$1,225,000.

Discussion was held relating to the term sheet. Consensus by the Council to accept the terms and prepare a Development Agreement for the July 24<sup>th</sup> Council meeting.

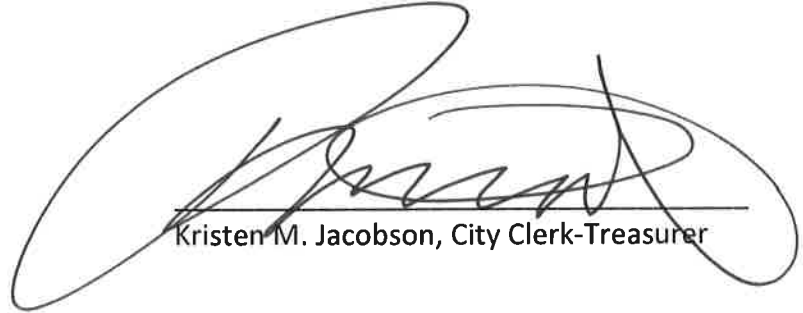
Scott Harrington provided an explanation of the Development Agreement between Premier Horicon, LLC and the City of Horicon for the construction of 3 12-unit apartment buildings. Key elements of the Agreement include the following:

- City will extend Horicon Street at our cost.
- City will issue an MRO to Premier in the amount of \$384,816 payable in annual installments from the increment of the Project at the rate of a 70/30 split with Premier receiving 70% and the City retaining 30%.
- Premier's Project's minimal value shall be \$2,880,000.
- Premier will not contest any assessed value at \$3,000,000 or below

Discussion was held relating to the Agreement as well as how to address potential cost overruns of the street extension and the potential for high bids. Consensus to move on with the Agreement but request language stating if bids come in at \$500,000 the Project will not

move forward, and language stating costs over \$438,902 shall be paid 75% by the City and 25% by Premier with Premier's portion being deducted from their annual TID payment.

Motion by Frami, second by Vanderhei, to adjourn.  
All voting AYE. Meeting adjourned at 7:15 p.m.



Kristen M. Jacobson, City Clerk-Treasurer

KMJ