05.03.16

FIRST AMENDMENT TO THE AMENDED AND RESTATED GUNDERSEN LUTHERAN DEVELOPMENT AGREEMENT

This First Amendment to the Amended and Restated Gundersen Lutheran Development Agreement (hereafter "Amendment") is made by and among the **City of La Crosse**, Wisconsin, a Wisconsin municipal corporation with offices located at 400 La Crosse Street, La Crosse, Wisconsin, 54601 ("**City**"), and **Gundersen Lutheran Administrative Services, Inc.**, a Wisconsin nonprofit corporation, located at 1900 South Avenue, La Crosse, WI 54601, individually and as agent for **Gundersen Clinic, Ltd.**, a Wisconsin nonprofit corporation and multi-specialty group practice with its principal offices at 1836 South Avenue, La Crosse, WI 54601, and **Gundersen Lutheran Medical Center, Inc.**, a Wisconsin nonprofit corporation and tertiary hospital with its principal offices at 1910 South Avenue, La Crosse, WI, 54601, (collectively referred to as "**Developer**").

This space is reserved for recording data

Return to

City Attorney
400 La Crosse Street
La Crosse WI 54601

Parcel Identification Number/Tax Key Number

WITNESSETH:

Whereas, on May 24, 2012, the parties entered into an Amended and Restated Gundersen Lutheran Development Agreement (the "Development Agreement") to reclaim surface parking, eliminate blight, increase tax base through mixed uses, alleviate traffic congestion, maintain the character of the City's neighborhoods and retain jobs within the City of La Crosse;

Whereas, the Development Agreement provided for the construction and development of a hotel and restaurant as well as the potential reimbursement of certain development incentives of the Developer;

Whereas, the parties wish to set forth in this Amendment their respective commitments, understandings, rights and obligations; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein exchanged, and other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties hereto agree as follows:

1. **Land Affected**. The parties acknowledge that the Amendment will encompass and/or affect the following real property:

See attached **Exhibit I** and certain public streets and rights-of-way serving the same.

2. **Development Incentive**. Section 3.1(d) of the Development Agreement allows the Developer to coordinate and recover a development incentive subject to certain conditions and City approval. The Developer has requested and the City agrees to reimburse the development incentive through TID #14 in accordance with the Development Agreement. To that end, the Developer shall provide to the City, at no cost, documentation in form and substance acceptable to the City's Director of Finance, to calculate and confirm the maximum development incentive applicable under the Development Agreement. The parties agree that the development incentive shall be repaid through the tax increment from the Base Development Amount and Additional Gundersen Campus Development in Excess of Base Development Property. Cash grant payments generated from the Base

Development Amount and Additional Gundersen Campus Development in Excess of the Base Development Property shall first be allocated to the cash grants identified in Sections 3.1(a) and 3.1(b) of the Development Agreement and then secondarily to the development incentive.

3. **Additional Gundersen Campus Development in Excess of Base Development Property.** Section 3.1(b) of the Development Agreement allows the Developer to receive certain cash grants from potential hotel and restaurant development projects. Section 2.1(a) of the Development Agreement provides that the Developer shall commence construction within 36 months after completion of the Joint Plan. The Developer has requested and the City agrees to adjust this timeframe and pay said cash grants in accordance with the Development Agreement. The hotel project shall commence in 2016. The restaurant project shall commence no later than in 2017. The substantial completion date for the hotel and restaurant projects shall be December 31, 2017.

4. **Illustrative Example.** An updated illustrative example of the repayment of the Monetary Obligation and development incentive is attached as **Exhibit J**, which shall update the previous **Exhibit E** of the Development Agreement.

4. **Other Provisions.** Except as described herein, all other terms, conditions, covenants and promises of the Development Agreement, and all exhibits thereto shall remain unchanged and in full force and effect.

5. **Execution of Amendment.** Developer shall sign, execute and deliver this Amendment to the City on or before the close of regular City Hall business hours forty-five (45) days after its final adoption by the City. Developer's failure to sign, execute and cause this Amendment to be received by the City within said time period shall render the Amendment null and void, unless otherwise authorized by the City. After Developer has signed, executed and delivered the Amendment, the City shall sign and execute the Amendment.

6. **Authority to Sign.** The person signing this Amendment on behalf of Developer certifies and attests that its respective Articles of Organization, Articles of Incorporation, By Laws, Member's Agreement, Charter, Partnership Agreement, Corporate or other Resolutions and/or other related documents give full and complete authority to bind Developer, on whose behalf the person is executing this Amendment. Developer assumes full responsibility and holds the City harmless for any and all payments made or any other actions taken by the City in reliance upon the above representation.

IN WITNESS WHEREOF, the parties to this Amendment have caused this instrument to be signed and sealed by duly authori representatives of Developer and the City this 28th day of Sept, 2016.

