

RESOLUTION NO. 2023-21

RESOLUTION BY THE EXECUTIVE COMMITTEE AUTHORIZING SECOND AMENDMENT TO COOPERATION AGREEMENT BETWEEN THE VILLAGE OF MOUNT PLEASANT AND RACINE COUNTY RELATING TO THE FOXCONN PROJECT

To the Honorable Members of the Racine County Board of Supervisors:

BE IT RESOLVED by the Racine County Board of Supervisors that the Second Amendment to Cooperation Agreement Between the Village of Mount Pleasant and Racine County Relating to the Foxconn Project, as set forth in Exhibit "A" which is attached hereto, is authorized and approved.

BE IT FURTHER RESOLVED by the Racine County Board of Supervisors that any two of the County Clerk, the County Executive, and/or the Racine County Board Chairman are authorized to execute any contracts, agreements, amendments, or other documents necessary to carry out the intent of this resolution.

Respectfully submitted,

1st Reading _____

EXECUTIVE COMMITTEE

2nd Reading _____

Thomas E. Roanhouse, Chairman

BOARD ACTION

Adopted _____

For _____

Against _____

Absent _____

Tom Kramer, Vice-Chairman

Robert N. Miller, Secretary

VOTE REQUIRED: majority

Jason Eckman

Prepared by:
Corporation Counsel

Robert D. Grove

Tom Hincz

Donald J. Trottier

Melissa Kaprelian

Scott Maier

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3
4 **The foregoing legislation adopted by the County Board of Supervisors of**
5 **Racine County, Wisconsin, is hereby:**

6 **Approved:** _____

7 **Vetoed:** _____

8
9 **Date:** _____,

10
11 _____
12 **Jonathan Delagrave, County Executive**

13
14 **INFORMATION ONLY**

15
16 **WHEREAS**, on December 1, 2017, the Village of Mount Pleasant (the "Village") and
17 Racine County (the "County") entered into a Development Agreement Foxconn Project
18 ("Development Agreement") with SIO International Wisconsin, Inc., FEWI Development
19 Corporation and AFE, Inc.; and

20
21 **WHEREAS**, pursuant to the Development Agreement and a Cooperation Agreement
22 between the Village and County as amended by Resolution No. 2018-56, acquisition costs for
23 all property acquired by the Village were fully funded either with the developer advance or with
24 bond financing obtained by the County and secured by special assessments; and

25
26 **WHEREAS**, the County bonds currently prohibit prepayment, and the Developer has
27 timely paid the annual installments coming due with respect to the special assessments; and

28
29 **WHEREAS**, at this point in the Project, the majority of the TID Public Improvements
30 have been designed and installed, such that the Village and County have identified acquisition
31 costs in an amount of \$10,382,636.27 ("ROW Funds") as costs to acquire right of way for TID
32 Public Improvements that the Village owes the County which will enable the County to pay, in
33 part, those bonds issued by the County to fund acquisition costs; and

34
35 **WHEREAS**, since the bonds issued by the County cannot be prepaid before at least
36 2028, the parties wish to temporarily postpone County's receipt of the ROW Funds which will
37 enable the municipalities to reduce the amount of additional financing necessary to complete
38 the TID Public Improvements; and

39
40 **WHEREAS**, the Village agrees to repay the ROW Funds to the County from tax
41 increment as available.

SECOND AMENDMENT TO
COOPERATION AGREEMENT
BETWEEN THE VILLAGE OF MOUNT PLEASANT AND RACINE COUNTY
RELATING TO THE FOXCONN PROJECT

THIS SECOND AMENDMENT TO COOPERATION AGREEMENT ("Second Amendment") is made as of the _____ day of June, 2022, by and between the Village of Mount Pleasant, a Wisconsin municipal corporation (the "Village") and Racine County, a Wisconsin municipal corporation (the "County"). (The Village and the County may be referred to as the "Municipalities.")

W I T N E S E T H:

WHEREAS, the Municipalities entered into a Cooperation Agreement made as of January 22, 2018, as amended by a First Amendment to Cooperation Agreement made as of August 28, 2018 (collectively, the "Cooperation Agreement") to undertake various obligations under the Development Agreement and now desire to amend such Cooperation Agreement on the terms set forth below. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Cooperation Agreement;

NOW THEREFORE, for and in consideration of the mutual covenants herein set forth and other good and valuable consideration, the receipt of which is hereby acknowledged by the Municipalities, the Municipalities hereby agree to further amend the Cooperation Agreement as follows:

1. Postponed Repayment by Village to County of Certain TID Public Improvement Costs.

The Municipalities acknowledge that Acquisition Costs for all property acquired by the Village in the Project Areas (other than separately divided property acquired exclusively for right of way) were funded either with the Developer Advance or with bond financing obtained by the County. Acquisition costs funded with bond financing obtained by the County also were included in the Area I Special Assessment and Area II/III Special Assessment due from the Developer. The schedule setting forth the Area I Special Assessment and the Area II/III Special Assessment repayments due from the Developer is attached hereto as Exhibit A. Accordingly, such Acquisition Costs have been fully funded by the Developer Advance and the County bonds secured by the Area I Special Assessment and the Area II/III Special Assessment. The County bonds currently prohibit prepayment, and the Developer has timely paid the annual installments coming due with respect to the Area I Special Assessment and the Area II/III Special Assessment as set forth on Exhibit A.

