



SCHEDULE OF BILLS PAYABLE  
SEPTEMBER 16, 2019  
MONDAY  
COMMON COUNCIL

10	GENERAL FUND	\$ 154,346.63
13	DEBT SERVICE FUND	
14	CAPITAL PROJECTS FUND	\$ 4,515.52
22	ROOM TAX FUND	\$ 513,655.88
24	PRT FUND	\$ 84,022.06
26	FIRE SERVICE FUND	\$ 21,692.78
27	RIVER & BAY FUND	\$ 13,708.59
28	RIVER ARTS DISTRICT	
50	PARKING UTILITY FUND	\$ 15,064.89
53	SEWER FUND	\$ 69,978.03
52	WATER FUND	\$ 37,468.03
59	ELECTRIC FUND	\$ 922,308.77

Total Payables: \$ 1,836,761.18



September 12, 2019

To the City Council and City Treasurer  
City of Wisconsin Dells  
300 La Crosse Street  
Wisconsin Dells, Wisconsin 53965

We are pleased to confirm our understanding of the services we are to provide for the City of Wisconsin Dells for the year ended December 31, 2019.

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Wisconsin Dells as of and for the year ended December 31, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Wisconsin Dells' basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Wisconsin Dells' RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI (if prepared) is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedule for the general fund
3. Wisconsin Retirement System Schedules
4. Local Retiree Life Insurance Fund Schedules
5. Health Insurance OPEB Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Wisconsin Dells' financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Combining statements of non-major governmental funds



### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the additional information referred to in the previous paragraph when considered in relation to the basic financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City of Wisconsin Dells' financial statements. Our report will be addressed to the City Council of the City of Wisconsin Dells. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

### **Audit Procedures – General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.



### **Audit Procedures – Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Wisconsin Dells' compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Other Services**

We will also assist in preparing the financial statements of the City of Wisconsin Dells in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.



### **Management Responsibilities (Continued)**

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

### **Engagement Administration, Fees and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Johnson Block & Company, Inc. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulator or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Johnson Block & Company, Inc. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the regulator or its designee. The regulator or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit by the end of March 2020 and to prepare our draft audit reports by June 15, 2020. Carrie Leonard, CPA is the engagement partner and is responsible for supervising the engagement and signing the report. We will also prepare the Department of Revenue financial report form, the Public Service Commission annual reports, and the TID annual reports. We will meet with the City Finance Committee at the conclusion of the audit to discuss our findings.



**Engagement Administration, Fees and Other (Continued)**

Our fees for the audit and other services will not exceed \$31,500. Fees related to individual parts are estimated as follows:

General City	\$ 7,950
Electric Utility	6,450
Water Utility	4,850
Sewer Utility	4,450
Parking Utility	1,000
TIDs and CDA	5,500
BID	<u>1,300</u>
	<u>\$31,500</u>

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. If additional services are necessary, we will discuss them with you and arrive at a fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to City of Wisconsin Dells and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the letter and return it to us.

Very truly yours,

*Johnson Block & Company, Inc.*

JOHNSON BLOCK & COMPANY, INC.  
CERTIFIED PUBLIC ACCOUNTANTS  
MADISON, WISCONSIN

**RESPONSE:**

This letter correctly sets forth the understanding of the City of Wisconsin Dells.

Management Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## ADDENDUM A

We will perform the following services:

We will compile, from information you provide, the annual Financial Report Form to the Wisconsin Department of Revenue, for the year ended December 31, 2019. Upon completion of the compilation of the annual Financial Report Form, we will provide the City with our accountant's compilation report. If, for any reason caused by or relating to affairs or management of the City, we are unable to complete the compilation or if we determine in our professional judgement the circumstances necessitate, we may withdraw and decline to submit the annual Financial Report Form to you as a result of this engagement.

### **Our Responsibilities and Limitations**

We will be responsible for performing the compilation in accordance with *Statements on Standards for Accounting and Review Services* established by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements. We will utilize information that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

Our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist and, because of the limited nature of our work, detection is highly unlikely. However, we will inform the appropriate level of management of any material errors, and of any evidence that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

### **Management's Responsibilities**

The City's management is responsible for the financial statements referred to above. In this regard, management is responsible for (i) the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, (ii) designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements, (iii) preventing and detecting fraud, (iv) identifying and ensuring that the entity complies with the laws and regulations applicable to its activities, and (v) making all financial records and related information available to us. Management also is responsible for identifying and ensuring that the City complies with the laws and regulation applicable to its activities.

