

Development Agreement
by and between
The City of Shullsburg, Wisconsin
and

_____ (Developer)

THIS AGREEMENT, made and entered into this _____ day of _____, 200__ by and between the City of Shullsburg, Lafayette County, Wisconsin, a municipal corporation organized pursuant to the laws of the State of Wisconsin, (hereafter referred to as “the City”), and _____ (hereafter referred to collectively as “Developer”).

WHEREAS, Section 66.431(6)(b) of the Wisconsin Statutes grants Cities the power and procedures to carry out the purposes of the Tax Increment Law; and

WHEREAS, The City has created Tax Incremental District # ____ (hereafter referred to as TID ____); and

WHEREAS, Developer owns real property, physically located at _____, Shullsburg, Wisconsin, within TID ____ (the development site), as shown in Attachment A, and would like to develop a _____, thereby benefiting the City through the creation of additional tax revenue, jobs, and community services; however, this development will require the developer to borrow the funds necessary to finance said development, and cannot occur without assistance from the municipality in the form of cash payments equaling a percentage of the incremental tax revenue generated by Developer’s TIF eligible improvements; and

WHEREAS, The City can assist in the development of TID ____ by providing loan repayment funds to the Developer from the tax increment generated by Developer’s TIF eligible improvements; and

WHEREAS, The City approves of property and economic improvement to TID ____, and has created TID ____ to assist the City and private developers in recovering their respective borrowed costs spent in furthering said improvements, and

WHEREAS, The City agrees to pay annually up to ____% of all tax increment generated by Developer’s improvements within TID ____.

NOW, THEREFORE, it is mutually agreed on between the City and Developer as follows:

- 1) The Developer shall undertake private development on the development site in the year 200__ and complete construction/rehabilitation of the _____ in TID ____ which increases the equalized value of TID ____ by at least \$_____. The development shall be substantially completed no later than _____.

2) The City shall make annual cash payments to the Developer in an amount equal to ____% of all tax increment, as defined by §66.46(2)(i), that is generated by the development site subsequent to this agreement. Said payments shall commence in the first calendar year following the first tax year in which tax increment is generated by the development site.

3) If the tax increment that is created by the new construction is not enough in any given year to cover the Developer's debt service on the business loan made to the Developer, the Developer shall pay the difference. In such year that the Developer has no remaining eligible debt related to improvements made at the development site, payments under this agreement shall cease, and the City shall thereafter retain all incremental revenue generated by Developer's improvements for the remaining life of TID _____. Regardless of any other circumstance, this agreement shall terminate upon the statutory termination of TID _____, as determined by Wisconsin law in existence at the time of TID _____'s creation.

4) The Developer agrees to make every reasonable effort to create or retain ____ jobs in 2007, ____ jobs in 2008, and ____ jobs in 2009, with the understanding between the parties that market fluctuations may affect Developer's ability to comply strictly with those projections and that reasonable variation from said projections may be necessary.

5) During the life of this agreement, Developer may, from time to time, renegotiate the terms under which it borrows funds necessary for improvements to the development site. That notwithstanding, Developer may not, at any time during the life of this agreement, consolidate or co-mingle debt related to improvements to the development site with other non-related debt.

6) Developer shall, as directed by the City Clerk/Treasurer, annually present verification that debt equal to or greater than the cash payment for that year is still owed by Developer. At such time that remaining debt is less than the full anticipated payment, said payment shall be reduced so as not to exceed the then remaining debt. At no time shall Developer receive cash payments that exceed remaining eligible debt.

III. Amendments

Any amendment to this agreement requires the written agreement of the City and Developer.

IV. Severability

If any provision of this Agreement is held invalid, the remainder of this agreement shall not be affected thereby and such remainder would then continue to conform to the requirements of applicable laws.

IN WITNESS WHEREOF, the parties hereto have executed this agreement of the day and year first written above.

ATTEST:

DEVELOPER'S NAME

ATTEST:

CITY OF SHULLSBURG
