

DRAFT



Real Estate Brokerage, Development, Investment & Consulting

March 12, 2013

City of Waterloo  
Mo Hansen, City Clerk/Treasurer  
136 North Monroe Street  
Waterloo, WI 53594

RE: Letter of Intent for Redevelopment

Dear Mr. Hansen:

The Lang Group, LLC is pleased to provide you with a Letter of Intent for the Redevelopment of the existing property located 565-629 W. Madison Street, which is known as the Former RR Donnelly Offices. The following summarizes our proposal:

- Owner/Developer:** Lang Group, LLC and The Architectural Firm
- Option To Purchase:** Lang Group, LLC (“Lang”) and the City of Waterloo (“City”) wish to enter into a formal Option to purchase within 15 days to purchase the property and all of its contents for \$10.00. This Option to Purchase will be for 4-8 months and will allow the City to expand the TID and reduce the assessed value of the property, while allowing Lang to perform due diligence on the property, which will include construction drawings, bidding, permits, local approvals, etc.
- Building:** Parcel Number 290-0813-0643-049, with the physical addresses of 565-629 W. Madison Street, Waterloo, WI. Please see the attached Aerial Site Plan.
- Use by Lang Group:** Lang shall renovate the existing structure into Market Rate (high amenities) Multi-family residential units with a Cafe, Fitness Classes and Sport Rental Business (open to the public) to be completed by and have Occupancy in April 2014.
- Project Scope:** Redevelopment shall create a finished mixed use project with an taxable assessed value in excess of \$1,750,000. Current Property is considered to have a Fair Market Value of \$130,600 considering the City is considering demolishing the entire building.
- City Participation:** The City will aid Lang with the Tax Increment Financing, necessary amendments to Tax Increment District #2, potential utility sizing increases, City Loan, permits and licenses as necessary, waiver of all impact fees, and any other items as determined as the project progresses. There will not be any demolition required from the City.
- Tax Increment Financing:** Lang shall enter into a Development Agreement with the City, which will allow Lang to recoup a portion of the future tax increment generated by the redeveloped project over a fifteen year period. This portion of the future tax increment will be leveraged to enhance the private financing for the redevelopment.

Greater Milwaukee WI & Northern Illinois • Phone: (414) 313-9001  
Madison, Green Bay, Fox Valley & Jefferson County • Phone: (920) 988-9400 • Fax: (920) 648-8844  
132 W. Oak Street • Lake Mills, WI 53551 • e-mail: [jay@langgroup.net](mailto:jay@langgroup.net)

[www.langgroup.net](http://www.langgroup.net)

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**Sources of Funds:** Lang and Investor Equity: \$350,000  
Private Financing: \$900,000  
City Loan/Demo Grant: \$500,000  
Total of all Funds: \$1,750,000

**Building Size:** Total Square Feet (TSF): 50,200sf.

**Commencement Date:** Occupancy will commence on the earlier of the date Lang occupies the Property or October 1st, 2013. Lang shall be allowed access to the space upon Option to Purchase execution for due diligence purposes.

**Option Term:** March, 2013 through December 31, 2013.

**Time is of the Essence:** This Letter of Intent must be signed and accepted by Tenant and acknowledged by the Guarantors, on or before March 30, 2013.

**Binding Effect:** This letter proposal is for discussion purposes only, and is not intended to be a legal and binding document and may be terminated or revoked by either the Landlord or Tenant prior to the execution of the Lease contemplated by this letter proposal. In the event the Landlord and Tenant execute this letter proposal, Landlord and Tenant shall be required to enter into a Lease within fifteen (15) days of the date of this letter proposal or this letter proposal shall be null and void and of no further force and effect. The aforementioned fifteen (15) day limitation shall in no way be construed or deemed to limit either party's ability to terminate this letter proposal at any time upon written notice to the other party.

If this proposal is acceptable as the basis for a lease, please indicate your acceptance by signing below and returning one executed copy to me.

