



DOC# 1234265

**CITY OF MANITOWOC TID NO. 21  
DEVELOPMENT AGREEMENT WITH AMMO  
INCORPORATED**

STATE OF WI - MTWC CO  
KRISTI TUESBURG REG/DEEDS  
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**15 CHG**

THIS SPACE RESERVED FOR RECORDING DATA

NAME AND RETURN ADDRESS

City Clerk  
City of Manitowoc  
900 Quay Street  
Manitowoc, WI 54220

052-449-007-010  
052-449-007-011  
052-449-007-020

Parcel Identification Numbers

This instrument was drafted by:  
Adam Tegen  
City of Manitowoc  
Community Development Director



**CITY OF MANITOWOC TID NO. 21  
DEVELOPMENT AGREEMENT WITH  
AMMO INCORPORATED**

**THIS AGREEMENT** (hereinafter called the "Agreement") is made as of the 6 day of April 2021, by and between The City of Manitowoc (hereinafter called the "CITY") and AMMO Incorporated, or its assignee or designee (hereinafter called the "DEVELOPER"). The CITY and DEVELOPER may collectively be referred to as the "PARTIES."

**WITNESSETH:**

**WHEREAS**, DEVELOPER seeks to construct the Project defined below on several parcels of land known as Lots 1, 2 and 3 of Certified Survey Map, Volume 33, Page 202, <sup>ZC1 AB</sup> Document #1195931, City of Manitowoc, Manitowoc County, Parcels 052-449-007-010, 052-449-007-011, and 052-449-007-020, more specifically described as and shown on Exhibit A (the "Property"); and

**WHEREAS**, DEVELOPER will invest a total of approximately \$12 million on the Property including building construction, equipment purchases, site preparation, and soft costs. Construction will be for a new, state-of-the-art, 112,000 square foot manufacturing facility, 28,000 square foot warehousing facility, and 20,000 square foot office space (all figures approximate). The estimated construction cost is approximately \$10 to 12 million (the "Project"). The purpose of the Project is to house AMMO, Incorporated ("AMMO") loaded ammunition and munition components manufacturing operations in order to measurably increase production, while solidifying DEVELOPER's commitment to its Manitowoc location and resulting in job creation; and

**WHEREAS**, the Property is located in Tax Increment Finance District No. 21 ("TID 21"), and planned public investments identified in the Project Plan for TID 21 include site development and development project contributions. The use of Tax Incremental Financing is necessary for the Project to take place, as the Project is impacted by the unique primer and powder storage needs, high inventory coverage costs, and the high capital costs associated with specialized equipment; and

**WHEREAS**, the CITY created TID 21 to promote industrial development and to accommodate growth of existing manufacturing businesses in the community along with new development, creating tax base and employment opportunities for the community; and

**WHEREAS**, the completed Project is anticipated to result in additional economic activity and increased property values throughout TID 21.

**NOW, THEREFORE**, in consideration of the promises and obligations set forth, it is mutually agreed between the PARTIES as follows:



