



CITY OF ANTIGO

ECONOMIC DEVELOPMENT COMMITTEE MEETING

MULTI-PURPOSE ROOM

Monday, April 03, 2017

CITY HALL

6:00 PM

Call to Order

Discussion and Action May Occur on Any of the Following Agenda Items:

1. Approval of the minutes from the June 6, 2016 meeting
2. Subletting Request by Duffek Sand & Gravel under Section 10 of their existing Lease Agreement
3. Duffek Sand & Gravel Lease - Request for Restructured Payment for 12 months thru April 2018

Any Other Matters Authorized by Law to be Considered

Adjournment

Upon reasonable notice, efforts will be made to accommodate disabled individuals through appropriate aids and services. For additional information, contact Jaime Horswill, 700 Edison Street, Antigo, Wisconsin 54409. (715) 623-3633 extension 100. Members of and possibly a quorum of members of other governmental bodies may be in attendance to gather information. Any governmental body other than that specifically referred to above will take no action.

DATE MAILED: March 30, 2017

BILL BRANDT



To: Mayor and City Council
From: Mark Desotell, Director of Administrative Services
Date: April 03, 2017
Re: Subletting Request by Duffek Sand & Gravel under Section 10 of their existing Lease Agreement

On January 9th, 2008 under Resolution #008-08 City Council authorized a Lease-Purchase Agreement and Payment in Lieu of taxes for Duffek Sand & Gravel. The resulting Lease Agreement was subsequently endorsed by all parties on January 10th, 2008.

Section #10 of the Lease document addresses the issue of subletting as follows:

- If the Demised Premises or any part hereof, shall be sublet, or if this Lease were assigned by Tenant, the Tenant shall remain liable for the performance of all conditions, covenants and obligations under this Lease, notwithstanding any assignment or sublease. There shall be no sublease or assignment by Tenant without the written consent of the Landlord, which consent shall not be unreasonable withheld.

Duffek Sand & Gravel is seeking the City's permission to sublet portions of the facility and property to Northeast Asphalt, Inc. for the storage and repair of construction equipment. I find this to be a reasonable request and to be of a similar nature of use by Duffek Sand & Gravel.

It is my recommendation that the Committee grant the request as requested as it allows for maximizing the use of available space helping to assure the longevity of the lease and PILOT payments.



To: Mayor and City Council
From: Mark Desotell, Director of Administrative Services
Date: April 03, 2017
Re: Duffek Sand & Gravel Lease - Request for Restructured Payment for 12 months thru April 2018

On April 4th, 2016 the Economic Development Committee voted to reduce the monthly payments due to the City of Antigo by Duffek Sand & Gravel, Inc. to \$7,000 per month for one year and then to re-evaluate after one year if necessary. Duffek Sand & Gravel has approached both the City and Economic Development Corporation and have requested the following:

- Reduced monthly payments for an additional 12 months but at a new rate of \$9,000 per month with payments to be applied to any interest obligations first with the remainder being placed towards the outstanding principal amount
- Continuation of the 50 % Payment in Lieu of Taxes as outlined in the current Lease Agreement
- Subsequent to the final 12-month adjusted payment of \$9,000 per month (April 2018) payments shall increase to the monthly amount of the original agreement (\$10,830.76) plus any adjustments necessary to restructure the remaining principal balance (created by 2-years of reduced principal payments) over the remaining life of the loan.

It is my recommendation that the Committee authorize the a new payment in the amount of \$9,000 per month by Duffek Sand & Gravel for a period of 1-year immediately following their last previously approved payment at the reduced amount of \$7,000 per month.