Management is responsible for providing us with the information necessary for the compilation of the financial statements and the completeness and the accuracy of that information and for making City personnel available to whom we may direct inquiries regarding the compilation. We may make specific inquiries of management and others about the representations embodied in the financial statements.



## **ADDENDUM B**

We will perform the following services:

We will compile, from information you provide, the Public Service Commission Annual Reports, including the balance sheets of the water utility and the electric utility, enterprise funds of the City of Wisconsin Dells, as of December 31, 2019 and 2018, and the related statements of income and retained earnings for the years then ended and the supplemental schedules as of and for the year ended December 31, 2019. Upon completion of the Public Service Commission Annual Reports, we will provide the City with our accountant's compilation reports. If, for any reason caused by or relating to affairs or management of the City, we are unable to complete the compilation or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to submit the Public Service Commission Annual Report to you as a result of this engagement.

### **Our Responsibilities and Limitations**

We will be responsible for performing the compilation in accordance with *Statements on Standards for Accounting and Review Services* established by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements. We will utilize information that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

Our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist and, because of the limited nature of our work, detection is highly unlikely. However, we will inform the appropriate level of management of any material errors, and of any evidence that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

### **Management's Responsibilities**

The City's management is responsible for the financial statements referred to above. In this regard, management is responsible for (i) the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, (ii) designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements, (iii) preventing and detecting fraud, (iv) identifying and ensuring that the entity complies with the laws and regulations applicable to its activities, and (v) making all financial records and related information available to us. Management also is responsible for identifying and ensuring that the City complies with the laws and regulation applicable to its activities.

Management is responsible for providing us with the information necessary for the compilation of the financial statements and the completeness and the accuracy of that information and for making City personnel available to whom we may direct inquiries regarding the compilation. We may make specific inquiries of management and others about the representations embodied in the financial statements.



# Wisconsin DNR Urban Forestry Grants



**APPLICATION DEADLINE: OCTOBER 1, 2019**

## 2020 Application Guide



## About

### About regular urban forestry grants

- Grants range from \$1,000 to \$25,000 and require a 50–50 match (total project cost range is \$2,000 to \$50,000).
- The project sponsor must initially fund 100 percent of project costs with cash, in-kind contributions and/or donations. Upon completion, the project sponsor requests reimbursement for 50 percent of eligible costs (501(c)(3) nonprofit organizations may request an advance when a grant is awarded).
- Projects begin January 1 and must be completed within one calendar year.

## Who may apply

### Who may apply for a regular urban forestry grant

Cities, villages, towns, counties, tribes and 501(c)(3) nonprofit organizations in or conducting their project in Wisconsin may apply for a regular urban forestry grant.

## Eligible projects and costs

### Eligible regular urban forestry grant projects and associated costs

- Projects must relate to community tree management, maintenance or education within Wisconsin cities, villages or other areas of concentrated development.
- Eligible project components include, but are not limited to:
  - tree inventory or canopy assessment;
  - urban forestry strategic or management plan;
  - urban forest pest response, storm response or risk reduction plan;
  - tree ordinance development/revision;
  - public outreach;
  - staff or volunteer training;
  - tree board or volunteer group development; and
  - tree planting, maintenance and removal.
- Ineligible projects include, but are not limited to:
  - construction projects (such as trails, fences, shelters, buildings and site grading) not directly related to planting;
  - land clearing or stump removal projects not directly related to tree planting or removal; and
  - land or boundary surveys or title search, appraisal, sale or exchange of real property.
- Eligible costs are those necessary for completing the project and incurred during the project period. Costs must be documented, reasonable and consistent with the project scope. Examples include:
  - salaries and fringe benefits of people working directly on the project;
  - cost of services, supplies, equipment or facilities used on the project; and
  - value of labor, services, supplies, equipment or facilities donated to the project by third parties.

## How to apply

### To apply for a regular urban forestry grant:

- Review the [urban forestry grant application guide \[PDF\]](#) for more details.
- Obtain a resolution from your governing body designating a representative to file the application and handle all grant actions on behalf of the applicant ([download sample resolution \[Word\]](#)).
- Complete application form [8700-298 \[PDF\]](#) . The form is electronically fillable, printable and savable.
- Complete Urban Forestry Partner Verification form [8700-298A \[PDF\]](#)  for each project partner (not for hired service providers).