- I. PROPOSED PROJECT SCOPE AND CONSTRUCTION. DEVELOPER agrees to construct the Project including an approximately 160,000 square foot manufacturing/warehousing/office facility and specialized equipment to support continued business growth in accordance with this Agreement. The total Project costs will be approximately \$12 million with an estimated construction cost of \$10 to 12 million. The assessed value increase is estimated to be \$7.5 million.
- A. The DEVELOPER shall complete the Project (which shall be deemed achieved by the delivery of a final certificate of occupancy for main portion of the building included in the Project and constructed on the Property) by December 31, 2022 (the "Completion Date") in accordance with site and building plans as approved by the CITY.
- B. The CITY will cooperate and use reasonable efforts with respect to any and all permits necessary for completion of the Project including without limitation approvals needed from all City departments (e.g., Fire, Police, Planning, Industrial Development Corporation, Council and all other approving or permitting authorities).
- C. The DEVELOPER shall comply with all applicable federal, state, and municipal codes throughout the Project, including submitting site plans and obtaining applicable permits.
- D. In recognition of the provided incentive, the DEVELOPER shall be cognizant of the CITY'S preference for DEVELOPER to utilize local contractors in the Project.
- E. The Preliminary Concept Plan for the Project (hereinafter "Concept Plan") is attached as Exhibit "B" and is incorporated by reference to this Agreement. By execution of this Agreement, the PARTIES expressly approve the Concept Plan. The CITY or the DEVELOPER may at any time propose modifications to the Concept Plan subject to the agreement of the CITY and the DEVELOPER. All site and building plans are subject to review and approval by the CITY for compliance with federal, state and municipal code requirements.
- F. The time for performance of any term, covenant, or condition of this Agreement shall be extended by any period of unavoidable delays. In this Agreement, "unavoidable delays" means beyond the reasonable control of the party obligated to perform the applicable term, covenant, or condition under this Agreement and shall include, without limiting the generality of the foregoing, delays attributable to adverse environmental conditions (such as contaminated soil or groundwater), adverse weather conditions, acts of God, pandemic or epidemic, any other party in this Agreement, strikes, labor disputes, labor shortages, materials shortages, governmental restrictions, court injunctions, riot, civil commotion, acts of public enemy and casualty or delay in obtaining any necessary permit from any governmental agency.

II. FINANCIAL ASSISTANCE



- A. The City shall provide a Total Incentive of 22.67%, inclusive of interest and borrowing costs, of the assessed value created by the Completion Date. Based upon the estimated assessed value of \$7,500,000, the Total Incentive is estimated at \$1,700,000. The City shall provide an Initial TIF Payment of \$750,000 per subsection II(C) and an estimated Annual TIF Payment of \$700,000 to be paid beginning in 2031 per subsection II(D). In the event the total increment on the Completion Date is less than or exceeds the estimated assessed value, the Annual TIF Payment shall be adjusted to maintain the Total Incentive at 22.67%, inclusive of interest and borrowing costs, of the assessed value. The adjustment shall be accomplished by increasing or reducing the value of the Annual TIF Payment. The Initial TIF Payment shall remain static at \$750,000 and not be adjusted.
  
- B. The Total Incentive shall be calculated by multiplying the 2022 Project Completion Date Tax Value by 22.67%. The total amount of the Annual TIF Payment shall be calculated by taking the Total Incentive and subtracting the Initial TIF Payment of \$750,000 and directly related interest and borrowing costs, divided by seven years. In mathematical terms:  
  

$$\text{Total Incentive} = \text{2022 Project Completion Tax Value} * .2267$$

$$\text{Annual TIF Payment} = (\text{Total Incentive} - \text{Upfront Payment of } \$750,000 - \text{borrowing costs and interest})/7$$
  
- C. The Initial TIF Payment of \$750,000 shall be provided in three installments during the course of construction of the Project. The first installment of \$375,000 shall be made upon the issuance of a building permit for the project. The second installment of \$187,500 shall be made upon the Project passing the electrical rough-in inspection. The third installment of \$187,500 shall be made upon the issuance of a final occupancy permit for the Project.
  
- D. The Annual TIF Payment shall begin in 2031 (based on 2030 real estate taxes) and continue for seven years. CITY shall reimburse the DEVELOPER in equal yearly payments, estimated at \$100,000, a portion of the Annual TIF Increment Revenue paid to TID 21 for the Property until the Total Incentive equals 22.67% of the assessed value of the Project on the Completion Date. The City may elect to complete the Annual TIF Payment sooner than the seven-year period outlined if funding allows.
  
- E. The CITY shall take no action to terminate or dissolve TID 21 prior to December 31, 2039, unless the Annual TIF Payment has been fully paid to the DEVELOPER. For the avoidance of doubt, the cumulative value of the Annual TIF Payment shall not result in an exceedance of the Total Incentive.
  
- F. The Annual TIF Payment will be made each year by August 15 following the CITY receiving proof from DEVELOPER that the annual real estate and personal property tax bills for the Property have been paid in full, whether in one payment or in installments as permitted by state law and the Manitowoc Municipal Code.



