

**LAND SWAP
TERM SHEET**

For Tax Keys 9059994001, 9259999000, 9249009002, 9059999006
In the City of Oak Creek, Milwaukee County, Wisconsin

The purpose of this Term Sheet is to outline critical factors that will be included in the transfer of ownership of land as identified in Exhibit A. The term sheet will be used to (a) produce the report, resolution and other information needed to report to the Milwaukee County Board for action; and (b) produce the final agreements for execution by the parties, and consequently the final closing documents if the land swap is executed.

1. Agreement

The City of Oak Creek, Capstone Quadrangle (doing business as “Ryan Business Park, LLC”), and Milwaukee County (the “Parties”) agree to support a project that involves the Land Swap as described in Section 2, the development of a business park, and the creation of a new public neighborhood park.

2. Land Swap

This proposal is based on a transaction that includes the following parcels as identified in Exhibit A:

- A. Specific land conveyed by Capstone Quadrangle to the County: the Main Offsite Parcel (Tax Key 924-9009-002), the South Oak Wetlands (contained within Tax Key 925-9999-000), the Koehler Swath (contained within Tax Key 905-9999-006), all totaling approximately 59.47 acres.
- B. Specific land conveyed by County to Capstone Quadrangle: approximately 27.09 acres (contained within Tax Key 905-9994-001).

3. Oak Leaf Trail Easement

This proposal is contingent upon the provision to Milwaukee County at closing for a permanent Trail Easement along the entire eastern boundary with the railroad, as identified in Exhibit A. This Trail Easement will be 30 feet wide and will coexist in this location with an existing easement to MMSD for their deep tunnel. The Trail Easement will enable the County, should it choose to do so in the future, to construct a pedestrian trail / bike path meandering through the easement, to connect from the southernmost portion of the site proceeding north along the railroad property up to the 70 foot wide swath of land along the Oak Creek that is proposed to be swapped to the County in this transaction. From that point the County’s trail route would proceed west along the 70 foot wide then-County-owned Koehler Swath and connect to the main Park Road where it would turn north and cross the main bridge. This will include an 8 foot wide pedestrian sidewalk portion along either the east or west side of the bridge crossing the Oak Creek. From the bridge north to Ryan Road in the vicinity of the main Business Park entrance, trail users would utilize the Business Park’s sidewalk. From there the County would have connectivity to other existing County trail systems.

4. Stormwater Easement

Capstone Quadrangle will construct and maintain multiple stormwater ponds or infiltration basins for the buildings within the proposed business park. The ponds will be placed on land owned by the business park, and will be permanently maintained by the business park. Drainage easements will be necessary for proper design of the stormwater system, and will be included across both County land and private land, to be engineered when the project moves to more detailed documentation. In addition, temporary construction easements during construction of the business park will cover all of the County land in the 140 foot wide and 70 foot wide swaths along the creek to enable resculping of the grades, to be replanted by the business park with native species.

5. Road, Bridge

The main park road will be a dedicated City of Oak Creek right-of-way, with utilities adjacent to the road in permanent easements. The road will be built to industrial standards for being able to handle semi-trailer traffic, including a bridge over the Oak Creek at the historic crossing point that previously was the original rail crossing from about 1872 through 1906. Capstone Quadrangle will perform a Traffic Impact Analysis and has retained a traffic consultant for this purpose. The entire length of the road (including the bridge over the Oak Creek) will be constructed and paid for by the business park. The City-owned ROW for the bridge crossing the creek will be the only interruption of the County swaths of land along the creek.