***

05.03.16

DEVELOPER: Gundersen Lutheran Administrative Services, Inc.
Gundersen Clinic, Ltd.
Gundersen Lutheran Medical Center, Inc.

BY: _____
Mark Platt

STATE OF WISCONSIN)
) S.S.
LA CROSSE COUNTY)

Personally came before me this 21st day of Sept, 2016, the above-named Mark Platt, the Sr. VP of the Developer to me known to be the persons who executed the foregoing instrument and acknowledged the same.

_____
Notary Public - State of Wisconsin
My Commission Is Permanent

CITY OF LA CROSSE, WISCONSIN: (SEAL)

_____
Timothy Kabat, Mayor

Countersigned:

_____
Teri Lehrke, City Clerk

STATE OF WISCONSIN)
) S.S.
LA CROSSE COUNTY)

Personally came before me this 28th day of Sept, 2016, the above named Timothy Kabat, Mayor, and Teri Lehrke, City Clerk, to me known to be the persons who executed the foregoing instrument and acknowledged the same,

_____
Notary Public - State of Wisconsin
My Commission 11-2-18

This Document Was Drafted By:
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608.789.7511

Daniel J. Lilly, General Counsel
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1900 South Avenue
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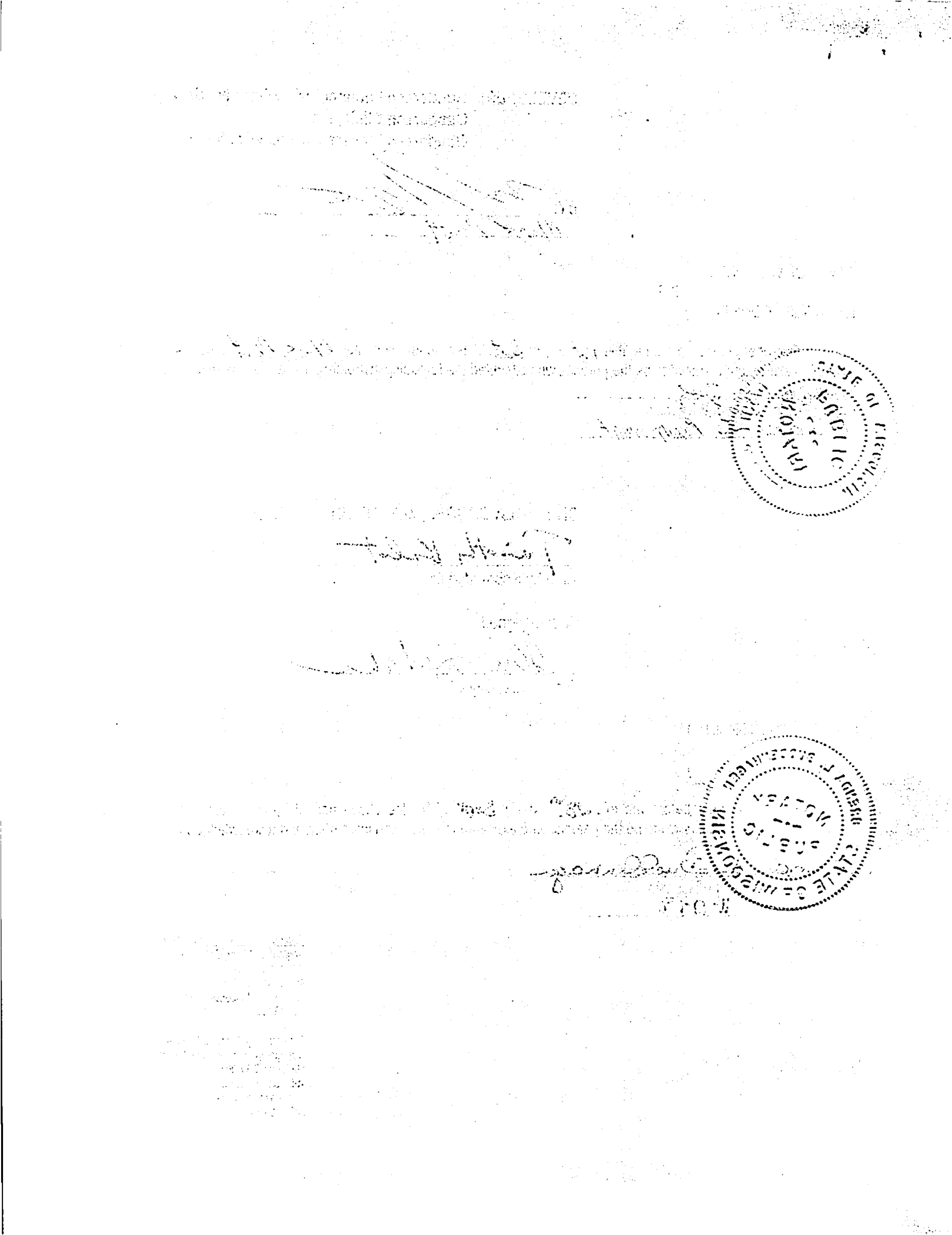

