



**SECOND AMENDMENT TO THE 2219 LOFTS DEVELOPMENT AGREEMENT**

This Second Amendment to the 2219 Lofts Development Agreement (the "Second 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 (the "City") and 2219 Lofts Limited Partnership, a Wisconsin limited partnership with offices located at 801 Washington Ave. N #108, Minneapolis, MN 55401 ("Developer").

**WITNESSETH:**

Whereas, the parties entered into a 2219 Lofts Development Agreement ("Development Agreement") on February 1, 2016, which was recorded on February 17, 2016 as document no. 1670227;

Whereas, the parties entered into a First Amendment to the 2219 Lofts Development Agreement ("First Amendment") on March 8, 2018, which was recorded on April 5, 2018 as document no. 1708409;

Whereas, it is necessary to further amend the Development Agreement;

Whereas, the Development Agreement, First Amendment and this Second Amendment pertain to the Real Estate described in the attached Exhibit A to this Second Amendment; and

Whereas, the parties wish to set forth in this Second Amendment their respective commitments, understandings, rights and obligations as more fully described herein.

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. **Project Definition.** Section 1.3(j) of the Development Agreement is deleted in its entirety and replaced with the following language:

"Project" means the development and improvement of the Real Estate by the constructing, refurbishing, renovating and developing currently underused property into low-income housing units located on the Real Estate all as described in more detail on Exhibit B and in accordance with the Project-Specific Plan. Subject to the terms and conditions of this Agreement, uses for the Project shall be determined by zoning. The term, "Project" includes land, but excludes personal property.

1759865

LACROSSE COUNTY  
REGISTER OF DEEDS  
CHERYL A. HCBRIDE

RECORDED ON  
11/19/2020 12:34PM  
REC FEE: 30.00  
EXEMPT #:   
PAGES: 7

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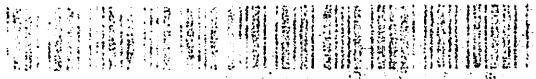
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Drafted by and when recorded return to:

City Attorney  
400 La Crosse Street  
Lacrosse WI 54601

Parcel Identification Number Tax Key Number

17-50281-70



# REPORT

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2. **Billboards.** Section 2.2(g) of the Development Agreement is deleted in its entirety and replaced with the following language:

**Billboards.** Developer shall permanently remove any billboards and off-premise signs on the premises within five (5) years of the Signature Date or as early as legally permissible according to the lease agreements with the sign tenant, whichever is earlier.

3. **Base Value.** Section 3.1(d) of the Development Agreement is created to read as follows:

**Base Value of Real Estate.** The parties agree that the base value of the Real Estate shall be three hundred nineteen thousand three hundred dollars (\$319,300.00), consisting of both land and improvements prior to the commencement of the Project.

4. **Assessed Values and Value Increment.** Section 3.1(e) of the Development Agreement is created to read as follows:

**Assessed Values and Value Increment.** The parties agree that the assessed values and value increment for the Project are as follows for the specified tax years:

	2016	2017	2018	2019	2020
Assessed Value (Imp.)	10,000	499,000	684,900	684,900	684,900
Assessed Value (Land)	348,800	196,600	196,600	196,600	196,600
Assessed Value (Total)	358,800	695,600	881,500	881,500	881,500
Base Value	319,300	319,300	319,300	319,300	319,300
Value Increment	39,500	376,300	562,200	562,200	562,200

5. **Cash Grant Disbursement.** Section 3.1(f) of the Development shall be created to read as follows:

**Disbursement.** Upon determining compliance with all other terms and conditions of the Development Agreement, the City shall make the following cash grant payments to Developer within ninety (90) days after the parties have executed the Second Amendment:

	2016	2017	2018	2019
Value Increment	39,500	376,300	562,200	562,200
Mill Rate	0.0291	0.0291	0.0292	0.0257
Tax Increment	1,149	10,962	16,399	14,420
Developer's allocation	0.85	0.85	0.85	0.85



Cash Grant

977

9317

13,939

12,257

6. **Monetary Obligation – Exhibit G.** The First Amendment’s Exhibit G is deleted in its entirety and replaced with the updated Exhibit G, which is attached to this Second Amendment.

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

8. **Execution of Amendment.** Developer shall sign, execute and deliver this Second 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 Second Amendment to be received by the City within said time period shall render the Second Amendment null and void, unless otherwise authorized by the City. After Developer has signed, executed and delivered the Second Amendment, the City shall sign and execute the Second Amendment.

9. **Authority to Sign.** The person signing this Second Amendment on behalf of Developer certifies and attests that the respective Articles of Organization, Articles of Incorporation, By Laws, Member’s Agreement, Charter, Partnership Agreement, Corporate or other Resolutions and/or other related documents of Developer give full and complete authority to bind Developer, on whose behalf the person is executing this Second 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. Further, Developer agrees to indemnify the City against any and all claims, demands, losses, costs, damages or expenses suffered or incurred by the City resulting from or arising out of any such payment or other action, including reasonable attorney fees and legal expenses.