6. Neighborhood Park

The southeast corner of the land identified in Section 2(a) contains an approximately 8-acre upland area that abuts property acquired by the County through tax foreclosure (Tax Key 925-0089-000). The creation of the Neighborhood Park will require further documentation separate from the Swap. This proposal contemplates the following roles and responsibilities for the creation of the Neighborhood Park at this location:

- A. County: Milwaukee County will provide the land for the Neighborhood Park, which will include the parcel recently foreclosed on (925-0089-000) plus the upland portion of the SE corner of the parcel obtained by the County in the Swap (925-9999-000). The County will not contribute funds to the creation of the improvements of the park.
- B. City: Oak Creek will program, design, construct, manage and maintain the Neighborhood Park, likely including some boardwalk access from the single-family subdivision (English Aire) to its southwest. The City will determine the amount of the construction cost to be paid out of City funds, or (in consultation with Capstone Quadrangle) included in the TIF.
- C. Capstone Quadrangle: Capstone Quadrangle agrees that the TIF supporting the development of the business park can include some or all of the funding (to be jointly determined between Capstone Quadrangle and the City) to create the improvements to accomplish the construction of the Neighborhood Park. If desired by the City's final design for the Park, Capstone Quadrangle will provide an easement for maintenance vehicle and/or emergency vehicle access through the business park.

7. Utilities

All necessary utilities, including water, sanitary sewer, electricity, gas, communications and stormwater, will be installed alongside the main park road. The utilities will be placed in easements along the road (primarily on private Business Park land or City ROW).

8. Tax Incremental Financing

This proposed Land Swap is contingent upon Capstone Quadrangle obtaining Tax Increment Financing for a portion of the costs of infrastructure and park development pursuant to further approvals by the City of Oak Creek. Final approval of the TIF, in an amount necessary to achieve a satisfactory financial structure, is a necessary component to the creation of the business park and is a simultaneous contingency for both the Land Swap proposal and TIF application.

9. Term Length

The Parties will have one (1) year to complete the Land Swap from the date of County Board approval of this Term Sheet. If the Land Swap contemplated in this Term Sheet is not completed within this one-year period, the transaction will require re-approval of the County Board.

10. Environmental

The conveyances would be “as-is” related to physical condition of the Property.

11. Due Diligence

Any environmental inspections of land that is swapped from the County will require County Corporation Counsel pre-approval. Milwaukee County understands that Capstone Quadrangle will need to obtain normal due diligence information (such as a geotechnical report and a Phase I environmental report) on the land to be conveyed to Capstone Quadrangle. Capstone Quadrangle understands that Milwaukee County will need to obtain normal due diligence information (such as a geotechnical report and a Phase I environmental report) on the land to be conveyed to Milwaukee County. Any areas of physical testing would be restored to existing condition within current industry standards by the entity conducting the testing. Parties will provide copies of all existing known environmental reports and other due diligence documents, including historical records and reports that pertain to the condition and operation of the Property.

12. Title

The final conveyance agreements will include a requirement that the Parties provide a title insurance policy insuring clear and marketable title free from exceptions other than Permitted Exceptions. “Permitted Exceptions” will be defined in the final conveyance agreements, but are those encumbrances on the title insurance that are known and permitted in writing by the Party receiving the property in the swap. In the case of the Main Off-site parcel (Tax Key 924-9009-002), this requirement applies regardless of whether the party conveying to Milwaukee County is Capstone Quadrangle or another entity. If, despite a good-faith effort, any party fails to remove unpermitted exceptions,

the other party may choose to accept the Property “as is” with respect to such unpermitted exceptions.

13. Assignment

This proposal is between the three Parties listed in this Term Sheet and may not be assigned without permission of all Parties.

14. No County Contribution

Except as contemplated above, the County will not contribute to any operating or capital costs of the overall project.

15. Public Records

Capstone Quadrangle understands that Milwaukee County and the City of Oak Creek are subject to Public Records requirements. Most details of the overall transaction will be subject to Public Records requests.

16. Nonbinding.

This term sheet does not constitute a binding contract, and the parties do not intend to be legally bound unless and until definitive purchase agreements and related documents have been executed by the Parties. The signatures below indicate an understanding of the proposed Land Swap and what will be presented to the County Board for approval. If approved by the County Board, final documents will be prepared.

[Signature page follows]

Executed this ____ day of _____, 2018.

Ryan Business Park, LLC

By: Capstone Development Company

Its: Manager

By:

Michael Faber

Title Principal

Date _____

City of Oak Creek

By _____

Name _____

Title _____

Date _____

Milwaukee County

By _____

Name _____

Title _____

Date _____

Exhibit A