EXHIBIT

I

Gundersen Campus Legal Description

A part of the NW 1/4 of the NW 1/4, and the SE 1/4 of the NW 1/4, and the SW 1/4 of the NW 1/4, and the NE 1/4 of the SW 1/4 and the NW 1/4 of the SW 1/4 of Section 8, T15N, R7W, City of La Crosse, La Crosse County, more particularly described as follows:

Beginning at the center of the intersection of Sixth Street South with Farnam Street; thence easterly along the centerline of Farnam Street to the centerline of Eighth Street South; thence southerly along the centerline of Eighth Street South to the centerline of Tyler Street; thence easterly on the centerline of Tyler Street to the centerline of Ninth Street; thence southerly along the centerline of Ninth Street to the centerline of Green Bay Street; thence easterly along the centerline of Green Bay Street to the extended east line of Lot 1 of Helleman Industrial Plat; thence southerly along said extended line to the northeast corner of said Lot 1; thence along the East line thereof South 00°01'31" East 230.11 feet to the Northerly line of that parcel described in Volume 1212 of Records, Page 794, Document Number 1186973; thence along said Northerly line of the arc of a 501.51 foot radius curve, concave to the Southwest, the chord of which bears North 74°28° 05" West 69.06 feet, a distance of 69.11 feet to Point B; thence continuing along said Northerly line North 78°24'59" West 22.30 feet; thence continuing along said Northerly line on the arc of a 621.77 foot radius curve, the chord of which bears North 80°42'18" West 49.71 feet, a distance of 49.72 feet; thence continuing along said Northerly line North 84°07'41" West 50.22 feet to the Northeasterly right-of-way line of South Avenue. Thence continue on said line to the centerline of South Avenue; thence southerly along said centerline to the extended northwesterly line of a parcel described in Volume 826, Page 630, Document Number 1013237 of County Records; thence southwesterly along said extended line and along the northerly and westerly line of said parcel to the north line of Scham's Business Addition; thence westerly along said north line to the northwest corner of Lot 3 of said Addition; thence southwesterly and easterly along said Lot 3 boundary to the southwestern most line of Lot 2 of said Addition; thence southeasterly and easterly along the boundary of said Lot 2 to the west line of Shooting Park Addition; thence southerly along said west line to the south line of Maple Street; thence southeasterly to the south line of said addition; thence southerly along the extended west line of Lot 8 of Shooting Park Addition 118.5 feet; thence S 89°28'18" E to a point that is 267 feet west of the east line of the Northeast Quarter of the Southwest Quarter of Section 8; thence southerly along a line that is 267 feet west of said east line 300 feet; thence east 267 feet to said east line; thence south along said east line to the southeast corner of the Northeast Quarter of the Southwest Quarter of Section 8; thence westerly along the south line of said quarter, quarter to a point 1066.55 feet east of the southwest corner of said quarter, quarter (as measured along said south line); thence N 33°14'30" W 198.79 feet; thence N60°43'20" W 70.50 feet; thence

South 89°42'40"W 900 feet more or less to the west line of said quarter, quarter; thence northerly along said west line 283 feet more or less to the northern bulkhead line of Swift Creek; thence S88°27'W 75 feet more or less to a bend in said bulkhead line; thence following along said bulkhead line for the next nine calls; S62°32'20" W 105.4 feet; S 0°34' W 132.0 feet; S 37°37'W 7.0 feet; S 89°52'20" W 463.5 feet; N87°8'11" W 220.80 feet; N67°22'31" W 66.90 feet; N55°50'51" W 375.20 feet; S34°31'39" W 26.5 feet; N66°54'51" W 29.96 feet to the east line of Seventh Street; thence continue on same line to the centerline of Seventh Street; thence northerly along said centerline to the intersection with South Avenue and Tyler Street; thence easterly on the centerline of Tyler Street to the centerline of Sixth Street; thence northerly along the centerline of Sixth Street to the point of beginning.

