

MEMORANDUM

TO: City Council

FROM: Gregory E. Buckley
City Manager



DATE: November 1, 2024

SUBJECT: Amendments to Previously-Approved Façade and Business Grants

On Monday's agenda, I am asking for Council approval on modifications to three grant Agreements that have been approved during the current year. They are:

<u>Grant to:</u>	<u>Amount:</u>	<u>Changes Proposed</u>
The Hook Lanes and Games 1916 Washington St. (Approved June 17, 2024, funding from TID 13)	\$25,000 + 5,000 TR Main St.	Extend project completion deadline from 11.01.2024 to 06.30.2025; extend paperwork filing deadline for reimb. to 07.31.2025
Kouba Building 1606 Washington St. (Approved June 17, 2024, funding from TID 13)	\$5,000 +\$5,000 TR Main St.	Extend project completion deadline from 11.01.2024 to 06.30.2025; extend paperwork filing deadline for reimb. to 07.31.2025
Pop-Start Pizza 1033 22 nd Street (Approved August 5, 2024; funding from TID 13)	\$10,000	Extend deadline for closing on purchase of property from 09.30.2024 to 10.11.2024

The first two grants listed above were authorized by City Council without specific contracts being presented for your action, but the letter agreements signed with the applicants contained the deadlines cited. It was also anticipated that the City funds in question

would be spent in the current year; they will now need to be carried over to the 2025 Budget. In the case of the third project, there was a detailed contract presented for City Council approval.

In the first two cases, delays in getting materials and/or contractor timing were issues that prevented completion this year, and they will need good outdoor weather to put finishing touches on their projects in 2025. In the case of Pop-Start Restaurant Group, they just closed on the purchase of the 22nd Street property 11 days later than was anticipated when the grant agreement was presented to City Council, and have since closed on October 11.



**TWO
RIVERS**
WISCONSIN



July 2, 2024

Richard and JoAnne Kouba
RJSK Properties LLC
2803 36th Street
Two Rivers, WI 54241

RE: Façade Grant for Property at 1606 Washington Street

Dear Richard and JoAnne:

This letter states the terms for a façade grant to be awarded to RJSK Properties LLC for certain identified exterior improvements to the building owner by RJSK Properties, at the above location.

The maximum amount of said façade grant is \$10,000, to be paid to RJSK Properties LLC on a reimbursement basis following project completion, with \$5,000 to be provided from Two Rivers Main Street and \$5,000 to be provided from the City of Two Rivers.

Conditions for payment of the grant to RJSK Properties LLC are as follows:

1. Project must be completed consistent with the application submitted by RJSK Properties LLC, attached hereto as Exhibit A and the final work product must be approved by the Design Committee of Two Rivers Main Street as complying with the project budget and façade rendering included with that application. (Note: siding shall be LP Smart Siding, with siding and trim colors similar to those shown in the façade rendering; it is understood that the project will not include a fabric awning as depicted in that rendering, but an alternative treatment of the area above the windows and entrances to the first floor storefronts.)
2. RJSK Properties LLC must present project cost documentation consisting of copies of invoices and proof of payment (cancelled checks, credit card statements) totaling at least \$20,000, for façade work items completed under this grant. The maximum façade grant payment is \$10,000, and is not to exceed 50 percent of total documented project costs.

If all façade work has been completed consistent with the application and total documented project costs are less than \$20,000, then RJSK Properties LLC will be paid an amount equal to 50 percent of the documented costs.

3. Following RJSK Properties LLC's compliance with Conditions #1 and #2 above, and upon approval of both the final work product and required financial documentation by the Main Street Design Committee and the City of Two Rivers, payment will be issued for the façade grant described herein (up to \$5,000 from the City, up to \$5,000 from Two Rivers Main Street).

4. All identified façade work must be completed not later than **November 1, 2024** and all required financial documentation must be provided to the City Manager's Office not later than **December 1, 2024**. Failure to meet these deadlines may result in termination of the grant. In the event of such termination, neither Two Rivers Main Street nor the City of Two Rivers shall be required to make any payment to RJSK Properties.

