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RESOLUTION NO. 2022-40

**A RESOLUTION OF THE VILLAGE BOARD OF THE VILLAGE OF
CALEDONIA AUTHORIZING THE ISSUANCE OF A
TAXABLE TAX INCREMENT REVENUE BOND
(SCANNELL PROPERTIES LOT 1 - TID NO. 4)**

WHEREAS, the Village of Caledonia, Wisconsin (the "Village") and Scannell Properties #499, LLC, an Indiana Limited Liability Company ("Scannell #499"), Scannell Properties #513, LLC ("Scannell #513") and Scannell Properties #514, LLC ("Scannell #514", or with Scannell #513 and Scannell #499, the "Scannell Entities"), have entered into a development agreement dated April 1, 2021 (the "Development Agreement") pursuant to which the Developer has undertaken development projects within the Village; and

WHEREAS, the Development Agreement encumbered a parcel of property defined on Exhibit A to the Development Agreement (the "Entire Property"); and

WHEREAS, the Village approved Certified Survey Map No. 3438 (and recorded in the Office of the Register of Deeds of Racine County, Wisconsin ("ROD")) as Document No. 2586571), dividing the Entire Property into three parcels, which three parcels were later modified by a lot line adjustment deed also approved by the Village, (and recorded in the ROD as Document No. 2614075), so that the Development Agreement encumbers three parcels of land now defined on Exhibit B hereto as the "Scannell Lots," or, individually as a "Lot 1," "Lot 2" and "Lot 3"; and

WHEREAS, the Development Agreement contained a provision allowing the Scannell Entities to designate which of the Scannell Entities was to receive the MRO for any individual Lot, and the Scannell Entities executed and delivered to the Village a Direction to Village on Allocation of MRO Related to Scannell Properties Development Agreement (the "Direction") which will be recorded in the ROD and which the Village accepted; and

WHEREAS, the Village has executed a Certification of Satisfaction of Certain Obligations under Development Agreement (the "Certificate"), which will be recorded in the ROD, confirming that certain prerequisites and obligations in the Development Agreement have been satisfied, and specifically confirming that a number of items which otherwise would be defined therein as a "TIF Default" have now been satisfied; and

WHEREAS, the Village acknowledges the effectiveness of the documents referenced above to satisfy obligations in the Development Agreement; and

WHEREAS, Scannell Properties #499, LLC (the "Developer") is the owner of Lot 1 as defined on Exhibit B hereto ("Lot 1"), and the Scannell Entities have assigned to the Developer, in the Direction, all rights to receive the MRO for Lot 1; and

WHEREAS, the Development Agreement contained terms which allowed the Scannell Entities to elect whether to delay the first payment due under the MRO in the manner identified in Sections 18 and 25 of the Development Agreement, and in the Direction the Scannell Entities elected not to delay the first payment and that therefore the first payment under the MRO shall be paid according to the schedule contained herein; and

WHEREAS, this Resolution authorizes the issuance of the Bond (defined herein), the form of which is attached hereto as Exhibit A, which Bond represents the MRO (as defined in the Development Agreement with respect to the Development Incentive (as defined in the Development Agreement) payable by the Village for only Lot 1, without affecting any rights or obligations of the Village or the Scannell Entities related to Lot 2 or Lot 3 as defined on Exhibit B hereto;

WHEREAS, the Development Incentive in the Development Agreement was expressed as a formula based on the acreage in each Lot, and the Village acknowledges that the final acreage in Lot 1, as shown in CSM 3438 is 23.3230 acres; and

WHEREAS, the Development Agreement identified that the total Base Value of \$2,912,000 for the Entire Property was intended to be allocated to each Lot prorata, based on a total of 69.19 total acres, so that the Base Value assigned to Lot 1 as shown in Exhibit F of the Development Agreement calculates to be \$981,595.26; and

WHEREAS, the amount of Development Incentive for each Lot was to be calculated in three tranches, as identified in Exhibit G of the Development Agreement; and

