CITY OF STOUGHTON, 207 S. FORREST ST, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL

Resolution by the Common Council of the City of Stoughton
Approving Reduction in GIP-Glacier Moraine LLC Letter of Credit

Committee Action:

Fiscal Impact: None

File Number:	**Date Introduced:** **April 12, 2022**

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

RECITALS

WHEREAS, the City of Stoughton sold a parcel in Tax Increment District (TID) #6 to GIP-Glacier Moraine LLC as authorized under Resolution R-22-2020; and

WHEREAS, the purchase and sale agreement for the above property required an Irrevocable Letter of Credit for $550,000 related to tax increments on the property; and

WHEREAS, a copy of the above Irrevocable Letter of Credit is attached to this resolution; and

WHEREAS, the City's former Director of Finance has calculated that a reduction of $99,235 of the Irrevocable Letter of Credit is appropriate based upon $355,000 value added during calendar year 2020; and

WHEREAS, both Ehlers & Associates and the current Director of Finance have reviewed the calculations and concur with the recommendation;

NOW THEREFORE BE IT RESOLVED, that the Irrevocable Letter of Credit from Bank of Deerfield on behalf of GIP-Glacier Moraine LLC may be reduced to $450,765.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____
Tim Swadley, Mayor Date

Council Action: _____ ☐ **Override** **Vote** _____

IRREVOCABLE STANDBY LETTER OF CREDIT
(TIF guarantee)

Bank of Deerfield
15 South Main Street
P.O. Box 85
Deerfield, Wisconsin 53531

BENEFICIARY	LETTER OF CREDIT NO.	DATE
The City of Stoughton, a Wisconsin municipal corporation	553	March 4, 2020

This Letter of Credit is issued to secure certain obligations of GIP-Glacier Moraine LLC under the Purchase and Sale Agreement (City of Stoughton – GIP-Glacier Moraine LLC) dated March 4, 2020 (the "Purchase Agreement"). We hereby authorize you to draw on us for the account of GIP-Glacier Moraine LLC up to an aggregate amount of Five Hundred Fifty Thousand Dollars and 00/100 ($550,000.00) available at sight upon presentation of the following:

1. Your draft in the form attached as Exhibit A.

2. This original Letter of Credit.

2. An affidavit in the form attached as Exhibit B.

This Letter of Credit and each extended, renewed or replacement letter of credit shall be automatically extended without amendment for a period of one year from its expiration date, unless at least forty-five (45) days before such expiration date we notify the City in writing at 207 S. Forrest Street, Stoughton, Wisconsin 53589, Attn: Finance Director, that the Letter of Credit will not be extended for an additional one (1) year period, or that the Letter of Credit will be renewed or replaced by a letter of credit in an amount that is less than the amount required by the Purchase Agreement.

SPECIAL INSTRUCTIONS:

Partial drawings are (x) permitted.

All drafts must be marked "Drawn Under Letter of Credit of Bank of Deerfield, No. 553 dated March 4, 2020."

Insofar as applicable, this Letter of Credit is subject to the International Standby Practices (1998), International Chamber of Commerce Publication #590. This Letter of Credit shall be construed and interpreted in accordance with the laws of the State of

Wisconsin, including insofar as applicable the Uniform Commercial Code as in effect in the State of Wisconsin.

We agree with you to pay draft(s) drawn under and in compliance with the terms of this Letter of Credit if presented at this office together with this Letter of Credit on or before the close of our business on March 4, 2021.

Dated: March 4, 2020.

BANK OF DEERFIELD

By: Benjamin M. Mlsna V.P.

Benjamin M. Mlsna, Vice President

C:\Users\npeterson\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\WAUG3SD4\3MK8063-Irrevocable Standby Letter of Credit (Bank of Deerfield).docx
0304200804