## Wisconsin Dells Seasonal Summer Parking Sticker Rules and Restrictions

Wisconsin Dells Parking Committee understands the importance of allowing local business employees and local citizens to park in the downtown area for a reduced fee. The Summer Parking Sticker allows for parking in geo restricted areas for a nominal fee.

- Annual Summer Parking Sticker is \$10.
- Criteria for obtaining a sticker:
  - Proof of having a WI Dells School District address (DL, Utility Bill, Check Stub)
  - Proof of working in the downtown area, check-stub or letter from employer
  - Must not have any outstanding debt with the city or municipal court
- Sticker is non-transferable and must be adhered to the interior driver's side of the windshield. Improper installation may result in parking fines.
- Good for parking in City Lot #3 and City Lot #7 only.
- The City has the right to close lots without notice.



August 28, 2019

**City of Wisconsin Dells  
and  
School District of Wisconsin Dells  
Development Agreement**

This Agreement is by and between the City of Wisconsin Dells, a Wisconsin Municipal Corporation (City) and the School District of Wisconsin Dells (School District)

RECITALS

- A. School District will construct a high school and related improvements and appurtenant facilities (the Project) on real estate in the City.
- B. The project site, consisting of approximately eighty (80) acres, lies between County Trunk Highway A and US Highway 12/16 and is depicted in the site plan attached as Exhibit A.
- C. The project will require the construction and installation of certain on-site and off-site public infrastructure systems and improvements.
- D. This Development Agreement delineates specific on-site and off-site improvements which will be installed and constructed and assigns responsibility for completion, and establishes obligations and procedures related to payment for the costs of the installation and construction.

AGREEMENT

Section 1. School District Obligations. The School District shall:

- 1. Construct a High School and related improvements and appurtenant facilities as shown in Exhibit A.
- 2. Construct on-site stormwater management facilities which meet state and local requirements.
- 3. Install on-site water and sanitary sewer facilities and improvements to meet the requirements of the Project.
- 4. Provide that the water system shall be public and suitable for connection to the City's water system the sanitary sewer private and suitable for connection to the City's system.
- 5. Provide such easements as are needed and required by the City in connection with said improvements.

Section 2. City Obligations. The City shall be responsible for the design and construction of the following off-site public infrastructure improvements:

1. Water Main: 12 inch to school connection point.
2. Sanitary Sewer: lift station, generator and gravity sewer.
3. CTH A Roadway: USH 12/16 to 50 feet past main school entrance
4. Upgrade intersection of CTH A and USH 12/16 consistent with traffic impact analysis and approvals of Wisconsin Department of Transportation.
5. And, required/ related mobilization, erosion control and traffic control.

Section 3. Allocation and payment of Project Costs.

- a. School District shall bear and pay all costs associated with the construction and installation of the on-site and off-site improvements delineated in this agreement including all costs and fees of planning, design and permitting.
- b. The City will engage contractors to perform the work and to provide the materials, supplies and equipment for the City's off-site projects and the City will submit bills, invoices and statements for such work, supplies and materials to the School District for payment.

Section 4. Supplemental Provisions.

1. City Contribution.
  - a. Except as provided in Sec. 4.1.b. below, The City of Wisconsin Dells and the Village of Lake Delton will provide financial support to the School District for the high school project in the amount of \$23.5 million dollars for qualifying infrastructure expenses, as defined in Section 66.1113(1)(a), Wis. Stats. The source of the City and Village contributions will be premier resort tax receipts. The Village's share will be 80%, \$18.8 million dollars. The City's share be 20%, \$4.7 million dollars. Any public infrastructure costs or expenses in excess of the City/ Village contribution of \$23.5 million dollars will be the responsibility of the School District.



7. No Construction Against Drafter. This Agreement is a product of the negotiation and drafting by the parties, and as such, the rule of construing ambiguous contracts against the drafter shall not apply to this Agreement.
8. Signatures and Counterparts. Electronic, facsimile and photocopy signatures shall have the same effect as original signatures.
9. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Agreement, and supersedes all prior understandings and agreements, whether oral or written, between the parties with respect to the specific subject matter.