WHEREAS, the Developer would not undertake the development on Lot 1 (hereafter, the "Development") without the use of tax incremental financing to assist with the financing of the Development; and

WHEREAS, as an incentive to undertaking the Development, the Village has agreed to provide the Developer with financial assistance in connection with the Development by sharing the Lot 1 Property Tax Increment (as defined herein) within the Village's Tax Incremental District No. 4 (the "District"); and

WHEREAS, the Development within the District constitutes a revenue-producing enterprise of the Village which is operated for a public purpose, and constitutes a "public utility" within the meaning of Section 66.0621 of the Wisconsin Statutes; and

WHEREAS, pursuant to Section 66.0621 of the Wisconsin Statutes and the terms of the Development Agreement, a portion of the financial assistance to be provided to the Developer will be evidenced by the issuance by the Village to the Developer of a tax increment revenue bond payable solely from the Lot 1 Property Tax Increment (as defined herein) which is appropriated by the Village Board to the payment of the Bond (as defined herein);

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village of Caledonia, Wisconsin, as follows:

Section 1. Definitions. Capitalized terms used in this Resolution and not otherwise defined herein shall have the meaning provided for in the Development Agreement unless the context clearly requires a different meaning. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Lot 1 Development Incentive" is the annual payment due to the Developer under the Bond as calculated pursuant to the Development Agreement, as it applies to Lot 1 only and does not include any payment due with respect to Lot 2 or Lot 3.

"Payment Conditions" means the conditions set forth in the Development Agreement upon which the Village's obligation to make Lot 1 Development Incentive payments is contingent, and taking into consideration the definition of "TIF Default" in the Development Agreement.

"Lot 1 Property Tax Increment" in any year has the meaning provided in Development Agreement for Property Tax Increment, as it relates to Lot 1 and does not include Property Tax Increment relating to Lot 2, Lot 3 or any other property in the District.

Section 2. Authorization and Terms of Bond. For the purpose of providing financial assistance to the Development in the District, as provided for under the Development Agreement, the Village shall issue its "Taxable Tax Increment Revenue Bond (Scannell Properties Lot 1 - TID No. 4)" to the Developer in consideration for the obligations undertaken by the Developer in the Development Agreement with respect to Lot 1 (the "Bond"). The Bond shall be dated its date of issuance. No interest shall be payable or accrue on the Bond.

Subject to satisfaction by the Developer of the Payment Conditions, the Bond shall be payable in installments of principal on October 20 of each of the years 2023 through 2032. The amount of the installment due on the Bond in each year shall be equal to the Lot 1 Development Incentive and the payment of each installment on the Bond shall be subject to appropriation by the Village Board of Lot 1 Property Tax Increment to payment of the Bond.

The schedule of payments on the Bond is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

Section 3. Form of Bond. The Bond shall be in substantially the form set forth on Exhibit A hereto as approved by bond counsel and incorporated herein by this reference.

Section 4. Security for the Bond. This Bond is a special, limited revenue obligation of the Village and is payable only from the sources, to the extent, and subject to the qualifications stated or referenced herein. No property or other asset of the Village, except Lot 1 Property Tax Increment, appropriated to make payments with respect to the Bond, is or shall be a source of payment of the Village's obligations hereunder.

The Bond shall be payable only out of the Special Redemption Fund provided for in Section 5 herein, and shall be a valid claim of the registered owner only against the Special

Redemption Fund and the Lot 1 Property Tax Increment pledged to such fund. The Lot 1 Property Tax Increment appropriated by the Village Board to the payment of the Bond each year is hereby pledged to such Special Redemption Fund, and shall be used for no other purpose than payment of the Bond.

This Bond shall not constitute a debt or obligation of the Village within the meaning of any state constitutional provision, statutory limitation, or charter provision or limitation thereof and shall not be a charge against its general credit or taxing powers.

