



Legislation Details (With Text)

File #:	72640	Version:	1	Name:	12367 Amending TIF 49 Loan to Madison Interstate East at Omeda Dr
Type:	Resolution	Status:			Passed
File created:	7/13/2022	In control:			Economic Development Division
On agenda:	8/2/2022	Final action:			8/2/2022
Enactment date:	8/8/2022	Enactment #:			RES-22-00564
Title:	Amending Res-21-00604 authorizing a Loan Agreement for a \$2,100,000 TIF loan to Madison Interstate East, LLC for a three-phased industrial project located at 2930 and 3030 Ohmeda Drive.				
Sponsors:	Satya V. Rhodes-Conway, Jael Currie				
Indexes:					
Code sections:					
Attachments:	1. FILE ID 66652				

Date	Ver.	Action By	Action	Result
8/2/2022	1	COMMON COUNCIL	Adopt	Pass
7/25/2022	1	FINANCE COMMITTEE	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
7/19/2022	1	COMMON COUNCIL	Refer	Pass
7/13/2022	1	Economic Development Division	Referred for Introduction	

Fiscal Note

No additional expenditure required.

Title

Amending Res-21-00604 authorizing a Loan Agreement for a \$2,100,000 TIF loan to Madison Interstate East, LLC for a three-phased industrial project located at 2930 and 3030 Ohmeda Drive.

Body

WHEREAS, on August 31, 2021, the Common Council approved a loan agreement to fund a \$2,100,000 TIF loan to Madison Interstate East, LLC ("Developer"), or its assigns, for a three-phased industrial project located at 2930 and 3030 Ohmeda Drive in the recently adopted TID 49 (Femrite Drive) boundary (Legistar #66652, RES-21-00604); and,

WHEREAS, three payments are to be made to fund three phases of the project over time; and,

WHEREAS, the loan agreement includes a 40% reduction penalty if construction of the first phase, Project A, did not occur by May 23, 2022; and,

WHEREAS, Developer did not have all City approvals and was therefore unable to proceed with construction prior to May 23, 2022; and,

WHEREAS, the Developer has requested an extension to fulfill its obligations related to Project A in order to receive the full TIF amount.

NOW, THEREFORE, BE IT RESOLVED that Res-21-00604 is hereby amended on the following terms and conditions:

Section 4, Primary Payment Structure, is amended to delete references to “May 23, 2022” and replaced that date with “December 31, 2022”.

Section 5, Delayed Projects - Alternate Payment Structure, is hereby deleted and replaced with the following:

5. Delayed Projects - Alternative Payment Structure. As a complete alternative to Section 4, this section shall be applicable if Project A has commenced by December 31, 2022, but either Projects B or C do not commence by their respective deadlines noted in Section 4. Failure to commence construction of Project A by December 31, 2022 shall cause the termination of this Agreement.

a. Second Alternative Payment. The Second Payment shall be reduced by 40% to Two Hundred and Fifty Two Thousand Dollars (\$252,000) (“Second Alternative Payment”). The Second Alternative Payment shall be disbursed upon verification that Developer has secured a construction permit and commenced construction on or before December 31, 2023 and Project B has incurred TIF eligible expenses in the amount of the Second Alternative Payment. Any payment to Project B shall be null and void if Project A and Project B fails to commence construction on or before December 31, 2023. For clarity, the Second Alternative Payment would only be made by the City if both Project A and Project B commence construction by their respective deadlines.

b. Third Alternative Payment. The Third Payment shall be reduced by 40% to Five Hundred and Four Thousand Dollars (\$504,000) (“Third Alternative Payment”). The Third Alternative Payment shall be disbursed upon verification that Developer has secured a construction permit and commenced construction on or before December 31, 2024 and Project C has incurred TIF eligible expenses in the amount of the Third Alternative Payment. For clarity, any payment to Project C shall be null and void if: (i) Projects A and B are not under construction on or before their respective deadlines as described in subparagraph (a); or (ii) Project C starts construction after December 31, 2024.

BE IT FURTHER RESOLVED that, subject to the approval of the City Attorney, additional changes may be made for consistency with the material terms above.

BE IT FINALLY RESOLVED that the Mayor and City Clerk are hereby authorized to execute the TIF Loan Agreement and other documents as may be necessary to effectuate the purposes of this resolution all of which are subject to the approval of the City Attorney.