10. **Miscellaneous.** The Development Agreement, as amended by this Second Amendment, remains in full force and effect and is binding on the parties’ successors and assigns. This Second Amendment may be executed in any number of counterparts, all of which are considered one and the same amendment notwithstanding that all parties hereto have not signed the same counterpart. Signatures of this Second Amendment, which are transmitted either or both by electronic or telephonic means (including, without limitation, facsimile and email) are valid for all purposes. Any party shall, however, deliver an original signature of this Second Amendment to the other party upon request.

**[The balance of this page is intentionally left blank.]**

IN WITNESS, the parties to this Second Amendment have caused this instrument to be signed and sealed by duly authorized representatives of Developer and the City this 22 day of October, 2020.

2219 Lofts Limited Partnership

City of La Crosse

By: [Signature]

By: [Signature]  
Timothy Kabat, Mayor

Print Name: Robert McCready

Its: Co-President

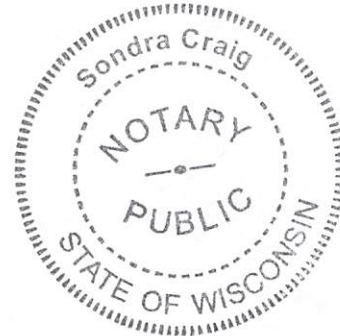
By: [Signature]  
Teri Lehrke, City Clerk

Subscribed and sworn before me  
this 1 day of October, 2020

Subscribed and sworn before me  
this 22<sup>nd</sup> day of October, 2020

[Signature]  
Notary Public, State of Minnesota  
My Commission: 31035700

[Signature]  
Notary Public, State of Wisconsin  
My Commission: Expires: 11/11/2021



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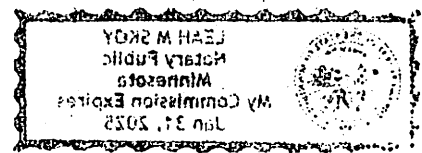
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## Exhibit A

**Legal Description: Lot 10 of John Koller's Addition to City of La Crosse, La Crosse County, Wisconsin. AND Part of the Southeast Quarter of the Northwest Quarter of Section 8, Township 15 North of Range 7 West, in the City of La Crosse, La Crosse County, Wisconsin, described as follows: Beginning at a stone monument at the Northwest corner of J. Koller's Addition to the City of La Crosse; thence Northwesterly along the Northeast line of South Avenue 200.32 feet to an iron pipe; thence Northeast, at right angles with said Street line 144.3 feet to an iron pipe in the Southwesterly line of the Chicago, Burlington & Quincy Railroad Company right-of-way; thence Southeasterly along said right-of-way 139 feet; thence West along said right-of-way line 38 feet; thence Southeasterly along said right-of-way line 292.45 feet to the North line of said J. Koller's Addition; thence Westerly along said North plat line 266.9 feet to the point of beginning, EXCEPT the right-of-way of the Chicago, Burlington & Quincy Railroad Company. TOGETHER WITH a non-exclusive easement and perpetual right-of-way over a driveway 14 feet in width, said driveway being next adjoining the property above described on the North and running from the Mormon Coulee Road to the right-of-way of the Chicago Burlington & Quincy Railroad Company. AND All that parcel of land located in the South half of the Southeast Quarter of the Northwest Quarter of Section 8, Township 15 North, Range 7 West of the Fourth Principal Meridian at City of La Crosse, County of La Crosse, State of Wisconsin, described as follows: Beginning at a point on the North line of said South half of the Southeast Quarter of the Northwest Quarter of Section 8, 50 feet perpendicularly distant, Southwesterly of, the Chicago, Burlington & Quincy Railroad Company former main line track center line; thence East along said North line, 53 feet more or less to a point 20 feet perpendicularly distant Southwesterly of said track center line; thence Southeasterly along a line 20 feet normally distant Southwesterly of said main line track center line, 150 feet to a point; thence Southwesterly along a straight line, 30 feet more or less to a point, 10 feet radially distant Northerly of said Railroad Company's track No. 2 center line; thence Northwesterly along a line 50 feet normally distant, Southwesterly of said main tract center line, 200 feet more or less to the point of beginning. EXCEPTING, however, all of coal, oil, gas and other minerals underlying the surface of the above described premises, formerly reserved unto the Chicago, Burlington & Quincy Railroad Company, its successors and assigns in the City of La Crosse, La Crosse County, Wisconsin.**



