

1 STATE OF WISCONSIN WAUKESHA COUNTY VILLAGE OF ELM GROVE

2 RESOLUTION No. _____

3

4 RESOLUTION AUTHORIZING A \$9,800,000

5 TID INSTALLMENT GRANT BY

6 THE VILLAGE OF ELM GROVE, WISCONSIN

7 TO

8 CAROLINE HEIGHTS APARTMENTS LLC.

9

10 WHEREAS the Village of Elm Grove, Wisconsin (the "Village") has created its Tax Incremental
11 District No. 3 ("TID No. 3") for the purpose of promoting blight elimination in the Village; and

12

13 WHEREAS Caroline Heights Apartments, LLC (the "Developer") is undertaking a development
14 project in TID No. 3 pursuant to the terms of a Development Agreement dated
15 _____, 2022, between the Developer and the Village (the "Development
16 Agreement"); and

17

18 WHEREAS in order to further redevelopment in TID No. 3, the Village has agreed pursuant to
19 the terms of the Development Agreement, to provide a tax incremental district installment grant
20 payable solely from tax increments generated from TID No. 3;

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22 **NOW, THEREFORE, BE IT RESOLVED** by the Board of Trustees of the Village of Elm
23 Grove, Wisconsin, as follows:

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25 Section 1. Authorization of TID Installment Grant. For the purpose of financing blight
26 elimination projects in TID No. 3, the Village shall provide a tax incremental district installment
27 grant (the "TID Installment Grant") to the Developer in consideration for the obligations
28 undertaken by the Developer under the Development Agreement. The total of the TID
29 Installment Grant disbursements shall be in the amount of \$9,800,000 as is provided in the
30 Development Agreement (the "Grant Amount"). At no time shall any installment of the TID
31 Installment Grant bear any interest.

32 Disbursements of the TID Installment Grant shall be made yearly in installments paid on October
33 1 (the "Grant Payment Date") currently projected to commence in 2024 and continuing through

34 2050. The amount of each installment of the TID Installment Grant disbursed on each Grant
35 Payment Date shall be equal to the Available Tax Increment (as defined in Article II B.3. of the
36 Development Agreement) generated by the TID No. 3 in the twelve (12) month period preceding
37 the Grant Payment Date, less the Village's scheduled installment payments for the Village
38 Obligations (as defined in the Development Agreement) and the Village's actual out of pocket
39 costs incurred in connection with the audit and administration of TID No. 3 as set forth in and
40 limited by Article XIII C. of the Development Agreement. Disbursements of the TID Installment
41 Grant are subject to annual appropriation by the Board of Trustees as provided in Section 3
42 below.

43 The TID Installment Grant shall be subject to payment in whole or from time to time in part at
44 any time, at the option of the Village.

45 The schedule of installments of the TID Installment Grant is found to be such that the amount of
46 annual grant payments is reasonable in accordance with prudent municipal assessment/financial
47 practices.

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49 Section 2. Payable Solely From Revenues. The TID Installment Grant disbursements shall be
50 payable only out of the Special Revenue Fund as hereinafter provided, and shall be a valid claim
51 by the owner/beneficiary thereof only against the Special Revenue Fund and from the revenues
52 pledged to such fund, and shall be payable solely from Available Tax Increment.

53 As stated above, the application of Available Tax Increment to payment of the TID Installment
54 Grant disbursements is subject to annual appropriation by the Village Board. However, the
55 Village fully expects and anticipates that to the extent Available Tax Increment is generated by
56 TID No. 3, it will, in each year, appropriate Available Tax Increment to payment of the TID
57 Installment Grant as described in Section 1.

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59 Section 3. Special Revenue Fund. For the purpose of the application and proper allocation of the
60 Available Tax Increment and to secure the payment of the TID Installment Grant, the Special
61 Revenue Fund is hereby created and shall be used solely for the purpose of paying the costs
62 identified in Article XIII C. of the Development Agreement in accordance with the provisions of
63 the Development Agreement. The Village agrees that all Available Tax Increment will be
64 deposited into the Special Revenue Fund and shall not be used to make payments on any other
65 obligations other than as provided in Article XIII.C. of the Development Agreement.

66 Uninvested money in the Special Revenue Fund shall be kept on demand deposit with such bank
67 or banks as may be designated from time to time by the Village as public depositories under the
68 laws of Wisconsin. Such deposits of Special Revenue Fund money shall be secured to the fullest
69 extent required by the laws of Wisconsin and the general investment policy of the Village.

