

Department of City Development

Brian F. O'Connell, AICP
Director of City Development

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Racine, Wisconsin 53403
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August 28, 2009

Mayor John Dickert
Members of the Common Council
c/o Janice Johnson-Martin, City Clerk

Subject: Request from Gorman and Company to amend the development agreement for the State at Main Development to increase the tax increment revenue bond by \$88,000.

Dear Mayor Dickert and Honorable Aldermen:

I received the attached request from representatives of Gorman and Company. The details of the request are currently under review.

Please refer this request to the Finance and Personnel Committee for its review and recommendation.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian F. O'Connell", is written over a large, stylized flourish.

Brian F. O'Connell
Director of City Development

Attachment

C: Ted Matkom, Gorman and Company
David Brown, Finance Director
Robert Weber City Attorney
File

MOHS, MACDONALD, WIDDER & PARADISE

ATTORNEYS AT LAW

20 N. CARROLL STREET

MADISON, WISCONSIN 53703

FREDERIC E. MOHS
DANIEL A. MACDONALD
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GREGORY J. PARADISE
JOHN W. VAN NOTE
TIMOTHY F. UMLAND

608-256-1978
FAX 608-257-1106

August 7, 2009

VIA E-MAIL

Mr. Brian O'Connell
Racine Department of City Development
731 Washington Avenue
Racine, WI 53403
E-Mail: boconnell@cityofracine.org

RE: Development Agreement Between the City of Racine, the Redevelopment Authority of the City of Racine, and State at Main Development LLC

Dear Brian:

I understand you have spoken with Ted Matkom concerning the request by State at Main Development LLC to increase the amount of the TIF bond by \$88,000.00 to \$1,888,000.00.

The increase in the bond amount is necessary because the underlying loan to M&I Marshall & Ilsley Bank ("M&I") is in the amount of approximately \$1,883,050 (as of July 31, 2009). The M&I Loan will be retired when the bond is closed. Attached is a statement showing the balance of the M&I loan as of July 31, 2009.

After the existing M&I loan is retired, the remaining bond proceeds of approximately \$5,000.00 will be used to pay expenses associated with this transaction, including the legal fees payable on behalf of Gorman & Company, Inc. and the professional fees payable to Mike Harrigan to analyze this request on behalf of the City of Racine.

I will contact Mike Harrigan by phone and ask him to review this matter.

I have also prepared and attached a revised draft of the First Amendment to Development Agreement and a revised draft of the Taxable Tax Increment Revenue Bond. Changes to both documents are black-lined.

The M&I loan has a maturity date of September 30, 2009, so it is necessary that we complete this amendment by mid-September so that the existing M&I loan can be retired on schedule.

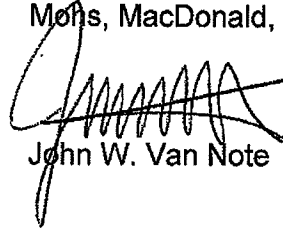
Mr. Brian O'Connell
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Please contact me at your convenience to discuss the next steps in this matter.

Thank you.

Sincerely,

Mohs, MacDonald, Widder & Paradise

A handwritten signature in black ink, appearing to read "John W. Van Note", with a long horizontal line extending to the right across the signature.

John W. Van Note

JWV: eeh

Enclosure

Cc: Ted Matkom and Joyce Wuetrich