Exhibit B

# Project Description

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## *Bakalar's Building*

**10-3-14**

**The former Bakalar's Sausage Building is the focus of our submissions for this Request for Qualifications. This development is the substantial rehabilitation of the former Bakalar's Sausage Building into 24 apartments consisting of one-, two-, and three-bedroom apartments. The interior space will be transformed into contemporary living spaces respecting and enhancing the existing fabric of the building. The development will provide common spaces such as a community room, lounge area, fitness room, lobby, on-site laundry, computer area, storage areas, and a common patio area. Each unit will provide a fully equipped kitchen, dining area, living room, bedroom(s), closets and bathroom(s). These apartments will be available to anyone meeting the income requirements for 30% AMI, 50% AMI, 60% AMI and market rate. Rents will be determined based upon location, number of bedroom/bathrooms, and size of units. The rents will not be subsidized, and tenants will undergo income and background checks for suitability.**

**Due to the history of the building, we intend to formalize its historical status by nominating it for listing on the National Register of Historic Places. If approved, this will result in all work meeting the requirements for the substantial rehabilitation of historic structures as defined by the National Park Service (NPS) division of the Department of the Interior and the Wisconsin Historical Society (WHS). The substantial rehabilitation will enhance the existing external appearance of the building. This will be accomplished through retaining and restoring as much of the existing details, openings, window locations and entries as possible. A new elevator will be installed in the building to service all floors. The intent of the interior design will be to reflect the historic location and use of the interior spaces. The building will be designed for full accessibility to all units on all levels.**

**EXHIBIT G**  
**MONETARY OBLIGATION EXAMPLE**  
(2219 Lofts Development Agreement)

Tax Year (Valuation Date)	Base Year 1/1/2015	1/1/2016	1/1/2017	Guarantee 1/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
Value of Improvements	10,000	10,000	499,000	684,900	684,900	684,900	690,037	695,212	700,426	705,679	710,972	716,304
Value of Land	404,100	348,800	196,600	196,600	196,600	196,600	198,075	199,560	201,057	202,565	204,084	205,615
<b>Total Assessed Value</b>	<b>414,100</b>	<b>358,800</b>	<b>695,600</b>	<b>881,500</b>	<b>881,500</b>	<b>881,500</b>	<b>888,111</b>	<b>894,772</b>	<b>901,483</b>	<b>908,244</b>	<b>915,056</b>	<b>921,919</b>
Base Value	<u>319,300</u>	<u>319,300</u>	<u>319,300</u>	<u>319,300</u>	<u>319,300</u>	<u>319,300</u>	<u>319,300</u>	<u>319,300</u>	<u>319,300</u>	<u>319,300</u>	<u>319,300</u>	<u>319,300</u>
Value Increment	94,800	39,500	376,300	562,200	562,200	562,200	568,811	575,472	582,183	588,944	595,756	602,619
Mill Rate		0.0291	0.0291	0.0292	0.0257	0.0299	0.0299	0.0299	0.0299	0.0299	0.0299	0.0299
Tax Increment		1,149	10,962	16,399	14,420	16,815	17,013	17,212	17,413	17,615	17,819	18,024
Maximum tax increment available for disbursement		1,149	10,962	16,399	14,420	16,815	17,013	17,212	17,413	17,615	17,819	18,024
City's Retainage of Cash Grant Disbursements:												
<u>City's Allocation of Tax Increment (15%)</u>		<u>172</u>	<u>1,644</u>	<u>2,460</u>	<u>2,163</u>	<u>2,522</u>	<u>2,552</u>	<u>2,582</u>	<u>2,612</u>	<u>2,642</u>	<u>2,673</u>	<u>2,704</u>
City's Cumulative Retainage (\$24.9K Max.)		172	1,817	4,277	6,440	8,962	11,514	14,096	16,708	19,350	22,023	24,726
Cash Grants yet to be Retained (\$24.9K Max.)	24,900	24,728	23,083	20,623	18,460	15,938	13,386	10,804	8,192	5,550	2,877	174
Developer's Cash Grant Disbursements:												
<u>Developer's Allocation of Tax Increment (85%)</u>		<u>977</u>	<u>9,317</u>	<u>13,939</u>	<u>12,257</u>	<u>14,293</u>	<u>14,461</u>	<u>14,630</u>	<u>14,801</u>	<u>14,973</u>	<u>15,146</u>	<u>15,321</u>
Developer's Cumulative Cash Grants (\$141.1K Max.)		977	10,294	24,234	36,491	50,784	65,245	79,876	94,677	109,649	124,796	140,116
Developer's Aggregate Cash Grants Unpaid (\$141.1K Max.)	141,100	140,123	130,806	116,866	104,609	90,316	75,855	61,224	46,423	31,451	16,304	984
Payment Date		TBD	TBD	TBD	TBD	9/1/2021	9/1/2022	9/1/2023	9/1/2024	9/1/2025	9/1/2026	9/1/2027

Note 1: Cash grants based on improvements only.  
Note 2: Assume 0.75% appreciation of assessed value after 2020.  
8/20/2020