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To City of Stoughton Redevelopment Authority

From Matt Dregne

Date March 8, 2024

Re Riverfront Redevelopment – March Report from Developer

The Riverfront Developer has delivered the "March Report" required by the Purchase Agreement. The Purchase Agreement states as follows regarding the March Report:

> By not later than March 6, 2024, Buyer must deliver to the City Finance Director a report of the data obtained from canvassing, and information from Buyer's lender regarding when the lender may be able to provide a Term Sheet and a Loan Commitment (collectively the "March Report"), that is satisfactory to the RDA in its sole discretion.
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> By not later than March 14, the RDA shall review the March Report and determine whether the information in the March Report is or is not satisfactory to the RDA, in its sole discretion. If the RDA determines that the March Report is satisfactory, then Buyer shall be deemed to have satisfied the milestone requiring delivery of a satisfactory March Report. If the RDA determines that the March Report is not satisfactory, then Buyer shall be deemed to have not satisfied the milestone requiring delivery of a satisfactory March Report.

Note that it is the RDA's task, solely, to decide whether the March Report is satisfactory (or not), and the RDA must make this decision by not later than March14. However, if the RDA determines that the March Report is NOT satisfactory, then the RDA, *or* the City Council, *or* the Developer, may terminate the purchase agreement by giving written notice of termination to the other parties.

I recommend that the RDA, at its March 13 meeting, formally vote on a motion finding the March Report is satisfactory (or is not satisfactory), and finding that the milestone regarding the March Report has been met (or has not been met). If the RDA determines that the March Report is not satisfactory, then the RDA should also decide whether to terminate the Purchase Agreement.

If the RDA determines that the March Report *is* satisfactory, then the Purchase Agreement describes the required "milestone" in the process as follows:

> By May 14, 2024, Buyer and Seller shall agree, in writing, upon the deadlines by which Buyer must deliver a Term Sheet and a Loan Commitment pursuant to Sections 4 (b) and (c) of this Agreement, and by which the contingencies in Section 5 below must be satisfied (the "Contingency Deadline). If Buyer and Seller do not execute an agreement specifying such deadlines by May 14, 2024, then either Buyer, the City or the RDA may terminate this Agreement by giving written notice of termination to the other parties to this Agreement.

If the RDA decides that the March Report is satisfactory, then I recommend that the RDA and Developer begin work, *quickly,* toward establishing the remaining deadlines. These deadlines must be approved by the RDA, the Common Council, the Developer, and as a practical matter by Developer's lender, by not later than May 14. Given the complexity of having all parties approve these remaining deadlines, there is no time to waste.