



City of Racine, Wisconsin
AGENDA BRIEFING MEMORADUM

AGENDA DATE:	July 23, 2018
SUBJECT:	Request from Inter-Med (dba Vista Dental) to transfer development incentive to successor company
PREPARED BY:	Amy Connolly, Director of City Development
SUMMARY:	<p>A request from Inter-Med (dba Vista Dental) of 2200 South Street for the City to acknowledge the transfer of a TRIP Incentive (tax reimbursement program) from 2015 to successor buyer Inter-Med Intermediate Holdings, Inc., an affiliate of Inverness Graham Investments III I.P.</p>
PROJECT BACKGROUND & ANALYSIS:	<p>RCEDC was contacted by Inter-Med (dba Vista Dental) in late June to advise that the company was purchased in a merger by Inter-Med Intermediate Holdings, Inc., an affiliate of Inverness Graham Investments III I.P. Operations at the site will remain unchanged.</p> <p>Inter-Med previously entered into a TRIP (tax reimbursement program) agreement with the City that was approved in 2015 (agreement attached) and has a ten year term. Located at 2200 South Street, Inter-Med was provided approximately \$27,092.69 in tax reimbursement by the City of Racine to date (years 2015, 2016, and 2017).</p> <p>The development incentive agreement does allow for Inter-Med to assign its interest in the incentive agreement/transfer the agreement to a successor company. The agreement notes:</p> <p><i>".....If Inter-Med or owner, or if a controlling interest in Inter-Med or owner is to be sold or otherwise transferred during the term of this Agreement, RCEDC and the City shall be notified not less than 60 days before such sale or transfer would be effective. This Agreement shall remain in effect thereafter unless the City, for good cause stated, gives written notice to Inter-Med objecting to such sale or transfer, in which case this agreement shall terminate immediately if such sale of transfer is commuted."</i></p> <p>The new owners of Inter-Med are requesting for the City to acknowledge that the previously agreed to TRIP incentive will continue to the successor company and that the City waives its right to terminate the agreement related to the merger. The company's attorney drafted the attached acknowledgement, which has been reviewed and approved by the City Attorney's office.</p> <p>Staff notes that Inter-Med continues to employ City of Racine residents, as stipulated in the agreement and they continue to meet their reporting deadlines as specified by the agreement. RCEDC manages the reporting of the contract for the City and reports their findings to the Department of City Development on an annual basis.</p>

RECOMMENDED ACTION:

Recommend that the Mayor be authorized to sign the attached acknowledgement, which enables Inter-Med Intermediate Holdings, Inc. to receive the Inter-Med TRIP and waives the right of termination, breach, or default relating to the merger.

FISCAL NOTE:

This development incentive, approved in 2015, reimburses the company 75% of the property tax annually generated by the development for a ten year period. The monies from this incentive are budgeted in the City's Intergovernmental Sewer Sharing Account for the term of the agreement. To date, the City of Racine has reimbursed the company a total of \$27,092.69.