As stated above, the application of Lot 1 Property Tax Increment to payment of the Bond is subject to future annual appropriation by the Village Board. However, the Village fully expects and anticipates that to the extent Lot 1 Property Tax Increment is generated and received by the Village, it will appropriate such Lot 1 Property Tax Increment in an amount equal to the Lot 1 Development Incentive to the payment of the Bond.

The Village shall have no obligation to make any payments on the Bond while there exists and is outstanding a TIF Default, as defined in the Development Agreement, arising from Lot 1.

Section 5. Special Redemption Fund. For the purpose of the application and proper allocation of the Lot 1 Property Tax Increment appropriated to the payment of the Bond, and to secure the payment of the principal of the Bond, the Special Redemption Fund is hereby created and shall be used solely for the purpose of paying the Bond in accordance with the provisions of the Bond and this Resolution.

Uninvested money in the Special Redemption Fund shall be kept on demand deposit with such bank or banks as may be designated from time to time by the Village as public depositories under the laws of Wisconsin. Such deposits of Special Redemption Fund money shall be secured to the fullest extent required by the laws of Wisconsin and the general investment policy of the Village.

Money in the Special Redemption Fund, if invested, shall be invested in direct obligations of, or obligations guaranteed as to principal and interest by, the United States of America, or in certificates of deposit secured by such obligations and issued by a state or national bank which is a member of the Federal Deposit Insurance Corporation and is authorized to transact business in the State of Wisconsin, maturing not later than the date such money must be transferred to make payments on the Bond, or in the local government pooled-investment fund. All income from such investments shall be deposited in the Special Redemption Fund. Such investments shall be liquidated at any time when it shall be necessary to do so to provide money for any of the purposes for the Special Redemption Fund.

All Lot 1 Property Tax Increment, appropriated to the payment of the Bond shall be deposited in the Special Redemption Fund, and no other fund is created by this Resolution.

Section 6. Application of Lot 1 Property Tax Increment to Payment of the Bond. On October 20 of each year, the Village shall apply to the payment of the Bond the Lot 1 Property Tax Increment received, which has been appropriated by the Village Board to the payment of the Bond; provided, however, such payments shall end on October 31, 2032.

This Bond shall be deemed paid in full on October 31, 2032, the obligation of the Village to make any further payment on this Bond shall terminate on that date, and the Developer shall have no right to receive any further payment on this Bond. The Village makes no representation or covenant, express or implied, that Lot 1 Property Tax Increment will be generated. The Village's obligation to make payments on the Bond is limited to Lot 1 Property Tax Increment, and is further subject to annual appropriation by the Village Board.

If for any reason the District terminates (other than by voluntary action of the Village) prior to October 31, 2032, then the remaining balance on the Bond shall be deemed paid in full, it being understood that upon such termination of the District, the obligation of the Village to make any further payments on the Bond shall also terminate. The Village shall have no obligation to pay any amount of the Bond which remains unpaid upon termination of the District, and the owner of the Bond shall have no right to receive payment of such amounts.

Section 7. Village Covenants. It is covenanted and agreed by the Village with the Developer that the Village will take no action, other than action required under Wisconsin Statutes, to dissolve the District prior to the payment in full of the Bond.

Section 8. Persons Treated as Owners; Transfer of Bond. The Village Treasurer shall keep books for the registration and for the transfer of the Bond. The person in whose name the Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on the Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Bond may be transferred or assigned by the registered owner thereof only under the circumstances provided for in the Development Agreement and only by surrender of the Bond at the office of the Village Treasurer accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer or assignment, the Village Treasurer shall record the name of the transferee or assignee in the registration book and note such transfer or assignment on the Bond and re-issue the Bond (or a new Bond or Bonds of like aggregate principal amount and maturity). The Bond may be exchanged for a new Bond or Bonds of like aggregate principal amount and maturity; provided however, that the Village will only make payments on the Bond or Bonds to the registered owner of the Bond.