Should you encounter a situation where you do not expect to be able to meet these deadlines, please contact the City Manager's Office as soon as possible, in advance of the deadline, to request an extension.

5. Two Rivers Main Street and the City of Two Rivers will have 15 calendar days following receipt of the financial documentation as identified in Condition #2 above to make a determination regarding satisfactory project completion and the adequacy of the financial documentation provided by RJSK Properties LLC. If additional façade work or financial documentation is required, either Two Rivers Main Street or the City of Two Rivers shall so inform RJSK Properties LLC in writing, and RJSK Properties shall be given at least 15 calendar days to complete the work and/or provide the requested financial documentation.
6. Payment of the façade grant amounts to RJSK Properties LLC by Two Rivers Main Street and the City of Two Rivers will be made within 10 calendar days following final approval of the façade work and approval of the required financial documentation.

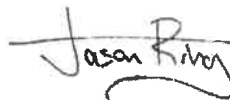
Please indicate your understanding and acceptance of the terms of this letter by signing and dating below.

We look forward to the completion of this major façade project and thank you for your investment in downtown Two Rivers.

Sincerely,



Gregory E. Buckley
City Manager



Jason Ring
Two Rivers Main Street
Executive Director

By signing below, we affirm our understanding and agree to the terms of this façade grant award:

Authentisign

Richard Kouba, for RJSK Properties, LLC

07/29/24
Date

Authentisign

JoAnne Kouba, for RJSK Properties, LLC

07/29/24
Date



**TWO
RIVERS**
WISCONSIN



July 2, 2024

Mr. Timothy Klein
TA Properties LLC
2917 Monroe Street
Two Rivers, WI 54241

RE: Façade Grant for Property at 1916 Washington Street, Two Rivers (Location of The Hook Lanes and Games)

Dear Tim:

This letter states the terms for a façade grant to be awarded to TA Properties LLC for certain identified exterior improvements to the building owner by TA Properties, at the above-cited location.

The maximum amount of said façade grant is \$30,000, to be paid to TA Properties LLC on a reimbursement basis following project completion, with \$5,000 to be provided from Two Rivers Main Street and \$25,000 to be provided from the City of Two Rivers. This amount represents the sum of a façade grant in the amount of \$10,000 awarded to TA Properties LLC by Two Rivers Main Street in 2022 (funded half from Two Rivers Main Street and half from the City) plus a \$20,000 additional façade grant authorized by action of the City Council on June 17, 2024 (funded entirely from City sources).

Conditions for payment of the grant to TA Properties LLC are as follows:

1. Project must be completed consistent with the most recent project budget submitted by TA Properties LLC, attached hereto as Exhibit A and the façade rendering attached hereto as Exhibit B, and the final work product must be approved by the Design Committee of Two Rivers Main Street as complying with that project budget and façade rendering.
2. For the initial grant of up to \$10,000, TA Properties LLC must present copies of invoices and proof of payment (cancelled checks, credit card statements) totaling at least \$20,000, for work items identified as “completed to date” in Exhibit A. If each of these work items has been completed and total documented costs are less than \$20,000, then TA Properties LLC will be paid an amount equal to 50 percent of the documented costs. (Note: these work items total \$21,350 as listed in Exhibit A.)

For the additional, City-funded grant of up to \$20,000, TA Properties LLC must present copies of invoices and proof of payment totaling at least \$40,000, for work items identified under “Project estimation to complete the rest of the exterior façade work” in Exhibit A. If each of these work items has been completed and total documented costs are less than \$40,000, then TA Properties LLC will be paid an amount equal to 50 percent of the documented costs. (Note: these work items total \$47,600 as listed in Exhibit A.)

