

TERM SHEET
River Landing Water Front Homes
1101 River Point Drive

The terms and conditions described in this agreement are part of 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. Portions of Tax Parcels 000-185-000, 000-173-003, 000-173-000
 - b. Approximately 1.2 acres
 - c. 2022 Total Assessed Value: \$0
2. Potential Parties:
 - a. Daniel and Abby Diederichs or their assigns (Developer)
 - b. City of Manitowoc (City)
3. Development Description:
 - a. Construction of a new approximately 5,000 square foot restaurant/retail space and three, 8-unit residential condominium units buildings ranging from 1 to 3 bedrooms with construction expecting to average one building per year with the restaurant/retail space at the end of the project.
 - b. The total project construction cost is estimated at \$15,000,000
 - c. Projected assessed value range is \$10,800,000 to \$13,300,000
4. Development Timetable:
 - a. Construction from Summer/Fall of 2023 – Fall/Winter of 2026 (estimated and subject to demand for the units)
5. City Assistance (subject to all required approvals and documentation):
 - a. Tax Incremental Financing
 - i. An estimated \$2,660,000 (20%) pay-go cash grant based upon assessed value increase of at least \$13,300,000 upon project completion (estimated at the end of 2026).
 - ii. Pay-go cash grant of \$2,660,000 payable at a rate of 65% of increment created per year with an expected payback of no more than 16 payments starting in 2025.
 - iii. Grant amount to be reduced or increased based upon performance on minimum assessed value to maintain incentive at 20% of total assessed value at project completion or January 1, 2029, whichever occurs first. Yearly payments are adjusted based upon increment created in each year.

- iv. 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.
- b. Sale of Property
 - i. Sale of 1.245 acres of property generally bounded by River Point Drive on the North, the Manitowoc River on the South, North 11th Street on the East, and parcel 000-149-010 on the West at a cost of \$50,000 (or \$40,000 per acre if acreage is adjusted).
 - ii. In the event the project is not completed, the City shall have the option to purchase the undeveloped portion of the property back at \$40,000 per acre.
 - iii. Authorize staff to work with the developer on the sale of the property.
 - iv. Developer shall commence construction within 2 years from the date of the sale of the property.
- 6. Other Development Items:
 - a. The City will continue to work towards closure on the site from the WDNR.
 - b. The City will provide improvements to the site including utility stubs, stormwater treatment, and fill the site to grade.
 - c. The City will work with the developer on options on allowing docking along the adjacent portions of the river.
- 7. 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

River Landing Water Front Homes, LLC

Justin M. Nickels, Mayor

Daniel Diederichs

Mackenzie Reed, Clerk

Abby Diederichs

Date

Date