



October 18, 2024

Emily McFarland, Mayor  
Mason Becker, SIDC  
City of Watertown  
106 Jones Street  
Watertown, WI 53094  
Re: Pre-Development Agreement

Dear Mayor McFarland and Mr. Becker,

Thank you for the opportunity to partner with the City of Watertown regarding two of the properties the City owns in Watertown's historic downtown. The parcels are located at 111 Water Street and a portion of 204 North First Street. Conceptual site plans are attached and intended to be used as a reference. Intrepid Investments is excited to work with city staff to offer new and varied residential choices for the Watertown community.

This Pre-Development Agreement is intended to outline developer and municipal responsibilities between **November 25, 2024** and **March 1, 2025** with the goal of being able to engage in a formal developer's agreement at that time. We envision the following to take place beginning November 25, 2024 (pending approval by the City's Finance Committee):

- Intrepid will have exclusive rights to work with the City of Watertown on the two above-named properties during the Pre-Development time period
- At its own expense, Intrepid will engage in a formal market study including but not limited to:
  - Multi-Family facility – number of units, amenities, absorption rates, attainable rents, phasing
  - Owner Occupied – unit mix, housing types, absorption rates, sales price targets
  - Intrepid expects to have the results of the Market Study on or about December 15, 2024, pending consultant workload
- Intrepid and the City of Watertown will work together to formulate an overall project proforma, construction timeline, and phasing plan
- Intrepid will solicit preliminary civil engineering efforts and will work with consulting engineers regarding infrastructure design, lot size, and unit mix
- Using the above efforts, Intrepid will present design data, market study results, current market conditions and proformas to Watertown. This information is intended to be used as a basis for municipal incentive consideration
  - Intrepid is anticipating purchasing the properties for \$1 while also evaluating potential TID incentives, likely in a pay-go format
- The City of Watertown to provide reasonable access to its' consulting engineers, existing data related the project and access to city staff to facilitate the developer's agreement creation
- It is anticipated the March 1st deadline will be adequate for Intrepid and Watertown to complete the Pre-Development requirements. Intrepid and Watertown agree to utilize best efforts and operate in good faith toward the timeline and agree to extend the Pre-Development agreement in 45-day increments as needed assuming progress is being made toward the above benchmarks

Thank you again. We look forward to many successful projects together.

Sincerely,

Randy Schmiedel  
Intrepid Investments, LLC

Craig K. Sadownikow  
Intrepid Investments, LLC

Emily McFarland  
Mayor, City of Watertown