70 Money in the Special Revenue Fund, if invested, shall be invested in direct obligations of, or
71 obligations guaranteed as to principal and interest by, the United States of America, or in

72 certificates of deposit secured by such obligations and issued by a state or national bank which is
73 a member of the Federal Deposit Insurance Corporation and is authorized to transact business in
74 the State of Wisconsin, maturing not later than the date such money must be transferred to make
75 payments on the TID Installment Grant. All income from such investments shall be deposited in
76 the Special Revenue Fund. Such investments shall be liquidated at any time when it shall be
77 necessary to do so to provide money for any of the purposes for the Special Revenue Fund.

78 All Available Tax Increment shall be deposited in the Special Revenue Fund, and no other fund
79 is created by this Resolution.

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81 Section 4. Application of Revenues to Payment of the TID Installment Grant. On each Grant
82 Payment Date, the Village shall apply to the payment of the applicable TID Installment Grant
83 disbursement the Available Tax Increment appropriated by the Board of Trustees to the payment
84 of the TID Installment Grant.

85 If on any Grant Payment Date there shall be insufficient Available Tax Increment appropriated to
86 pay the next disbursement of the TID Installment Grant, the amount of Available Tax Increment
87 available but not paid shall accumulate and be payable on the next Grant Payment Date until the
88 final Grant Payment Date. The Village shall have no obligation to pay any amounts allocated for
89 the TID Installment Grant which remain unpaid after the final Grant Payment Date and the
90 owner/beneficiary of the TID Installment Grant shall have no right to receive payment of such
91 amounts thereafter.

92 In any event, the TID Installment Grant and any obligation to make payments on the TID
93 Installment Grant shall terminate on the earliest of (1) the date on which the full amount of the
94 TID Installment Grant has been paid in full or (2) the Grant Payment Date in 2050 (after the
95 payment outstanding on that date is made), or the later date of October 1 in the final budget year
96 for which incremental taxes are collected if the TID No. 3 is extended beyond 2050. In addition,
97 the maximum aggregate amount to be paid on the TID Installment Grant shall not exceed
98 \$9,800,000.

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100 Section 5. Persons Treated as Owners; Transfer of TID Installment Grant. The Village
101 Clerk/Deputy Treasurer shall keep books to track the transfer of the TID Installment Grant. The
102 person/entity in whose name the TID Installment Grant has been issued or assigned shall be
103 deemed and regarded as the absolute owner and beneficiary thereof for all purposes and payment
104 of the TID Installment Grant disbursements shall be made only to the assigned owner/beneficiary
105 thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon
106 the TID Installment Grant to the extent of the sum or sums so paid.

107 The TID Installment Grant may be transferred or assigned, in whole or in part, by the then
108 owner/beneficiary thereof only (i) collaterally to the holder of a mortgage on the Apartment
109 Project (as defined in the Development Agreement) and/or (ii) to a permitted transferee of the
110 Apartment Project in each case as provided in Article XVIII (I) of the Development Agreement

111 and in each case without the consent of the Village, by an assignment duly executed by the then
112 owner/beneficiary or its attorney duly authorized in writing. Any other transfers of the TID
113 Installment Grant will require the consent of the Village. Upon such transfer or assignment, the
114 Village Clerk/Treasurer shall be provided with all information necessary to record the name of
115 the transferee or assignee in the Village's records.

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117 Section 6. General Authorizations. The Village President and Village Clerk and the appropriate
118 officials of the Village in accordance with their assigned responsibilities are hereby each
119 authorized to execute, deliver, publish, file and record such other documents, instruments,
120 notices and records and to take such other actions as shall be necessary or desirable to
121 accomplish the purposes of this Resolution and to comply with and perform the obligations of
122 the Village under the Development Agreement relating to the TID Installment Grant.

123 In the event that said officers shall be unable by reason of death, disability, absence or vacancy
124 of office to perform in timely fashion any of the duties specified herein, such duties shall be
125 performed by the officer or official succeeding to such duties in accordance with law and the
126 rules of the Village.

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128 Section 7. Relationship of the TID Installment Grant and Development Agreement. The TID
129 Installment Grant is being made pursuant to and in fulfillment of the Village's obligations under
130 Article XIII of the Development Agreement.

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132 Section 8. Effective Date. This Resolution shall be effective immediately upon its passage and
133 approval.

134 Adopted and approved this _____ of _____, 2022.

135
ATTEST: VILLAGE OF ELM GROVE, WISCONSIN
By: _____
By: _____ Neil H. Palmer

Village Clerk

Village President

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EXHIBIT A

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Description of TID N0.3

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