Section 9. General Authorizations. The Village President and Village Clerk and the appropriate deputies and officials of the Village in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records and to take such other actions as shall be necessary or desirable

to accomplish the purposes of this Resolution and to comply with and perform the obligations of the Village under the Development Agreement and the Bond.

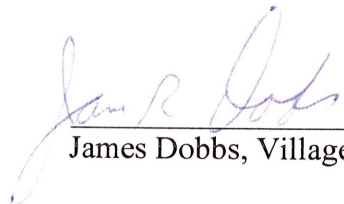
The Bond shall be signed by the manual or facsimile signatures of the Village President and Village Clerk of the Village (provided that, unless the Village has contracted with a fiscal agent to authenticate the Bond, at least one of such signatures shall be manual), and sealed with the corporate seal of the Village, or a facsimile thereof.

In the event that said officers shall be unable by reason of death, disability, absence or vacancy of office to perform in timely fashion any of the duties specified herein (such as the execution of the Bond), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the Village.

Section 10. Severability of Invalid Provisions. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining sections, paragraphs and provisions of this Resolution. For clarity purposes only, nothing contained herein shall limit, affect, or waive any Development Incentive (as defined in the Development Agreement) due from Lot 2 or Lot 3, as defined in Exhibit B or the Fee Rebate (as defined in the Development Agreement) with respect to the Entire Property.

Section 11. Effective Date. This Resolution shall be effective immediately upon its passage and approval.

Adopted, approved and recorded April 18, 2022.


James Dobbs, Village President

ATTEST:

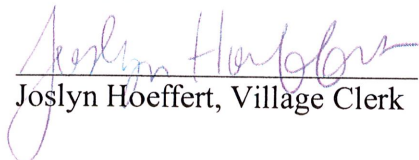

Joslyn Hoeffert, Village Clerk



EXHIBIT A
(FORM OF BOND)

REGISTERED NO. R-1
DATE ISSUED: APRIL 18, 2022 -
UNITED STATES OF AMERICA
STATE OF WISCONSIN
VILLAGE OF CALEDONIA, WISCONSIN
TAXABLE TAX INCREMENT REVENUE BOND
(SCANNELL PROPERTIES LOT 1 - TID NO. 4)

REGISTERED OWNER: SCANNELL PROPERTIES #499, LLC

FOR VALUE RECEIVED, the Village of Caledonia, Wisconsin (the "Village") hereby acknowledges itself to owe and for value received promises to pay to the registered owner stated above (the "Developer"), or registered assigns, the installment payments as provided herein, but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided.

This Bond is issued for the purpose of financing the cost of undertaking a program of development with respect to Tax Incremental District No. 4 (the "District") of the Village pursuant to Section 66.0621, Wisconsin Statutes, acts supplementary thereto, a resolution adopted by the Village on April 18, 2022 (the "Approving Resolution") and a Development Agreement dated April 1, 2021 between the Village and the Developer as affected by the documents referenced in the Approving Resolution, (the "Development Agreement").

This Bond is payable only from Lot 1 Property Tax Increment (as defined in the Approving Resolution), subject to the availability thereof, and further subject to future annual appropriation by the Village Board of the Village. Reference is hereby made to the Approving Resolution and the Development Agreement for the definition of capitalized terms, a more complete statement of the limited revenues from which and the conditions under which this Bond is payable, as well as the general covenants and provisions pursuant to which this Bond has been issued.

Subject to the Developer satisfying the Payment Conditions for Lot 1, the Bond shall be payable in installments of principal on October 20 of each of the years 2023 through 2032. The amount of the installment due on the Bond in each year shall be equal to the Lot 1 Development Incentive (as defined in the Approving Resolution) and as shown on the attached Schedule A.