3. Following TA Properties LLC's compliance with Conditions #1 and #2 above, and upon approval of both the final work product and required financial documentation by the Main Street Design Committee and the City of Two Rivers, payment will be issued for the façade grant described herein (up to \$25,000 from the City, up to \$5,000 from Two Rivers Main Street). There shall be no "progress payments" made over the course of the project, only one payment made following project completion and the approvals listed in this Condition #3.
4. All identified façade work must be completed not later than **November 1, 2024** and all required financial documentation must be provided to the City Manager's Office not later than **December 1, 2024**. Failure to meet these deadlines may result in termination of the grant, and neither Two Rivers Main Street nor the City of Two Rivers shall be required to make any payment to TA Properties in the event of such termination.
5. Two Rivers Main Street and the City of Two Rivers will have 15 calendar days following receipt of the financial documentation as identified in Condition #2 above to make a determination regarding satisfactory project completion and the adequacy of the financial documentation provided by TA Properties LLC. If additional façade work or financial documentation is required, either Two Rivers Main Street or the City of Two Rivers shall so inform TA Properties LLC in writing, and TA Properties shall be given at least 15 calendar days to complete the work and/or provide the requested financial documentation.
6. Payment of the façade grant amounts to TA Properties LLC by Two Rivers Main Street and the City of Two Rivers will be made within 10 calendar days following final approval of the façade work and approval of the required financial documentation.

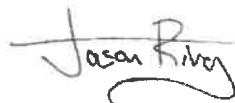
Please indicate your understanding and acceptance of the terms of this letter by signing and dating below.

We look forward to the completion of this major façade project and thank you for your investment in downtown Two Rivers.

Sincerely,



Gregory E. Buckley
City Manager



Jason Ring
Two Rivers Main Street
Executive Director

By signing below, I affirm my understanding and agree to the terms of this façade grant award:

Timothy Klein, for TA Properties, LLC

Date

Please indicate your understanding and acceptance of the terms of this letter by signing and dating below

We look forward to the completion of this major façade project and thank you for your investment in downtown Two Rivers.

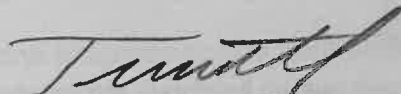
Sincerely,

Gregory E. Buckley
City Manager

Jazon

Jason Ring
Two Rivers Main Street
Executive Director

By signing below, I affirm my understanding and agree to the terms of this façade grant award.


Timothy Klein, for TA Properties, LLC

7-10-24
Date

EXHIBIT A

Work completed to this point with materials and

Demolition of all the exterior siding, fascia, buck, overhang, etc. Dump runs come by \$2000 Labor contracted to Brey Deck and Fence, guy that has been working with me for 15 years \$2950

Materials include foam board, tyvek, aluminum for overhead door, staples, tapes and
\$850.00

Garage Door Specialty installing overhead garage door on North side of building. \$3000.00

City Glass install and provide service entry doors on the Northeast corner of building.

**CITY OF TWO RIVERS
TAX INCREMENTAL DISTRICT NO. 8
AGREEMENT FOR DEVELOPER GRANT
TO ASSIST POP-START RESTAURANT GROUP, LLC
WITH DEVELOPMENT OF RESTAURANT BUSINESS
AT 1033 22ND STREET, TWO RIVERS, WISCONSIN**

This Agreement, effective the 5th day of August, 2024, between:

City of Two Rivers
A Wisconsin Municipal Corporation
1717 East Park Street
Two Rivers, Wisconsin 54241
(hereinafter "City")

And

Pop-Start Restaurant Group, LLC
A Wisconsin Limited Liability Company
628 South Liberty Street
Valders, Wisconsin 54245
(hereinafter "Developer")

WHEREAS, the City created Tax Incremental District No. 8 (TID 8) on August 5, 2002 as a blight elimination tax incremental district; and

WHEREAS, the Project Plan for TID 8, as amended, allows for developer grants to businesses within TID 8 and within one-half mile of its boundaries, to assist with business capital investment; \$30,000 for such grants is included in the 2024 adopted Budget for TID 8; and

WHEREAS, Developer holds a purchase agreement for the purchase of the business real and personal property located at 1033 22nd Street, Two Rivers (hereinafter "the Property"), a former Luigi's Restaurant which has been vacant for more than four years and is in need of capital investment to reopen as a restaurant on this major business corridor within the city; and

WHEREAS, the Property is located within the geographic area eligible for developer grants as addressed in the TID 8 Project Plan; and

WHEREAS, the Developer proposes a project (hereinafter "the Project") at the Property with a total budget of \$420,000, as presented in Exhibit A to this Agreement; and