EXHIBIT J-1: MONETARY OBLIGATION EXAMPLE

CASH GRANT SCHEDULE

PLANNED DEVELOPMENT: Base Development Amount with Parking Ramp #2 (PILOT)

Tax Year (Valuation Date)	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022
Base Value of Property								
Actual BDA Value Increment - 2015 (w/ P. Ramp #2 PILOT)	42,195,200	42,406,176	42,618,207	42,831,298	43,045,454	43,260,682	43,476,985	43,694,370
Total Assessed Value (Value Increment)	42,195,200	42,406,176	42,618,207	42,831,298	43,045,454	43,260,682	43,476,985	43,694,370
Mill Rate	0.02913	0.02913	0.02913	0.02913	0.02913	0.02913	0.02913	0.02913
Tax Increment	1,229,146	1,235,292	1,241,468	1,247,676	1,253,914	1,260,184	1,266,485	1,272,817
Cash Grants								
City's Reconciliation Payment	280,328							
City's Proration (15%)		185,294	186,220	187,151	188,087	189,028	189,973	190,923
City's Allocation of Tax Increment	280,328	185,294	186,220	187,151	188,087	189,028	189,973	190,923
City's Cumulative Cash Grants ($2.775M Max.) (before incentive)	1,070,183	1,255,476						
City's Cumulative Cash Grants ($2.91M Max.) (post-incentive)			1,441,697	1,628,848	1,816,935	2,005,963	2,195,935	2,386,858
Developer's Cash Grants								
Developer's Reconciliation Payment	948,818							
Developer's Proration (85%)		1,049,998	1,055,248	1,060,524	1,065,827	1,071,156	1,076,512	1,081,894
Developer's Cash Grants	948,818	1,049,998	1,055,248	1,060,524	1,065,827	1,071,156	1,076,512	1,081,894
Developer's Cumulative Cash Grants ($15.725M Max.) (pre-incentive)	6,064,368	7,114,366						
Developer's Cumulative Cash Grants ($16.49M Max.) (post-incentive)			8,169,615	9,230,139	10,295,966	11,367,122	12,443,634	13,525,528
Aggregate Cash Grants Unpaid ($18.5M Max.) (pre-incentive)	11,365,449	10,130,157						
Aggregate Cash Grants Unpaid ($19.4M Max.) (post-incentive)			9,788,689	8,541,013	7,287,099	6,026,915	4,760,431	3,487,614
Payment Date	9/1/2016	9/1/2017	9/1/2018	9/1/2019	9/1/2020	9/1/2021	9/1/2022	9/1/2023

NOTE 1: Assumes 0.5% appreciation. 0.005
NOTE 2: Assumes base value of property is zero.
NOTE 3: Assumes Developer to receive $900K development incentive starting in 2017.
NOTE 4: TID closes in 2026 and could be extended through 2029.
NOTE 5: Assumes the development incentive is paid entirely from the Base Development Amount.
NOTE 6: Reconciliation payment to be made on 9-1-16 to return to 85-15 split.
8/18/1990

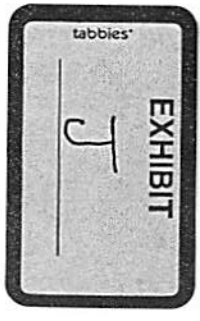

EXHIBIT J-2: MONETARY OBLIGATION EXAMPLE

CASH GRANT SCHEDULE

Additional Gundersen Campus Development in Excess of Base Development Property

Tax Year (Valuation Date)	Base year 1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022
Base Value of Property							
Actual Value Increment-add'l development-2016		2,500,000	2,512,500	2,525,063	2,537,688	2,550,376	2,563,128
Actual Value Increment-add'l development-2017			2,500,000	2,512,500	2,525,063	2,537,688	2,550,376
Total Assessed Value (Value Increment)	0	2,500,000	5,012,500	5,037,563	5,062,750	5,088,064	5,113,504
Mill Rate	0.02913	0.02913	0.02913	0.02913	0.02913	0.02913	0.02913
Tax Increment	0	72,825	146,014	146,744	147,478	148,215	148,956
Cash Grants							
City's Proration (15%)		10,924	21,902	22,012	22,122	22,232	22,343
City's Allocation of Tax Increment		10,924	21,902	22,012	22,122	22,232	22,343
City's Cumulative Cash Grants ($300K Max.)	0	10,924	32,826	54,837	76,959	99,191	121,535
Developer's Proration (85%)		61,901	124,112	124,733	125,356	125,983	126,613
Developer's Cash Grants	0	61,901	124,112	124,733	125,356	125,983	126,613
Developer's Cumulative Cash Grants ($1.7M Max.)	0	61,901	186,013	310,746	436,102	562,085	688,698
Aggregate Cash Grant Unpaid	2,000,000	1,927,175	1,781,161	1,634,417	1,486,939	1,338,723	1,189,767
Payment Date		9/1/2018	9/1/2019	9/1/2020	9/1/2021	9/1/2022	9/1/2023

NOTE 1: Assumes 0.5% appreciation. 0.005
NOTE 2: Assumes base value of property as zero.
NOTE 3: Assumes partial construction in 2016 and substantial completion in 2017.
NOTE 4: TID closes in 2026 and could be extended through 2029.
NOTE 5: Assumes no development incentive occurs or it is entirely paid by the Base Development Amount.
8/18/2016