**CITY OF WISCONSIN DELLS**

Dated: \_\_\_\_\_ 2019. \_\_\_\_\_  
Edward Wojnicz, Mayor

Dated \_\_\_\_\_ 2019. \_\_\_\_\_  
Nancy R. Holzem, Clerk/ Administrative  
Coordinator

**SCHOOL DISTRICT OF WISCONSIN DELLS**

Dated: 9/9 2019. By: *Janusz A. Lewinski*  
its: President

September 11, 2019

**City of Wisconsin Dells  
and  
Concept Attractions of Wisconsin, Inc.  
Development Agreement**

This Development Agreement is by and between the City of Wisconsin Dells, a Wisconsin Municipal Corporation (City) and Concept Attractions of Wisconsin, Inc. (Developer).

RECITALS

- A. Developer owns, manages, operates and promotes tourist and visitor attractions in downtown Wisconsin Dells known as "Wizard Quest" and "Ripley's Believe it or Not".
- B. "Wizard Quest", located at 105 Broadway, is an interactive indoor entertainment venue, approximately \_\_\_\_\_ square feet which provides and interactive fantasy tablet game experience.
- C. "Ripley's Believe It or Not" ("Ripley's"), located at 115 Broadway, is a museum, approximately \_\_\_ square feet which displays unusual and unique artifacts and objects in 11 galleries and offers interactive patron experiences.
- D. Wizard Quest and Ripley's are currently housed in a premises leased by Developer from Capital Plaza of the Dells, LLC.
- E. Developer as buyer is party to a certain real estate purchase contract covering the following parcels in the City:

<u>Parcel #</u>	<u>Address</u>	<u>Owner/Seller</u>
11291-47.1	400/404 Broadway 740 Elm ("Chalet premises")	Chalet Associates, LLP
11291-45.03	414 Broadway	Bavarian Village, LLC
11291-45.05	400/420/ 452/468 Broadway ("Bavarian Premises")  ("Acquired Premises")	Bavarian Village, LLC

- F. Developer's plan is to relocate the Wizard Quest attraction from its current location from at 105 Broadway to the Acquired Premises and to relocate Ripley's from its current location to the premises at 105 Broadway vacated by Wizard Quest ("Developer's Project").
- G. Developer's acquisition of the "Acquired premises" and Developer's loan are contingent on the following assistance of the City in support of Developer's plan:
1. Transfer ownership to Developer of the City parking lot South of the Chalet Premises, Tax Parcel Number 11291-50.
  2. Construct, install and maintain a public plaza area in the Elm Street right-of-way West of the Chalet Premises.
- H. Based on Developer's plan to create "bookend" attractions on Broadway, i.e. Wizard Quest and Ripley's, and the anticipated associated pedestrian foot traffic between Developer's attractions the City is prepared to assist Developer's Project pursuant to this agreement.
- I. The City has determined that Developer's Project is consistent with City's efforts to renovate, revitalize and re-establish downtown Wisconsin Dells as an attraction and destination and integral part of Wisconsin Dells visitor experience.
- J. Developer has asserted and the City has been persuaded that Developer's Project will not occur without the City's assistance and the City has determined that the assistance is in the public interest.
- K. Based upon the foregoing Recitals, the parties agree as follows:

AGREEMENT

Section 1. Obligations of the Developer. The Developer shall:

1. Not later than December 31, 2019 close the real estate transaction and purchase the real estate described in Recital E; i.e. the Acquired Premises.
2. Not later than October 1, 2020 commence construction and renovation of the Acquired Premises as follows:
  - Chalet Premises: Site of relocated and expanded and enhanced Wizard Quest attraction; and, continuation of bowling alley in accord with current lease.

- Bavarian Premises: Site of themed Wizard Quest Village with mix of retail and artesian shops, food and beverage and village square event space.
3. Expend not less than 1.5 Million Dollars in connection with the combined Wizard Quest and Wizard Quest Village improvements which will be completed and occupied for business and operations as follows:
    - Wizard Quest (Chalet): May 15, 2021
    - Wizard Quest Village (Bavarian): May 15, 2022

(The Wizard Quest and Wizard Quest Village premises are situated and depicted in the site plan attached as Exhibit A and will be designed and built consistent with the schematic drawings and renderings attached as Exhibit B.)