G. The CITY shall sell the DEVELOPER, via warranty deed(s), parcels 052-449-007-010, 052-449-007-011, and 052-449-007-020 at a total cost of \$1.

III. DEVELOPER'S TRANSFER RESTRICTIONS AND OBLIGATIONS

- A. DEVELOPER shall be prohibited from selling or transferring the Property to an entity which is exempt from real estate taxes without the CITY's written consent.
- B. Until completion of the obligations under the Section I.A. above, there shall be no sale of the Property, nor any assignment of rights or obligations under this Agreement, without written CITY consent, which shall not be unreasonably withheld. This statement shall not prohibit mortgages, leases or easements, which leave DEVELOPER liable to CITY under this Agreement. DEVELOPER may assign their payments to a lending institution as collateral, and the Community Development Director for CITY is authorized to consent to such an arrangement upon approval of the Finance Director/Treasurer and City Attorney, which approval shall not be unreasonably withheld. In addition, notwithstanding any other provision herein, DEVELOPER may assign ownership of the Property to an affiliate entity.

IV. OTHER RIGHTS AND REMEDIES.

- A. **Termination and Remedies.** Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, such party shall, upon written notice from any other party, proceed promptly to ensure or remedy such default or breach, and, in any event, within 60 days after receipt of such notice unless such default or breach cannot, with reasonable diligence, be cured within such period in which case said defaulting party shall commence such cure within such period and diligently proceed to cure such default. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings to compel specific performance by the party in default or breach of its obligation.

Completion of the development in accordance with the terms and conditions of this Agreement is the essential and unique consideration for the obligations of the DEVELOPER and the CITY; accordingly, the CITY and the DEVELOPER shall, in the event of legal proceedings, seek remedies to compel the specific performance of the defaulting party as the only adequate remedy and shall not seek damages in lieu of specific performance unless specific performance is legally unavailable, in which event the CITY and the DEVELOPER may seek damages as authorized. No other remedies for the PARTIES to this agreement exist outside of this Agreement.

- B. **Municipal Officials Not to Take Interest in Agreement.** No official or employee of the CITY shall have any personal interest in this Agreement, nor shall any such person voluntarily acquire any ownership interest, direct or indirect, in the legal entities which are PARTIES to this Agreement. No official or employee of the CITY



shall be personally liable to the DEVELOPER or any successor in interest, in the event of any default or breach by the CITY, or for any amount which becomes due to the DEVELOPER or its successors under this Agreement.

- C. **Developer Financing.** Notwithstanding Section III or any other provision contained herein, The DEVELOPER may transfer, assign or encumber the Property in order to secure financing for the Property and/or for construction of the Project and any refinancing thereof. Said lender may place liens and/or mortgages on the Property, including any renewals, extensions, replacements, modifications or refinancing. Lender's mortgages and/or loans may be transferred or assigned by lender in a secondary market without prior CITY approval. In any circumstance, Lender shall provide reasonable notice to the CITY of such actions. This Section shall survive any foreclosure proceeding.
- D. **Applicable Law, Severability and Entire Agreement.** This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin governing agreements made and fully performed in Wisconsin. All litigation surrounding this agreement shall occur in Manitowoc County Circuit Court or the Eastern District of Wisconsin. If any provision of this Agreement, or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, then (unless in the judgment of the party or PARTIES thereby adversely affected such provision was a material part of the consideration for their entering into this Agreement, that without it they would not have entered into this Agreement) the remainder of this Agreement or the application of such provision, or portion thereof, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. This Agreement sets forth the entire understanding between the CITY and the DEVELOPER with respect to its subject matter, there being no terms, conditions, warranties or representatives with respect to its subject matter other than that contained herein. This Agreement shall be binding upon and shall inure to the benefit of the PARTIES hereto, their respective successors and assigns.
- E. **Amendments to Agreement.** This Agreement may not be changed orally, but only by agreement in writing and signed by the PARTIES hereto.
- F. **Third Parties.** Except as expressly provided otherwise in this Agreement, the provisions of this Agreement are for the exclusive benefit of the PARTIES hereto and not for the benefit of any other persons, as third-party beneficiaries or otherwise, and this Agreement shall not be deemed to have conferred any rights, expressed or implied, upon any other person.
- G. **No Partnership Created.** This Agreement specifically does not create any partnership or joint venture between the PARTIES hereto, or render any party liable for any of the debts or obligations of any other party.
- H. **Formalities and Authority.** The PARTIES hereto represent and warrant that they are validly existing and lawful entities with the power and authorization to execute



and perform this Agreement. The headings set forth in this Agreement are for convenience and reference only, and in no way define or limit the scope of content of this Agreement or in any way affect its provisions.