WHEREAS, the proposed grant funding as described herein is necessary for the successful implementation of the Project; and

WHEREAS, the City wishes to provide the Developer with the TID 8 developer grant assistance as described herein (hereinafter the "Developer Grant"), because the redevelopment of the Property is consistent with the City's goals of supporting and maintaining a healthy and vibrant downtown business district and encouraging business investment in the community; further, such redevelopment is consistent with the goals of TID 8 to reduce and eliminate blight within the TID 8 boundaries and surrounding areas;

NOW THEREFORE, the City and the Developer agree as follows:

1. **City Responsibilities.** The City agrees to reserve \$10,000 in funds from TID 8 for the Developer Grant to assist in funding certain expenses incurred in completion of the Project, such grant to be disbursed to Developer on a reimbursement basis following Developer's completion of certain tasks and fulfillment of certain conditions as stated herein.
2. **Developer Responsibilities.** In order to qualify for Developer Grant as described herein, the Developer shall timely fulfill each of the following requirements of this Agreement:
 - A. Close on the purchase of the Property and any business personal property being purchased with the real property not later than September 30, 2024.
 - B. In addition to the investment required to complete B above, invest a minimum of \$100,000 in the Project for building alterations/repairs/improvements, machinery and equipment, furnishings, signage and site improvements, all of which shall be completed and in place at the Property not later than March 31, 2025.
 - C. Open the Project for business as a wood-fired pizzeria, not later than March 31, 2025.
 - D. Provide the City with documentation to its satisfaction that requirements A and B above have been fulfilled; such documentation shall include by way of example but not limitation copies of executed and recorded deeds, bills of sale, paid invoices, cancelled check and lien waivers related to the investments identified in A and B above. Such documentation shall be provided to the City not later than February 28, 2025.
3. Plans for any exterior modifications or additions to the building located on the Property, as well as plans for any exterior signage to be installed on the Property, shall be provided to the City Manager's Office, for review and comment by the Design Committee of Two Rivers Main Street in advance of such modifications, additions or signage being installed. Such comments shall be advisory only. If such review and comment has not been completed within 10 calendar days following submission of such plans to the City Manager's Office, then Developer may proceed without further requirement for such review.
4. Should Developer fail to timely fulfill any of the requirements stated in #2 and #3 above, the City may, in its sole discretion, terminate this Agreement and have no further obligations to Developer. The City may, in its sole discretion, grant the Developer extensions of the dates stated in #2 above, upon written request of the Developer.
5. Upon Developer's timely fulfillment of requirements 2 A, B, C and D and requirement 3 above, the City shall disburse the Developer Grant to the Developer within 10 calendar days thereafter. This payment shall be considered a reimbursement for \$10,000 of Developer's expenditures for the Project as identified in 2B. above.

This Agreement, signed by the authorized representatives of the Developer on the date indicated below, shall be effective only following approval by the City Council of the City of Two Rivers and signature by the City Manager and City Clerk, as authorized by such action of the City Council, not later than August 5, 2024, which date marks the end of the statutory expenditure period for TID 8.

Pop-Start Restaurant Group, LLC

DocuSigned by:
Justin Ulness
By: _____
AG7E611FDB4143A...
(signature)
Justin Ulness Owner

(printed name and title)

8/1/2024 | 17:52 PDT

(date)

DocuSigned by:
Nathan Hulsey
By: _____
360033039012412...
Nathan Hulsey Owner

(printed name and title)

8/1/2024 | 19:42 PDT

(date)

City of Two Rivers

Gregory E. Buckley
Gregory E. Buckley, City Manager

08/25/2024

(date)

Lisa Kuehn, Deputy City Clerk

(date)

EXHIBIT A

**To Tax Incremental District No. 8 Agreement for Developer Grant
Between the City of Two Rivers and Pop-Start Restaurant Group, LLC**

Project Budget

Purchase of Property at 1033 22 nd Street, Two Rivers, WI	\$265,000
Alterations/Repairs/Improvements to the Property	55,000
Machinery and Equipment, Incl. Installation	50,000
Furnishings	25,000
Other	25,000
TOTAL PROJECT BUDGET	\$420,000

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