

RESOLUTION NO. 2023-60

RESOLUTION BY THE EXECUTIVE COMMITTEE AUTHORIZING THIRD 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 Third 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 subject to any changes deemed necessary and appropriate by the Corporation Counsel and the Finance Director.

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

Donald J. Trottier

Melissa Kaprelian

Scott Maier

Tom Rutkowski

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

7 **Approved:** _____

8 **Vetoed:** _____

9
10 **Date:** _____,
11

12 _____
13 **Jonathan Delagrave, County Executive**
14

15 **INFORMATION ONLY**

16
17 **WHEREAS**, on December 1, 2017, the Village of Mount Pleasant (the "Village") and
18 Racine County (the "County") entered into a Development Agreement Foxconn Project
19 ("Development Agreement") with SIO International Wisconsin, Inc., FEWI Development
20 Corporation and AFE, Inc.; and
21

22 **WHEREAS**, pursuant to the Development Agreement and a Cooperation Agreement
23 between the Village and County as amended by Resolution No. 2018-56, acquisition costs for
24 all property acquired by the Village were fully funded either with the developer advance or with
25 bond financing obtained by the County and secured by special assessments; and
26

27 **WHEREAS**, the County bonds currently prohibit prepayment, and the Developer has
28 timely paid the annual installments coming due with respect to the special assessments; and
29

30 **WHEREAS**, the Village and County entered into a Second Amendment to Cooperation
31 Agreement pursuant to Resolution No. 2023-21 whereby the Village agreed to repay acquisition
32 costs in an amount of \$10,382,636.27 ("ROW Funds") to the County; and
33

34 **WHEREAS**, further amendment to the Cooperation Agreement is necessary to facilitate
35 repayment of money owed by the Village to the County and to set terms for administering the
36 reserve account for the unused Microsoft sales proceeds.

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

THIS THIRD AMENDMENT TO COOPERATION AGREEMENT (“Third Amendment”) is made as of the ____ day of November, 2023, 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 (“Original Agreement”), as amended by a First Amendment to Cooperation Agreement made as of August 28, 2018 (“First Amendment”) and further amended by a Second Amendment to Cooperation Agreement made as of June 27, 2023 (“Second Amendment” and, together with the Original Agreement and the First Amendment, collectively, the "Cooperation Agreement") to undertake various obligations under the Development Agreement.

WHEREAS, pursuant to a Second Implementation Agreement of even date herewith arising from the Development Agreement, the Municipalities anticipate receipt of net proceeds from the sale of lands to Microsoft Corporation (the “Funds”) which they have agreed to disburse in strict accordance with the terms of this Third Amendment;

AND WHEREAS, the Municipalities 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. Repayment of Certain Costs Relating to TID 5.

The Village hereby agrees that Acquisition Costs in an amount of \$10,382,636.27 as set forth on Exhibit A (the “ROW Funds”), receipt of which the County agreed to temporarily postpone under the Second Amendment, shall be disbursed to the County from the Funds to fully reimburse the County for such ROW Funds. The Village also agrees that fees and costs incurred by the County in connection with the Development Agreement in an amount of approximately \$1.5 million as set forth on Exhibit B (the “County Costs”) shall be disbursed to the County from the Funds to reimburse the County Costs incurred to date.

IN WITNESS WHEREOF, Racine County, Wisconsin, and the Village of Mount Pleasant, Wisconsin, have caused this Third 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
November, 2023.

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 _____
Jill Firkus, Deputy Village Clerk/Treasurer

THIRD AMENDMENT TO
COOPERATION AGREEMENT
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RELATING TO THE FOXCONN PROJECT

THIS THIRD AMENDMENT TO COOPERATION AGREEMENT ("Third Amendment") is made as of the ____ day of November, 2023, 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.")

WITNESSETH:

WHEREAS, the Municipalities entered into a Cooperation Agreement made as of January 22, 2018 ("Original Agreement"), as amended by a First Amendment to Cooperation Agreement made as of August 28, 2018 ("First Amendment") and further amended by a Second Amendment to Cooperation Agreement made as of June 27, 2023 ("Second Amendment" and, together with the Original Agreement and the First Amendment, collectively, the "Cooperation Agreement") to undertake various obligations under the Development Agreement.

WHEREAS, pursuant to a Second Implementation Agreement of even date herewith arising from the Development Agreement, the Municipalities anticipate receipt of net proceeds from the sale of lands to Microsoft Corporation (the "Funds") which they have agreed to disburse in strict accordance with the terms of this Third Amendment;

AND WHEREAS, the Municipalities 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. Repayment by Village to County of Certain Costs Relating to TID 5.

The Village hereby agrees that Acquisition Costs in an amount of \$10,382,636.27 as set forth on Exhibit A (the "ROW Funds"), receipt of which the County agreed to temporarily postpone under the Second Amendment, shall be disbursed to the County from the Funds to fully reimburse the County for such ROW Funds. The Village also agrees that fees and costs incurred by the County in connection with the Development Agreement in an amount of approximately \$1.5 million as set forth on Exhibit B (the "County Costs") shall be disbursed to the County from the Funds to reimburse the County Costs incurred to date. ~~County Costs incurred after the date of this Third Amendment shall be funded or reimbursed 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. Reserve Account.

~~The Funds, less the ROW Funds and the County Costs reimbursed to the County under this Third Amendment (and estimated to be in excess of \$30 million), shall be deposited in a joint account in the name of both the Village and the County (the "Reserve Account") which~~

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~~Reserve Account shall satisfy all requirements set forth in Sections 3.2, 3.3, 3.4, 3.6 and 3.7 of the Original Agreement. The Village and County shall agree to allocate equitable portions of the Funds in the Reserve Account to be shown on their respective financial statements. The Funds in the Reserve Account are intended to fund any otherwise unfunded annual principal and interest installment payments due under: (a) the Village's Tax Increment Revenue Bonds (TID-5) dated October 4, 2018 (the "TID Bonds"); (b) the Village's Sewer System Revenue Bonds, Series 2021, dated June 9, 2021 (the "Sewer Bonds"); (c) the County's Taxable General Obligation Refunding Bonds, Series 2019B, dated November 12, 2019 (the "County Bonds"); (d) the Village's \$20,510,000 in General Obligation Bonds issued in 2021 ("Village GO Bonds") and/or (e) any obligations which refinance any of the foregoing. Unless otherwise agreed in advance and in writing by the Village and the County, the Funds in the Reserve Account may be disbursed solely as needed to pay any otherwise unfunded annual obligations due under the TID Bonds, the Sewer Bonds, the County Bonds or the Village GO Bonds. Notwithstanding anything herein to the contrary, in any year in which the TID Bonds remain outstanding, an amount equal to the annual Makeup Payment owed by Foxconn under the Development Agreement shall remain on deposit and shall be the first obligation in that year to be funded from the Funds, if needed. The Village and the County must agree upon any disbursement of any Funds from the Reserve Account other than as set forth in this Section. Any funds remaining in the Reserve Account following the full repayment of the TID Bonds, the Sewer Bonds, the County Bonds and the Village GO Bonds shall be split equitably as mutually agreed between the Village and the County.~~

IN WITNESS WHEREOF, Racine County, Wisconsin, and the Village of Mount Pleasant, Wisconsin, have caused this Third 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
November, 2023.

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 Kohlhaugen, Jill Firkus, Deputy Village
Clerk/Treasurer