- I. **Notices and Demands.** A notice, demand or other communications under this Agreement shall be sufficiently given or delivered if it is deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested or delivered personally:

To DEVELOPER: AMMO Incorporated  
Attn: John Flynn  
7681 E. Gray Rd.  
Scottsdale, AZ 85260

With a required copy to: Attorney Andrew Steimle  
Steimle Birschbach LLC  
21 Maritime Drive  
Manitowoc, WI 54220

To CITY: City of Manitowoc  
Attention: City Clerk  
900 Quay Street  
Manitowoc, WI 54220

or to such other address, within the United States, with respect to a party as that party may from time to time designate in writing and forward to the other as provided in this Section. A copy of any notice, demand or other communication under this Agreement given by a party under this Agreement to any other party under this Section shall be given to each other party to this Agreement.

- J. **Nonmerger and Survival.** Any provision in this Agreement which has not been fully performed prior to transfer of possession shall not be deemed to have terminated, but shall, unless expressly waived in writing, survive such transfer of possession and be in force and effect until performed.

[Signature pages follow.]



IN WITNESS WHEREOF, the PARTIES have executed this Agreement as of the year and date set forth above, and by so signing this Agreement, certify that they have been duly and properly authorized by their respective entities to make these commitments, and intend them to be binding upon their respective entities and to execute this Agreement on their behalf.

DEVELOPER:

AMMO Incorporated

By: [Signature]  
Name: Fred Wagenhals  
Its: Chairman & CEO

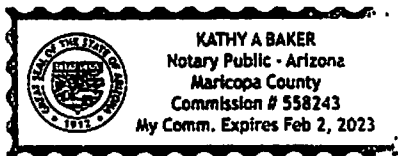
STATE OF ARIZONA )

) ss.

MARICOPA COUNTY )

Personally came before me this 6<sup>th</sup> day of April, 2021, the above-named Fred Wagenhals to me known to be the person who executed the foregoing instrument as the Chairman and Chief Executive Officer of Ammo Incorporated.

Kathy A. Baker  
Notary Public, State of Arizona  
My Commission: 2.2.2023









**Exhibit A**  
**Legal Description of the Property**

Tax Parcels: 052-449-007-010, 052-449-007-011, and 052-449-007-020

Lots One (1), Two (2), and Three (3) Volume 33 Certified Survey Maps, Page <sup>201</sup>~~202~~, as Document No. 1195931, being a Certified Survey Map located in the Southeast Quarter of the Southwest Quarter (SE ¼ of the SW ¼) and in the Southwest Quarter of the Southwest Quarter (SW ¼ of the SW ¼) of Section Twenty-seven (27), and in the Northeast Quarter of the Northwest Quarter and in the Northwest Quarter of the Northwest Quarter of Section Thirty-four (34), Township Nineteen (19) North, Range Twenty-three (23) East, in the City of Manitowoc, Manitowoc County, Wisconsin being a resurvey of Lots 1 and 2 Block 7 of the Manitowoc I-43 Industrial Park Subdivision No. 3.



