

To Village of Cottage Grove Board of Trustees

From Rick Manthe and Larry Konopacki

Date May 14, 2021

Re Patten Real Estate Development Agreement

The Village Board meeting scheduled for Monday, May 17, 2021, includes an agenda item specifying that the Board will discuss and consider a draft developer's agreement for the Patten Real Estate project occurring on lot 16 in the Commerce Park. The draft development agreement is included in the materials for the Board meeting. Village staff and counsel recommend Village Board approval of this agreement.

Patten Real Estate's proposed project is an approximately 10,000 square foot multi-tenant industrial/flex use building. The following are a few notable provisions in the draft developer agreement:

1. Financial Incentives. The Village will make an initial incentive grant in the form of a purchase price credit in the amount of \$115,000. The Village will also provide the Developer 100% of the property tax increment created by this project on taxes paid by Patten Real Estate.
2. Assessed Value Guarantee. Patten Real Estate will guarantee an assessed value for the property after completion of construction of the project of \$1,750,000.
3. The Developer still needs to obtain site plan approval for this project. Once a site plan is approved, it automatically becomes incorporated into the agreement, and the Developer will have to abide by any site plan requirements.
4. There are no public improvements required for this project. Therefore the development agreement does not include any standards for public improvements, nor does it include any financial security requirements.