THIS BOND IS A SPECIAL, LIMITED REVENUE OBLIGATION OF THE VILLAGE AND IS PAYABLE ONLY FROM THE SOURCES, TO THE EXTENT, AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. NO PROPERTY OR OTHER ASSET OF THE VILLAGE, EXCEPT LOT 1 PROPERTY TAX INCREMENT APPROPRIATED TO MAKE PAYMENTS WITH RESPECT TO THE BOND, IS OR SHALL BE A SOURCE OF PAYMENT OF THE VILLAGE'S OBLIGATIONS HEREUNDER.

THIS BOND SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE VILLAGE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION, STATUTORY LIMITATION, OR CHARTER PROVISION OR LIMITATION THEREOF AND SHALL NOT BE A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

THIS BOND SHALL BE DEEMED PAID IN FULL ON OCTOBER 31, 2032, THE OBLIGATION OF THE VILLAGE TO MAKE ANY FURTHER PAYMENT UNDER THIS BOND SHALL TERMINATE ON THAT DATE, AND THE DEVELOPER SHALL HAVE NO RIGHT TO RECEIVE ANY FURTHER PAYMENT UNDER THIS BOND. THE VILLAGE MAKES NO REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, THAT LOT 1 PROPERTY TAX INCREMENT WILL BE GENERATED. THE VILLAGE'S OBLIGATION TO MAKE PAYMENTS ON THE BOND IS LIMITED TO LOT 1 PROPERTY TAX INCREMENT AND IS FURTHER SUBJECT TO ANNUAL APPROPRIATION BY THE VILLAGE BOARD.

If for any reason the District terminates (other than by voluntary action of the Village) prior to the final payment date, then the remaining balance on the Bond shall be deemed paid in full, it being understood that upon such termination of the District, the obligation of the Village to make any further payments on the Bond shall also terminate. The Village shall have no obligation to pay any amount of the Bond which remains unpaid upon termination of the District, and the owner of the Bond shall have no right to receive payment of such amounts on this Bond. In the Approving Resolution, the Village covenanted and agreed that it would take no action, other than action required under Wisconsin Statutes, to dissolve the District prior to the payment in full of the Bond.

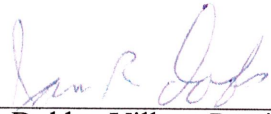
This Bond is issued by the Village pursuant to and in full conformity with the Constitution and laws of the State of Wisconsin.

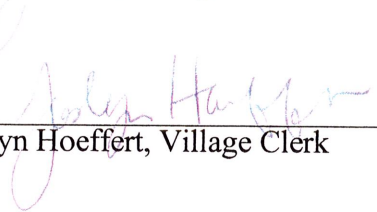
This Bond may be transferred or assigned only under the circumstances provided in the Development Agreement. In order to transfer or assign the Bond, the transferee or assignee shall surrender the same to the Village either in exchange for a new fully registered bond or for transfer of this Bond on the registration records for the Bond maintained by the Village. Each permitted transferee or assignee shall take this Bond subject to the foregoing conditions and subject to all provisions stated or referenced herein.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Village of Caledonia, Wisconsin, has caused this Bond to be signed by its duly authorized officers and its official or corporate seal, if any, to be impressed hereon, all as of the day and year first above written.

VILLAGE OF CALEDONIA, WISCONSIN

By 
James Dobbs, Village President

By 
Joslyn Hoeffert, Village Clerk



REGISTRATION PROVISIONS

This Bond shall be registered in registration records kept by the Village Clerk of the Village of Caledonia, Wisconsin, such registration to be noted in the registration blank below and upon said registration records, and this Bond may thereafter be transferred only upon presentation of this Bond together with a written instrument of transfer approved by the Village and duly executed by the Registered Owner or his attorney, such transfer to be made on such records and endorsed hereon.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Village Clerk</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Schedule A to Bond

Schedule of Payments under this Bond:

In consideration of the Development the Village agrees to make payments to the registered owner of the Bond, in the amount of the Lot 1 Development Increment, on October 20 of each year in the “Payment to Developer Due” column below.