Sincerely,



James (Jay) R. Lang II  
Principal/Owner

**ACKNOWLEDGED AND ACCEPTED: City of Waterloo**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name/Title:

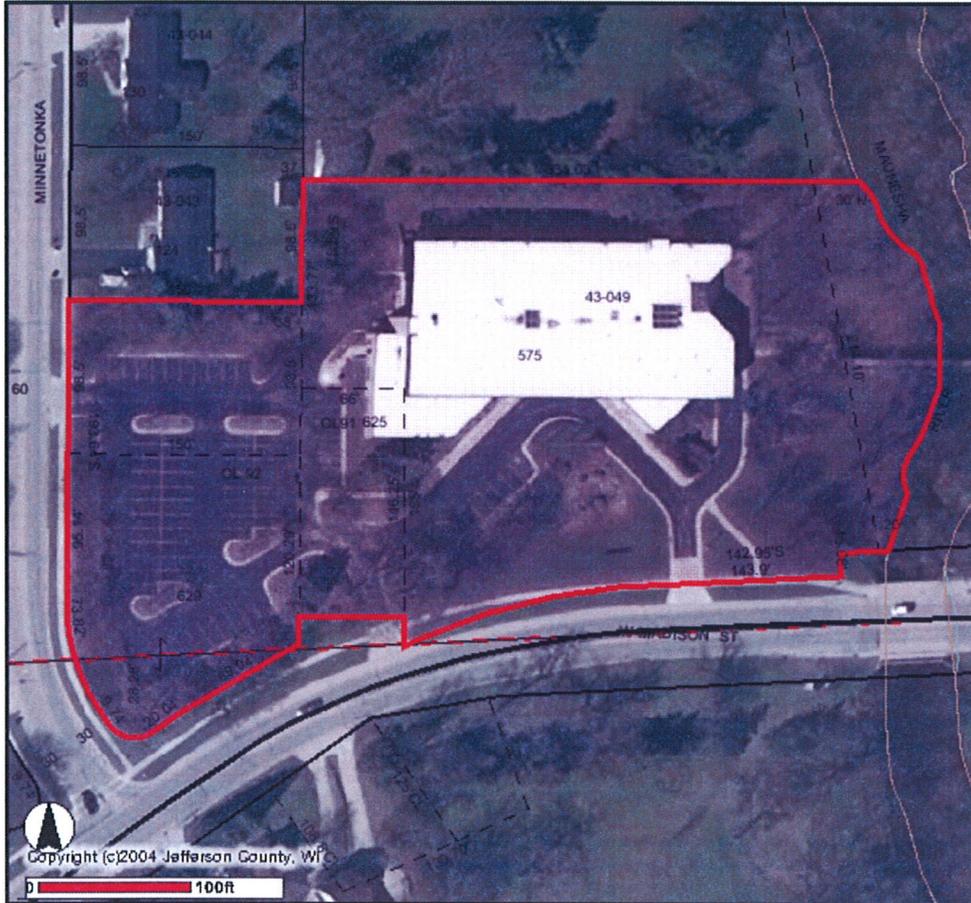
**ACKNOWLEDGED AND ACCEPTED: City of Waterloo**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name/Title \_\_\_\_\_

EXHIBIT A

Jefferson County Geographic Information System

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- \_SELECTION\_**
- Minor Hydro Names**
- Major Road Centerlines**
- County**
- Federal**
- Interstate**
- State**
- Streams, Etc.**
- PLSS Sections No**
- PLSS Sections**
- MCD Boundaries**
- Parcels**
- Orthos April 2010**



**varion systems**

**DISCLAIMER**  
This map is not a substitute for an actual field survey or on sight investigation. The accuracy of this map is limited by the quality of the records from which it was assembled. Other inherent inaccuracies occur during the composition process. Jefferson County makes no warranty whatsoever concerning this information.



136 North Monroe Street, Waterloo, Wisconsin 53594-1198  
Phone (920) 478-3025  
Fax (920) 478-2021

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March 15, 2013

Jay Lang  
Lang Group  
132 West Oak Street  
Lake Mills, WI 53551

**RE: DOCUMENTING OUR UNDERSTANDING ON THE MODIFICATION OF YOUR LETTER OF INTENT FOR REDEVELOPMENT DATED MARCH 12, 2013**

Mr. Lang:

After our Friday meeting on this topic, this letter is to document the manner in which your proposed Letter of Intent dated March 12, 2013 is now considered modified.

The section titled: Sources of Funds would read as follows:

<b>Sources of Funds:</b>	Lang and Investor Equity:	\$350,000
	Private Financing:	\$900,000
	Private Financing with municipally backed loan guarantee with property serving as surety	\$400,000
	<u>Municipal developer incentive:</u>	<u>\$100,000</u>
	Total of all Funds:	\$1,750,000

Sincerely,

Mo Hansen  
Clerk/Treasurer