

**CITY OF SHEBOYGAN
RESOLUTION 90-26-27**

BY ALDERPERSONS MITCHELL AND PERRELLA.

AUGUST 24, 2026.

A RESOLUTION authorizing the Finance Director to issue a “Taxable Tax Increment Project Municipal Revenue Obligation (“MRO”) on such terms and conditions as set forth in that certain “Tax Incremental District Development Agreement” dated as of February 20, 2024 between the City of Sheboygan and Malibu Apartments, LLC, a Wisconsin limited liability company (the “Developer”) and attached hereto as EXHIBIT A (the “Development Agreement”).

WHEREAS, the City of Sheboygan, Wisconsin created Tax Incremental District No. 21 (“TID 21”) for the purpose of promoting redevelopment; and

WHEREAS, Malibu Apartments, LLC has agreed to construct and install certain improvements on the real estate (as described in greater detail in EXHIBIT A of the Development Agreement, the “Real Estate”) in TID 21 (the “Project”); and

WHEREAS, in order to further its development efforts in TID 21, the City agrees to apply a portion of the tax increment revenues from TID 21 to reimburse Developer for a portion of the costs of the Project as a consideration for the other benefits provided to the City by Developer, in accordance with the terms of the Development Agreement; and

NOW, THEREFORE, BE IT RESOLVED: That the Finance Director is authorized to issue the City’s MRO on such terms and conditions as set forth in the Development Agreement in consideration for the obligations undertaken by the Developer in constructing the Project and as otherwise set forth in the Development Agreement. The MRO shall be in the principal amount of \$8,000,000 and shall not bear any interest.

The MRO shall be payable in installments of principal due on October 31 in each of the years and in the amounts of Available Tax Increment for such year as set forth in the Development Agreement.

The MRO shall be signed by the manual or electronic (e.g., DocuSign or other similar technology) signatures of the Mayor and Clerk of the City (provided that, unless the City has contracted with a fiscal agent to authenticate the MRO, at least one of such signatures shall be manual), and sealed with the corporate seal of the City, or an electronic transmission thereof.

The MRO shall be in substantially the form set forth in the attached Development Agreement.

The MRO shall be payable only out of the "Special Redemption Fund" (the "Fund"), as hereinafter provided, and shall be a valid claim of the owner thereof only against the Fund and from the revenues pledged to such Fund, and shall be payable solely from "Available Tax Increment" (as defined in the Development Agreement) derived from the Real Estate which have been received and retained by the City in accordance with the provisions of Section 66.1105 of the Wisconsin Statutes and appropriated by the City Council to the payment of the MRO.

As stated above, the application of Available Tax Increment to payment of the MRO is subject to annual appropriation by the Common Council. However, and without in any way limiting the foregoing appropriation powers, the City fully expects and anticipates that to the extent Available Tax Increment is generated by the Real Estate it will appropriate, in each year, the Available Tax Increment to the payment of the principal of the MRO.

BE IT FURTHER RESOLVED: That for the purpose of the application and proper allocation of the Available Tax Increments, and to secure the payment of the principal of the MRO, the Fund is hereby created and shall be used solely for the purpose of paying principal of the MRO in accordance with the provisions of the MRO and this Resolution.

The City shall deposit in the Fund the Available Tax Increment received by the City attributable to the Real Estate. The monies on deposit in the Fund shall be used to pay principal on the MRO.

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

Money in the 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 MRO. All income from such investments shall be deposited in the 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 Fund.

All Available Tax Increment shall be deposited in the Fund, and no other fund is created by this Resolution.

On each Payment Date, the City shall apply Available Tax Increment that has been: (a) received by the City with respect to the Real Estate during that calendar year, and (b) appropriated by the City Council to the payment of the MRO.

If on any Payment Date there shall be insufficient Available Tax Increment appropriated to pay the principal due on the MRO, the amount due but not paid shall accumulate and be payable on the next Payment Date until the Final Payment Date. The City shall have no obligation to pay any amount of principal on the MRO which remains unpaid after the Final Payment Date.

As provided in Section 5.1 of the Development Agreement, the total amount of principal to be paid on the MRO shall not exceed \$8,000,000.00. When that amount of Available Tax Increment has been appropriated and applied to payment of the MRO, the MRO shall be deemed to be paid in full and discharged, and the City shall have no further obligation with respect thereto.

BE IT FURTHER RESOLVED: That the City Clerk shall keep books for the registration and for the transfer of the MRO. The person or entity in whose name any MRO shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payments on the MRO 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 MRO to the extent of the sum or sums so paid.

The MRO may be transferred or assigned, in whole or in part, by the registered owner thereof only with the consent of the City and with the satisfaction of all other assignment requirements set forth in the MRO and the Development Agreement, by surrender of the MRO at the office of the Clerk of the City accompanied by an assignment duly executed by the registered owner or such registered owner's attorney-in-fact duly authorized in writing. Upon such transfer or assignment, the Clerk of the City shall record the name of the transferee or assignee in the registration book and note such transfer or assignment on the MRO and re-issue the MRO (or a new MRO of like aggregate principal amount and maturity).

BE IT FURTHER RESOLVED: That the Mayor, the City Clerk, the City Administrator and the appropriate deputies and officials of the City 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 City under the MRO.

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 MRO), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the City.

BE IT FURTHER RESOLVED: That 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.

EFFECTIVE DATE: This Resolution shall be effective immediately upon its passage and approval.

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL

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Presiding Officer

Attest

Ryan Sorenson, Mayor, City of
Sheboygan

Meredith DeBruin, City Clerk, City of
Sheboygan

EXHIBIT A

DEVELOPMENT AGREEMENT

[SEE ATTACHED]