

TERM SHEET  
Gorman & Company LLC – Maritime Flats  
1512 Washington Street

*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
  - South Half of Tax Parcel 052-000-246-000.
  - 2025 Total Assessed Value: \$0.
2. Potential Parties:
  - Gorman & Company LLC (Developer)
  - Maritime Lofts, LLC (Owner) by Maritime Lofts MM, LLC, (Managing Member) by GEC Maritime Lofts, LLC, by Gorman & Company, LLC.
  - City of Manitowoc (City).
3. Development Description:
  - Construction of a new 52,000 square foot, 4 story workforce housing apartment building with 59 total dwelling units. The unit mix includes 21 one-bedroom, 20 two-bedroom, and 18 three-bedroom. Other amenities would include on-site parking, community room, playground, and fitness center.
  - The estimated construction cost is just over \$14,000,000 with a total project cost estimate of just over \$19,500,000.
  - Projected assessed value is estimated at \$3,100,000 to \$3,500,000.
4. Development Timetable:
  - Construction from Summer/Fall 2026 – Fall/Winter of 2027 (estimated)
5. City Assistance (subject to all required approvals and documentation):
  - EPA FY24 Cleanup Grant
    - i. Use of the remaining FY24 EPA Cleanup Grant for site preparation. Estimated amount of funding is \$160,000.
    - ii. Expected use of the funds are the awarded costs of City project WO-26-11.
    - iii. Funds shall be expended prior to the sale of the subject property.
  - EPA RLF Loan
    - i. A loan in the amount of \$269,314.55 directly to the project.
    - ii. The loan terms are: 20-year loan at 0% fixed rate interest with payments deferred 20 years, with the collateral being the development property.

- iii. Funds shall be utilized on site preparation and capping consistent with the scope of work in the City Bid WO-26-11.
    - Healthy Homes Initiative Loan
      - i. A loan of up to \$1,200,000 directly to the project.
      - ii. The loan terms are: 20-year loan at 0% fixed rate interest with payments deferred 20 years, with the collateral being the development property.
      - iii. Acceptance of the loan is subject to verification of tax credit award and primary financing.
    - Sale of Property
      - i. Sale of 2.09 acres of property generally bounded by Washington Street on the South, 15<sup>th</sup> Street South on the East and 16<sup>th</sup> Street South on the West at a cost of \$1.
      - ii. Authorize staff to work with the developer on the sale of the property.
      - iii. Developer shall commence construction within 1 year from the date of the sale of the property.
6. Other Development Items:
- The City will continue to work towards closure on the site from the WDNR.
  - The 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.
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**

**Gorman & Company LLC, a Wisconsin limited liability company**

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Justin M. Nickels, Mayor

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Michael Redman, Secretary

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Mackenzie Reed, Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date