4. Not later than May 15, 2021, relocate "Ripley's" from its current location at 115 Broadway to the premises vacated by Wizard Quest at 105 Broadway and maintain or expand the size and scope of the museum.
5. Subject to Section 5, timely apply for and receive all required government and other permits and approvals associated with the Wizard Quest, Wizard Quest Village and Ripley's projects and be responsible for all fees and expenses associated with such permits and approvals.
6. Provide evidence to the City of a long-term lease (minimum five years) or other right to use and occupy the site of the relocated Ripley's i.e. 105 Broadway.
7. Subject to Section 2.2, be responsible for all direct costs related to this Agreement and any other work to be performed under this Agreement including all engineering, inspections, materials, labor and environmental remediation.
8. Subject to Section 5, use the property subject to this Agreement for the purposes specified herein and consistent with all applicable federal, state, county and city laws and regulations.
9. Keep and maintain, or cause to be kept and maintained, the property subject to this Agreement (Wizard Quest, Wizard Quest Village and parking lot) in good condition and repair in a safe, clean and attractive condition and free of all trash, litter, refuse and waste subject only to demolition and construction activities contemplated by this Agreement.

10. Provide to the City's Clerk/Administrator and Treasurer documentation from Developer's bank and/or other funding sources confirming that the Developer has the ability to finance Developer's Project and meet the requirements of this Development Agreement.
11. Continue the lease with the current operator of the bowling alley on the Chalet premises and encourage the operator to collect the premier resort tax so long as tenant is not in default of the lease agreement and continues to meet its obligations under the lease and applicable laws.
12. Continue the current agreement and arrangements regarding public access and use of restroom facilities on the Bavarian premises.
13. Open and operate Developer's attractions, Wizard Quest, Wizard Quest Village and Ripley's, at a minimum as follows: March 15 - October 31 daily; November 1 - March 14 Friday - Monday; hours consistent with other Downtown Dells merchants and attractions.

Section 2. Obligations of the City. The City shall:

1. Concurrent with the issuance of a building permit for the Wizard Quest and the Wizard Quest Village improvements on the Acquired Premises, or at such later date as requested by Developer, convey to the Developer the City parking lot adjacent to the development project; i.e. Tax Parcel Number 11291-50. See Section 3.
2. At City's sole cost and expense construct, install and maintain a public plaza and gathering space in the Elm Street right-of-way located West of the Chalet Premises. See Section 4.
3. Consistent with usual and customary City operations and protocols, fix, repair and maintain the public alley located South of the Acquired Premises including snow removal; and, fix, repair and maintain all public utilities in the alley and the Elm Street plaza area; provided that, when feasible, such city repair and maintenance activities in the alley and plaza shall be coordinated with Developer to minimize disruption of Developer's business activities.
4. Appropriate sufficient funds for the performance of City's obligations under this Agreement.
5. Cooperate with Developer throughout the implementation of the project and promptly review and/or process all submissions and applications in accordance with applicable city ordinances.

Section 3. Parking Lot Forgivable Loan Agreement & Promissory Note.

1. For the purposes of this agreement, the estimated value of the parking lot to be conveyed to Developer is \$365,000.00. The City shall sell the parking lot to Developer as follows: \$100,000.00 of value shall be allocated to a City Grant in support of Developer's Project; and \$265,000.00 of value shall be allocated and payable as a \$265,000.00 Forgivable Loan & Promissory Note as follows.
2. Concurrent with the conveyance of the parking lot to the City the City and the Developer shall execute the Forgivable Loan Agreement & Promissory Note attached as Exhibit C.
3. The purpose of the Forgivable Loan Agreement & Promissory Note is to provide assurance to the City that Developer will perform its obligations under this Agreement; in particular, the maintenance and operation of "bookend" attractions on Broadway and enhanced City premier resort tax revenues.
4. The Forgivable Loan Agreement & Promissory Note shall be secured by a real estate mortgage on the Acquired Premises which will be subordinate to Developer's primary loan for the project.

Section 4. Elm Street Public Plaza.

1. City shall construct and install a public plaza and gathering space in the Elm Street right-of way located West of the Chalet Premises.
2. Construction and installation of the plaza shall commence concurrent with the completion and occupancy of the Wizard Quest improvements and be timely completed within 12 months thereafter.
3. Construction and installation of the plaza project is contingent on the City being assured that non-general fund monies, not less than \$600,000.00, are committed and payable/collectible from sources such as, without limitation, WEDC Grant, BID, TIF #3 and WDVCB.
4. City and Developer shall cooperate and collaborate in the thematic and aesthetic design of the plaza and appurtenant fixtures, equipment and improvements.
5. City and Developer agree that management, scheduling and programming for the plaza will be vested in a third party entity arranged and designated by the City; i.e. WDVCB, BID Committee or like organization.