At this point in the Project, the majority of the TID Public Improvements have been designed and installed, such that the Municipalities have identified Acquisition Costs in an amount of \$10,382,636.27 as set forth on Exhibit B (the "ROW Funds") as costs to acquire right of way for TID Public Improvements. The Municipalities agree that the Area I TIF Account includes the ROW Funds, as Acquisition Costs for the ROW Funds were initially funded by County bonds and are now known to constitute TID Public Improvements costs. The Municipalities further agree that the Village owes the County the ROW Funds which will enable the County to pay, in part, those bonds issued by the County to fund Acquisition Costs.

However, since the bonds issued by the County cannot be prepaid before at least 2028, the County has agreed to temporarily postpone its receipt of the ROW Funds and to continue to loan the ROW Funds to the Village to use to fund additional TID Public Improvements costs.

The Municipalities agree that the County's agreement to temporarily postpone its receipt of the ROW Funds enables the Municipalities to reduce the amount of additional financing necessary to complete the TID Public Improvements.

The Village agrees to repay the ROW Funds to the County from Tax Increment as available, but subject to the terms of the Development Agreement and the terms of all other financing arrangements incurred now or hereafter by the Municipalities, provided that the County must specifically agree in writing to the terms of any financing arrangements incurred by the Village hereafter.

2. Payment Due to County.

The ROW Funds shall be deemed to be additional reimbursements due from the Village to the County under Section 4.2 of the Cooperation Agreement and pursuant to the terms of such Section 4.2.

IN WITNESS WHEREOF, Racine County, Wisconsin, and the Village of Mount Pleasant, Wisconsin, have caused this Second Amendment to be executed by their respective officers thereunto duly authorized, as of the day and year first above written.

RACINE COUNTY, WISCONSIN

By: _____
Jonathan Delagrave, County Executive

By: _____
Thomas Roanhouse, County Board Chair

Countersigned:

By: _____
Wendy M. Christensen, County Clerk


Certified to be correct as to form this ____ day of
June, 2022.

By: _____
Michael J. Lanzdorf, Corporation Counsel

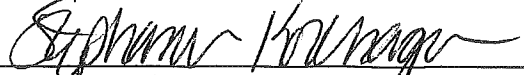
Reviewed by Finance Director:

By: _____
Gwen Zimmer, Finance Director

VILLAGE OF MOUNT PLEASANT, WISCONSIN

By: 

David DeGroot President

Attest 

Stephanie Kohlhaben, Village Clerk/Treasurer

EXHIBIT A

SPECIAL ASSESSMENTS & PROJECTED REPAYMENT – AREA I ONLY
 (Based on October 24, 2019 Racine County Taxable Refunding Bond Sale Results)

Special Assessment Total

Land Acquisition & Related Expense (1)	\$80,078,558
Cap. Interest & Finance Related Expense	\$7,041,442
Interest	<u>\$28,944,757</u>
Total to be Assessed	<u>\$116,064,757</u>

Budget Year	Area I Spec. Assmt. Payments
2020	\$5,801,440
2021	\$5,801,274
2022	\$5,804,257
2023	\$5,804,813
2024	\$5,802,099
2025	\$5,804,001
2026	\$5,801,386
2027	\$5,804,894
2028	\$5,802,702
2029	\$5,804,070
2030	\$5,804,742
2031	\$5,804,194
2032	\$5,804,076
2033	\$5,803,928
2034	\$5,801,631
2035	\$5,804,855
2036	\$5,801,773
2037	\$5,801,419
2038	\$5,802,241
2039	\$5,804,964
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	<u>\$116,064,757</u>

SPECIAL ASSESSMENTS & PROJECTED REPAYMENT – AREA II & III ONLY
 (Based on October 24, 2019 Racine County Taxable Refunding Bond Sale Results)

Special Assessment Total

Land Acquisition & Related Expense (1)	\$21,030,732
Cap. Interest & Finance Related Expense	\$1,849,268
Interest	<u>\$7,601,653</u>
Total to be Assessed	<u>\$30,481,653</u>

Budget Year	Area II & III Spec. Assmt. Payments
2020	\$1,523,610
2021	\$1,523,567
2022	\$1,524,350
2023	\$1,524,496
2024	\$1,523,784
2025	\$1,524,283
2026	\$1,523,596
2027	\$1,524,517
2028	\$1,523,942
2029	\$1,524,301
2030	\$1,524,478
2031	\$1,524,334
2032	\$1,524,303
2033	\$1,524,264
2034	\$1,523,661
2035	\$1,524,507
2036	\$1,523,698
2037	\$1,523,605
2038	\$1,523,821
2039	\$1,524,536
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2048	
2049	
	<u>\$30,481,653</u>

