

TERM SHEET
ANR MANITOWOC HOTEL LLC
2577 SOUTH 44th STREET

The terms and conditions described herein shall be incorporated into a related development agreement between the parties, each element of which is consideration for the other elements and an integral aspect of the proposed agreements (defined below). This Term Sheet does not constitute an offer or a legally binding obligation of any party, or any other party in interest, nor does it constitute an offer of securities. The transactions contemplated by the Term Sheet are subject to conditions to be set forth in a definitive agreement, including without limitation a development agreement and other supporting documentation. Until publicly disclosed by the parties, this Term Sheet is strictly confidential and may not be shared by any party without the prior written consent of all parties unless otherwise required by Wisconsin law.

1. Property Description
 - a. Tax Parcel 052-835-401-022 (5.832 acres)
 - b. 2023 Total Assessed Value: \$545,000

2. Potential Parties:
 - a. ANR Manitowoc Hotel LLC and/or their designee (Developer)
 - b. City of Manitowoc (City)

3. Development Description:
 - a. Initial construction of an 84-unit Hampton Hotel on a 2-acre parcel starting in 2024.
 - b. Construction of a restaurant on a 1-acre parcel starting in 2024.
 - c. Construction of a second hotel with 76 to 78 units from the Marriott family a 2-acre parcel starting in 2028.
 - d. Construction cost of the initial hotel is estimated at \$12,500,000.
 - e. Estimated employment at each hotel is 7-8 full time jobs and 20-22 part time jobs with a total estimated annual payroll of \$630,000 to \$695,000.
 - f. Projected increase in assessed value upon completion of all three phases of the project is estimated to be \$16,000,000.

4. Development Timetable:
 - a. Hampton - Construction is projected to start with site preparation in the spring/summer of 2024 and completion in summer/fall of 2025 with full operation by January 1, 2026.
 - b. Restaurant – Construction is projected to start with site preparation in the spring/summer of 2024 and completion in summer/fall of 2025 with full operation by January 1, 2026.
 - c. Marriot brand hotel – Construction is projected to start in spring/summer of 2028 and completion in summer/fall of 2029 with full operation by January 1, 2030.
 - d. Increment Guarantee from the Developer would be as follows:
 - \$1,000,000 by January 1, 2025
 - \$7,000,000 by January 1, 2026
 - \$8,000,000 by January 1, 2027
 - \$8,000,000 by January 1, 2028
 - \$9,000,000 by January 1, 2029

- \$15,000,000 by January 1, 2030
- \$16,000,000 by January 1, 2031

5. City Assistance (subject to all required approvals and documentation):

a. Tax Incremental Financing

- A \$1,625,000 (10.3%) TIF Incentive based upon assessed value increase of \$16,000,000 upon project completion.
- \$1,650,000 would go towards offsetting soil conditions on-site (\$300,000) and expanding the public and meeting spaces as well as inclusion of charging stations (\$1,350,000).
- The \$1,650,000 in pay-go incentive would earn 5% annual interest and payments would be based on 90% of Incremental Revenue. Payments would be expected to start in 2026 and finalize in 2038. Total estimated impact of the incentive would be \$2,400,000.
- Uses of funds to include public or private utility or other infrastructure improvements, building construction, site preparation, architectural or engineering design fees, or other eligible building improvement related costs.

6. Following Common Council authorization of this term sheet, a development agreement consistent with the terms and conditions herein shall be executed by the Mayor and Clerk subject to technical, legal changes.

City of Manitowoc

ANR Manitowoc Hotel LLC

Justin M. Nickels, Mayor

Rachit Dhingra, Member

Mackenzie Reed, Clerk

Date

Date