DOC # 1195931

1821SCS

CERTIFIED SURVEY MAP LOCATED IN THE SE 1/4 OF THE SW 1/4 AND IN THE SW 1/4 OF THE SW 1/4 OF SECTION 27, AND IN THE NE 1/4 OF THE NW 1/4 AND IN THE NW 1/4 OF THE NW 1/4 OF SECTION 34, T.19N., R.23E., CITY OF MANITOWOC, MANITOWOC COUNTY, WISCONSIN BEING A RESURVEY OF LOTS 1 AND 2, BLOCK 7 OF THE MANITOWOC 1-43 INDUSTRIAL PARK SUBDIVISION NO. 3

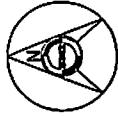
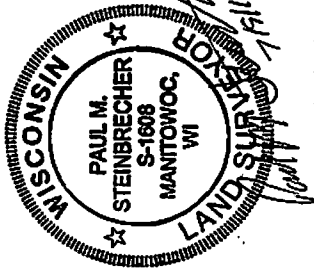
STATE OF WI-MTWC CO  
KRISTI TUESBURG REG/DEEDS  
RECEIVED FOR RECORD  
07/12/2018 8:32:00 AM

CIVIL & STRUCTURAL ENGINEERS  
SMI  
102. REVERE DRIVE  
MANITOWOC, WI. 54220-3147  
PHONE 984-3883 FAX 984-5884

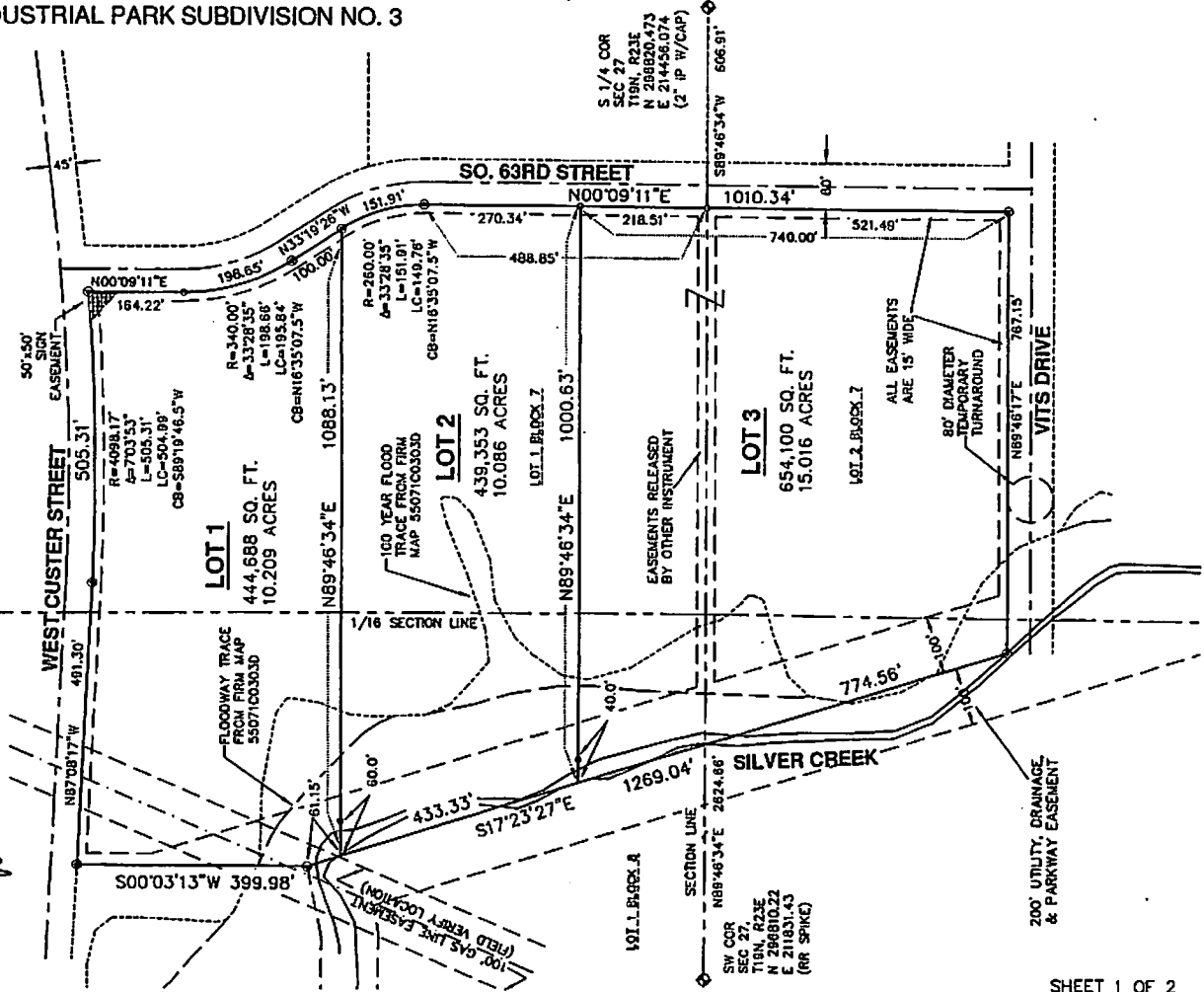


- ⊙ - EXISTING 1-1/4" IRON ROD
- - 1" IRON PIPE SET WEIGHING 1.50 lbs./ft

ALL BEARINGS ARE RELATED TO THE WISCONSIN COORDINATE REFERENCE SYSTEM



SCALE IN FEET





DOC# 1195931

1821925

CERTIFIED SURVEY MAP LOCATED IN THE SE 1/4 OF THE SW 1/4 AND IN THE SW 1/4 OF THE SW 1/4 OF SECTION 27, AND IN THE NE 1/4 OF THE NW 1/4 AND IN THE NW 1/4 OF THE NW 1/4 OF SECTION 34, T.19N., R.23E., CITY OF MANITOWOC, MANITOWOC COUNTY, WISCONSIN BEING A RESURVEY OF LOTS 1 AND 2, BLOCK 7 OF THE MANITOWOC 1-43 INDUSTRIAL PARK SUBDIVISION NO. 3

SURVEYOR'S CERTIFICATE

I, Paul M. Steinbrecher, Professional Land Surveyor with SMI do hereby certify that I have surveyed and mapped the following described tract:  
A tract of land in the SE 1/4 of the SW 1/4 and in the SW 1/4 of the SW 1/4 of Section 27, and in the NE 1/4 of the NW 1/4 and in the NW 1/4 of the NW 1/4 of Section 34, T. 19 N., R. 23 E., City of Manitowoc, Manitowoc County, Wisconsin, being a resurvey of Lots 1 and 2, Block 7 of the Manitowoc 1-43 Industrial Park Subdivision No. 3 described as follows:

Commencing at the South 1/4 corner of said Section 27, thence S89°46'34"W along the section line 606.91 feet to the west right of way of So. 63rd Street, the point of real beginning, thence N00°09'11"E along said right of way 488.85 feet to the point of curvature of a 260 foot radius right of way curve to the left, thence northwesterly along the arc of said curve 151.91 feet (chord N16°35'07.5"W, 149.76 feet), thence N33°19'26"W along said right of way 100.00 feet to the point of curvature of a 340 foot radius right of way curve to the right, thence northwesterly along the arc of said curve 198.66 feet (chord N16°35'07.5"W 195.84 feet), thence N00°09'11"E along said right of way 164.22 feet to the south right of way of West Custer Street, also being a point on a 4098.17 foot radius right of way curve to the right, thence southwesterly along the arc of said curve 505.31 feet (chord S89°19'46.5"W 514.99 feet) thence N87°08'17"W along said right of way 491.30 feet, thence S00°03'13"W 399.98 feet, thence S17°23'27"E 1269.04 feet to the north right of way of Vits Drive, thence N89°46'17"E along said right of way 767.15 feet to said west right of So. 63rd Street, thence N00°09'11"E along said right of way 521.49 feet to the point of real beginning.

Said tract contains 35.311 acres (1,538,141 square feet)

I further certify that the adjacent map is a true representation of said property and correctly shows the exterior boundary lines and correct measurements thereof. Also that I have fully complied with the requirements of Chapter 236.34 of the Wisconsin Statutes and Chapter 21 of the Municipal Code of the City of Manitowoc.