Assessment as of	Tax Bill Due in	Payment to Developer due on October 20 of the following years	
1/1/2022	2023	2023	
1/1/2023	2024	2024	
1/1/2024	2025	2025	
1/1/2025	2026	2026	
1/1/2026	2027	2027	
1/1/2027	2028	2028	
1/1/2028	2029	2029	
1/1/2029	2030	2030	
1/1/2030	2031	2031	
1/1/2031	2032	2032	

As provided in the Development Agreement, the Lot 1 Development Increment shall be calculated as follows:

Parcel Number on Ex. C	Phase Number	Approximate acres	Allocated Development Tax Incremental Base Value	Taxes collected on Base Value	Taxes collected on first \$250,000 per acre Development Increment	Taxes collected on next \$250,000 per acre Development Increment	Taxes collected on Development Increment above \$500,000 per acre
Lot 1	1	23.32	981,595.26	All to	To Village	50/50 share	75% to Scannell
				Existing	But Village	To	25% to Village
				Taxing	Pays Fee Rebate	Scannell and	
				Authorities	From this amount	Village	

Exhibit B to Resolution
Legal Description of Entire Property and each Lot

When used herein the “Entire Property” shall be all of Lot 1, Lot 2, and Lot 3.

“LOT 1” OR “499 PROPERTY” SHALL MEAN:

LOT 1 OF CERTIFIED SURVEY MAP NO. 3438 RECORDED MARCH 31, 2021 AS DOCUMENT NO. 2586571, BEING A REDIVISION OF ALL OF LOT 2, CERTIFIED SURVEY MAP NO. 3437, LOCATED IN THE SOUTHWEST 1/4 AND NORTHWEST 1/4 OF THE NORTHEAST 1/4 AND THE NORTHEAST 1/4, SOUTHEAST 1/4, SOUTHWEST 1/4 AND NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 30, TOWNSHIP 4 NORTH, RANGE 22 EAST, VILLAGE OF CALEDONIA, RACINE COUNTY, WISCONSIN.

Tax Parcel Number: 104-04-22-30-015-221

“LOT 2” OR “513 PROPERTY” SHALL MEAN:

LOT 2 OF CERTIFIED SURVEY MAP NO. 3438 RECORDED MARCH 31, 2021 AS DOCUMENT NO. 2586571, BEING A REDIVISION OF ALL OF LOT 2, CERTIFIED SURVEY MAP NO. 3437, LOCATED IN THE SOUTHWEST 1/4 AND NORTHWEST 1/4 OF THE NORTHEAST 1/4 AND THE NORTHEAST 1/4, SOUTHEAST 1/4, SOUTHWEST 1/4 AND NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 30, TOWNSHIP 4 NORTH, RANGE 22 EAST, VILLAGE OF CALEDONIA, RACINE COUNTY, WISCONSIN. EXCEPTING THEREFROM THAT PORTION OF LAND CONVEYED IN INSTRUMENT RECORDED AS DOCUMENT NO. 2614075.

Tax Parcel Number: 104-04-22-30-015-222

“LOT 3” OR “514 PROPERTY” SHALL MEAN:

LOT 3 OF CERTIFIED SURVEY MAP NO. 3438 RECORDED MARCH 31, 2021 AS DOCUMENT NO. 2586571, BEING A REDIVISION OF ALL OF LOT 2, CERTIFIED SURVEY MAP NO. 3437, LOCATED IN THE SOUTHWEST 1/4 AND NORTHWEST 1/4 OF THE NORTHEAST 1/4 AND THE NORTHEAST 1/4, SOUTHEAST 1/4, SOUTHWEST 1/4 AND NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 30, TOWNSHIP 4 NORTH, RANGE 22 EAST, VILLAGE OF CALEDONIA, RACINE COUNTY, WISCONSIN. PLUS THAT PORTION OF LAND CONVEYED IN INSTRUMENT RECORDED AS DOCUMENT NO. 2614075.

Tax Parcel Number: 104-04-22-30-015-223