6. Developer shall cooperate with the City in efforts to obtain WEDC grant funding for the projects covered by this Agreement and if the WEDC grant is awarded and payable to the Developer, Developer shall pay or assign the WEDC grant proceeds to the City.
7. Developer shall be responsible for day-to-day cleaning and upkeep of the plaza and Developer shall promptly advise City of any repair or maintenance issues requiring the City's attention. The City shall provide cleaning and refuse collection supplies and provisions.
8. City shall be responsible for the repair and maintenance of the plaza and all appurtenant structures, facilities, equipment and fixtures.
9. The City will close a portion of Elm Street and install, construct and maintain the public plaza in the public right-of-way as an accommodation to Developer in support of Developer's project. Absent extraordinary unforeseen circumstances or events, the City shall maintain the plaza as long as Developer owns the Acquired Premises and operates the Wizard Quest and Wizard Quest Village attractions; provided that Developer has complied with the terms of this Agreement. Beginning the year after Developer ceases to own the Acquired Premises or operate Wizard Quest and/or Wizard Quest Village, the status of the plaza will be annually reviewed on or about August 1 to determine whether the plaza will remain in place or terminated and ended effective December 31 of the next calendar year. This Agreement does not create or confer upon Developer or any other person or entity any vested property rights in connection with the plaza and the plaza is neither permanent nor perpetual. Developer shall have no claims of any kind for costs or damages against the City related to the termination of the plaza. This Agreement does not create an interest in real estate and does not confer upon Developer any exclusive or non-exclusive rights or interest in the plaza.

Section 5. 400 Broadway Block Encroachments.

An ALTA/MSPS Land Title Survey of the Acquired Premises discloses 33 possible encroachments. See Exhibit D attached. The City and the Developer shall cooperate in the preparation and execution of a "Consent to Encroachment" document to memorialize the encroachments and address issues related to the existence of the encroachments in the City's right-of-way. The parties acknowledge that it will be the Developer's responsibility to deal with the Wisconsin Department of Transportation regarding encroachments in the state highway right-of-way.

Section 6. Miscellaneous Provisions.

1. Assignment. Developer may not assign its rights under this Agreement without the express prior written consent of the City, which consent shall not be unreasonably withheld, conditioned, or delayed.
2. Nondiscrimination. In the performance of work under this Agreement, Developer shall not discriminate against any employee or applicant for employment nor shall the property effected by this Agreement or any portion thereof be sold to, leased or used by any party in any manner to permit discrimination or restriction on the basis of race, color, national or ethnic origin, ancestry, age, religion or religious creed, disability or handicap, sex or gender (including pregnancy), gender identity and/or expression, sexual orientation, military or veteran status, genetic information, or any other characteristic protected under applicable federal, state or local law. Retaliation is also prohibited. The construction and operation of the Developer's Project shall be in compliance with all effective laws, ordinances and regulations relating to discrimination on any of the foregoing grounds.
3. Personal Liability. Under no circumstances shall any officer, official or employee of the City have any personal liability arising out of this Agreement, and Developer shall not seek or claim any such personal liability.
4. No Personal Interest. No member of the governing body or other officer of the City shall have any financial interest, direct or indirect, in this Agreement, the Developer's Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.
5. No Partnership. This Agreement specifically does not create any partnership or joint venture between the parties, or render any party liable for any debts or obligations of the other party.
6. Third Parties. This Agreement is made for the exclusive benefit of the parties to this Agreement, their successors in interest and their permitted assignees. This Agreement is not for the benefit of any other persons, such as third party beneficiaries or otherwise, and this Agreement shall not be deemed to have conferred any rights, expressed or implied, upon any other party, except as described in this Agreement.

7. Force Majeure. No party shall be responsible to any other party for any resulting losses and it shall not be a default hereunder if the fulfillment of any of the terms of this Agreement is delayed or prevented by revolutions or other civil disorders, wars, acts of enemies, strikes, fires, floods, acts of God, adverse weather conditions, legally required environmental remedial actions, industry-wide shortage of materials, or by any other cause not within the control of the party whose performance was interfered with, and which exercise of reasonable diligence, such party is unable to prevent, whether of the class of causes herein above enumerated or not, and the time for performance shall be extended by the period of delay occasioned by any such cause. The foregoing notwithstanding, a force majeure event may not be used to avoid an Event of Default of the delay caused by the force majeure event exceeds ninety (90) dated of the date the event occurred.
8. Parties and Survival of Agreement. Except as otherwise expressly provided herein, this Agreement is made solely for the benefit of the parties hereto and no other person, partnership, association or corporation shall acquire or have any rights hereunder by virtue hereof. All representations and agreements in this Agreement shall remain operative and in full force and effect until fulfilled and shall survive the closing.
9. Time. Time is of the essence with regard to all dates and time periods set forth herein.
10. Notices. All notices, demands, certificates or other communications under this Agreement shall be given in writing and shall be considered given upon receipt if hand delivered to the party or person intended, or one (1) business day after deposit with a nationally recognized overnight commercial courier service, air bill pre-paid of forty-eight (48) hours after deposit in the United States mail postage paid, by certified mail, return receipt requested, addressed by name and address to the party or person intended as follows:

To City: Nancy Holzem, Clerk/Coordinator  
City of Wisconsin Dells  
300 LaCrosse Street  
Wisconsin Dells, Wisconsin 53965

With a Copy to:

City Attorney  
Joseph J. Hasler, Esq.  
LaRowe Gerlach Taggart LLP  
P.O. Box 231  
Reedsburg, Wisconsin 53959

To Developer:            Concept Attractions of Wisconsin, Inc.  
Kevin E. Ricks  
53444 Fox Hill Road  
Baraboo, Wisconsin 53913

With a Copy to:

Peter J. Curran, Esq.  
Curran, Hollenbeck & Orton SC  
P.O. Box 370  
Lake Delton, Wisconsin 53940  
[pjc@curranlawoffice.com](mailto:pjc@curranlawoffice.com)

The foregoing addresses shall be presumed to be correct until notice of a different address is given according to this paragraph.

11. Governing Law and Venue.
  - a. The laws of the State of Wisconsin shall govern this Agreement.
  - b. The venue for any proceeding involving the negotiation, drafting, interpretation or enforcement of this Agreement shall be the circuit court for Columbia County, Wisconsin, all other venues being inappropriate for any such proceeding.
12. Captions. The captions or headings in this Agreement are for convenience only and do not define, limit or describe the scope or intent of any of the provisions of this Agreement.
13. Severability. If any provision of this Agreement shall be determined to be unenforceable as applied in any particular case or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained unenforceable to any extent whatsoever.
14. Recording of Agreement. The City may record this Agreement or a Memorandum of this Agreement with the Register of Deeds for Columbia County, Wisconsin. Upon request of the City, Developer shall execute and deliver to the City any such Memorandum or any other document in connection with such recording.

15. **Priority Over Subsequent Liens.** This Agreement shall run with the land and shall be binding upon and inure to the benefit of the parties and their heirs, successors and assigns. As such, the current and all future owners of the property shall be subject to all of the obligations stated herein. Developer warrants and represents that there will not be any mortgage or any other lien against the property at the time this Agreement is recorded other than the mortgages for the purchase of the property and to finance costs of constructing the project. This Agreement shall have precedence and shall take priority over any mortgage, lien or other encumbrance that may be recorded against the property (or any portion thereof) after the recording of this Agreement (or Memorandum thereof).
16. **No Construction Against Drafter.** This Agreement is a product of the negotiation and drafting of attorneys for the parties, and, as such the rule of construing ambiguous contracts against the drafter shall not apply to this Agreement.
17. **Signatures and Counterparts.**
  - a. Electronic, facsimile and photocopy signatures shall have the same effect as original signatures.
  - b. **Execution in Counterparts.** This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.
18. **Entire Agreement.** This document contains the entire Agreement with respect to the matter set forth herein, and shall inure to the benefit of and shall bind the parties, their heirs, executors, successors or assigns. This Agreement may be modified only in writing, with said written modification(s) signed by and authorized representative of the City and the Developer.

**CITY OF WISCONSIN DELLS**

Dated: \_\_\_\_\_, 2019.

\_\_\_\_\_  
Edward Wojnicz, Mayor

Dated: \_\_\_\_\_, 2019.