Dated 7/19/18

Paul M. Steinbrecher

Paul M. Steinbrecher  
Professional Land Surveyor, S-1608

OWNER'S CERTIFICATE

As owners, we hereby certify that we caused the land described on this map to be surveyed, mapped, divided and dedicated as represented on the map, and that we shall comply with the established drainage plan on file at the Manitowoc City Hall and with the "Standard Utility Easement Conditions" recorded at the Manitowoc County Register of Deeds on November 7, 1997 in Volume 1252, Page 498 of Records, Document No. 798738 and as may be amended from time to time. We hereby consent to the granting of utility, access and drainage easement to the Manitowoc Public Utilities, City of Manitowoc, the Telephone Company and the Cable TV Company if noted on the map of this Certified Survey for the purpose of granting to the applicable firm the right to access, to place, repair and maintain applicable utilities. Said compliance with the drainage and plan easements granted shall run with the land and be binding upon the owners, their successors and assigns.

Dated 7/12/18  
Owner - City of Manitowoc

Justin Nickels  
Justin Nickels, Mayor

Deborah Neuser  
Deborah Neuser, Clerk



CERTIFICATE OF PLANNING AGENCY  
This certified survey map has been submitted and approved by the City of Manitowoc Plan Commission.

Dated 7/12/18  
Paul Braun  
Paul Braun, City Planner

STATE OF WI - MTWC CO  
KRISTI TUESBURG REG/DEEDS  
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SMI  
CIVIL & STRUCTURAL ENGINEERS  
102 REVERE DRIVE  
MANITOWOC, WI 54220-3147  
PHONE 864-5863 FAX 864-5864



2 CHG  
PLANNING



**Exhibit B  
Concept Plan**

See attached.

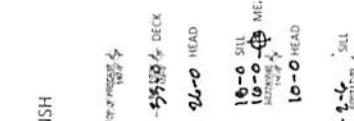




ACCENT RED BAND  
ACM PANEL UNDER  
WINDOW FRAME

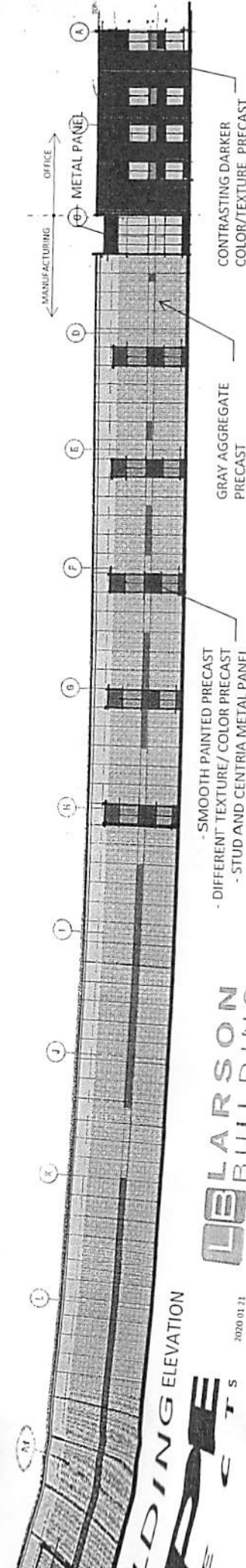
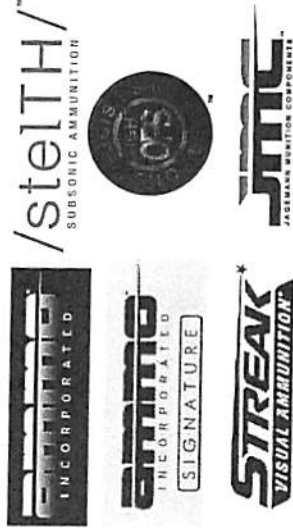
- 1. PAINTED SMOOTH PRECAST
- 2. STUD AND CONTRASTING CENTRIA OR ACM PANEL

CONTRASTING METAL PANEL:  
DARK GRAY OR DARK BRUSHED ALUM. FINISH



### NORTH BUILDING ELEVATION OPTION 1

PAINTED SMOOTH PRECAST  
OR METAL PANEL



# BLARSON BUILDING

# ECTS

2020.01.21