\_\_\_\_\_  
Nancy R. Holzem, Clerk/ Administrative  
Coordinator

**CONCEPT ATTRACTIONS OF WISCONSIN, INC.**

Dated: \_\_\_\_\_, 2019.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

## EXHIBITS

- A. Site Plan
- B. Schematics/Renderings
- C. Forgivable Loan Agreement & Promissory Note
- D. Encroachments

## FORGIVABLE LOAN AGREEMENT & PROMISSORY NOTE

This Loan Agreement and Promissory Note (the "Agreement"), effective this \_\_\_ day of \_\_\_\_\_, 2020, is entered into by and between the following parties:

- The City of Wisconsin Dells (the "City"); and,
- Concept Attractions of Wisconsin, Inc. (the "Developer")

### RECITALS:

- A. The City and Developer are parties to a certain Development Agreement for the renovation, repair and rehabilitation of certain property in downtown Wisconsin Dells.
- B. Based upon the Developer's representations and promises regarding the scope of the projects and the need for public assistance the City a) conveyed a City parking lot to Developer and b) agreed to install, construct and maintain a public plaza adjacent to the development.
- C. In order to assure Developer's diligence and conscientious performance of its promises and obligations the parties have entered into this Forgivable Loan Agreement and Promissory Note which will be paid and satisfied as Developer performs.

Now Therefore and in consideration of the mutual promises, covenants and agreements the parties agree as follows:

### Agreement & Promissory Note

1. Developer promises to pay to City the sum of Two Hundred Sixty-Five Thousand and no/100 Dollars (\$265,000.00) in full in one lump sum, without interest, if the loan is not forgiven as provided herein.
2. Subject to paragraphs 4 and 9, the loan shall be due and payable December 31, 2027.
3. The amount of the loan shall be reduced if Developer performs as follows:
  - A. Maintains visitor attractions identical or comparable to the Ripley's Believe It or Not Museum at 105 Broadway and Wizard Quest and

Wizard Quest Village in the 400 block of Broadway, both in the City of Wisconsin Dells.

- B. The Ripley's Believe It or Not, Wizard Quest and Wizard Quest Village attractions shall generate minimum premier resort tax revenues in an amount not less than \$50,000.00 annually or such other amount as the City and the Developer may agree in writing.
- C. Annual reductions shall also be dependent on Developer's performance of its other undertakings and promises as set forth in the Development Agreement.

4. The \$265,000.00 loan shall be forgiven as follows:

<u>Forgiveness Reduction Date</u>	<u>Percentage Forgiven</u>	<u>Amount</u>	<u>Balance</u>
October 1, 2023	25%	\$66,250.00	\$198,750.00
October 1, 2024	20%	\$53,000.00	\$145,750.00
October 1, 2025	20%	\$53,000.00	\$92,750.00
October 1, 2026	20%	\$53,000.00	<u>\$39,750.00</u>
October 1, 2027	<u>15%</u>	<u>\$39,750.00</u>	
	100%	\$265,000.00	

- 5. This Loan Agreement & Promissory Note are not transferable or assignable by the Developer.
- 6. This Loan Agreement & Promissory Note shall be secured by a mortgage on Developer's Property in the 400 Block of Broadway, City of Wisconsin Dells.
- 7. The Developer agrees to provide and maintain, at its own expense, casualty and hazard insurance covering loss by fire or wind with extended coverage insuring all of the real estate, buildings, fixtures and improvements and all business machinery, equipment, furnishings and fixtures in the premises of Developer in the 400 Block of Broadway, City of Wisconsin Dells. Evidence of such coverage shall be provided to the City upon request. The total amount of the insurance policy shall be sufficient to pay the indebtedness created by this Loan Agreement & Promissory Note.

8. The Developer hereby waives presentment, demand of payment, protest and any and all other notices and demands whatsoever. No waiver of any payment or other right under this Agreement shall operate as a waiver of any other payment or right.
9. This Promissory Note shall be fully due and payable, at the City's option, in the amount of the principal balance then due on any Forgiveness Reduction Date that City determines Developer is not entitled to a forgiveness reduction due to Developer's failure to perform its obligations.
10. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not effect the remaining portions of this Agreement or any part thereof.
11. The parties agree this Agreement is a complete document in which all obligations have been reduced to writing and there are no understandings, agreements, conventions or covenants no included herein.
12. This Agreement shall be construed with the laws of the State of Wisconsin. Venue for any disputes shall be the Circuit Court for Columbia County.

**CITY OF WISCONSIN DELLS**

Dated: \_\_\_\_\_, 2019.

\_\_\_\_\_  
Edward Wojnicz, Mayor

Dated: \_\_\_\_\_, 2019.

\_\_\_\_\_  
Nancy R. Holzem, Clerk/ Administrative  
Coordinator

CONCEPT ATTRACTIONS OF WISCONSIN, INC.

Dated: \_\_\_\_\_, 2019.

By: \_\_\_\_\_

Its: \_\_\_\_\_



