Redevelopment Authority of the City of Milwaukee

Resolution No.:	**10345**
Adopted on:	March 15, 2012
Project / Area:	Bonds
Aldermanic District:	3rd

Resolution authorizing Redevelopment Authority of the City of Milwaukee Revenue Bonds, Series 2012 (Milwaukee School of Engineering Project) in an amount not to exceed $35,000,000.

Whereas, the Redevelopment Authority of the City of Milwaukee (the "Authority") is a public body corporate and politic duly organized and existing under and pursuant to the laws of the State of Wisconsin and is authorized and empowered by Wisconsin Statutes Section 66.1333, as amended (the "Act"):

(a) to carry out redevelopment and urban renewal projects within the corporate limits of the City of Milwaukee (the "City");

(b) to assist private acquisition, improvement, construction and redevelopment of blighted property for the purpose of eliminating the blighted status of such property;

(c) to enter into contracts with redevelopers of property containing covenants, restrictions and conditions regarding the use of such property for the purpose of eliminating the status of such property as blighted property; and

(d) to issue bonds or other indebtedness in furtherance of its purposes.

Whereas, Milwaukee School of Engineering (the "Borrower"), a Wisconsin nonstock, nonprofit corporation, proposes to acquire, develop, construct, equip, furnish and improve an approximately 780-stall underground parking structure, including related retail and commercial space, recreational and athletic field and public park facilities, located adjacent to the Borrower's current campus in the City; and to upgrade laboratories and classrooms at the Borrower's facilities in the City (collectively, the "Project"); and

Whereas, the Borrower has estimated that the cost of the Project to be financed with bonds will be approximately $10,000,000; and

Whereas, the Borrower has requested that the Authority issue revenue bonds to assist Borrower in financing the Project; and

Whereas, the Borrower also proposes to refund bonds previously issued on behalf of the Borrower (collectively, the "Refinancing"), specifically the $11,730,000 original principal amount Redevelopment Authority of the City of Milwaukee Revenue Refunding Bonds, Series 1999A (Milwaukee School of Engineering Project) (the "1999A Bonds"), the $8,895,000 original principal amount Redevelopment Authority of the City of Milwaukee, Wisconsin Revenue Refunding Bonds, Series 1999B (Milwaukee School of Engineering Project) (the "1999B Bonds"); the $2,315,000 original principal amount Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 1999C (Milwaukee School of Engineering Project) (the "1999C Bonds"); and the $7,000,000 original principal amount Redevelopment Authority of the City of Milwaukee, Wisconsin Redevelopment Revenue Bonds, Series 2003B (Milwaukee School of Engineering Project) (the "2003B Bonds"); and

Whereas, the proceeds of the 1999A Bonds were used by the Borrower to refund indebtedness used to finance the acquisition, rehabilitation, construction, equipping and development of an educational facility with related improvements located at 1000 North Market Street, 1121 North Milwaukee Street and 1120 North Broadway in the City (the "1999A Project"); the proceeds of the 1999B Bonds were used by the Borrower to refund indebtedness used to finance the acquisition, rehabilitation, construction, equipping and development of an educational facility with related improvements located at 1000 North Market Street, 1121 North Milwaukee Street and 1120 North Broadway in the City by the Borrower (the "1999B Project"); the proceeds of the 1999C Bonds were used by the Borrower to finance the development, rehabilitation and equipping of an educational facility located at 1000 North Market Street, 1121 and 1235 North Milwaukee Street, 1120 North Broadway and 317 East Knapp Street in the City (the "1999C Project"); and the proceeds of the 2003B Bonds were used by the Borrower to finance the purchase from the Authority of property located at 1224 North Market Street and the construction and equipping of an approximately 215,000-square-foot recreation and education center thereon, together with financing costs (the "2003B Project"); and

Whereas, the 1999A Project, the 1999B Project, the 1999C Project and the 2003B Project are all operated by the Borrower on its campus in the City and are located in the North Market Street - East Highland Avenue Redevelopment Project Area created by the Authority pursuant to a redevelopment plan; and

Whereas, the Project is located on property which is currently in the Park East Redevelopment Project Area or in the North Market Street - East Highland Avenue Redevelopment Project Area created by the Authority pursuant to redevelopment plans and which were found to be blighted within the meaning of the Act in connection with the creation of the areas, and which were subsequently removed from the boundaries of that area in order to allow the Project to proceed, but with respect to which the Authority has reaffirmed the blight findings; and

Whereas, by a resolution adopted April 14, 2011, as amended by a resolution adopted on February 16, 2012 (collectively, the "Initial Resolution"), the Authority gave conditional approval to the issuance of revenue bonds (the "Bonds") pursuant to the Act in an amount not to exceed $35,000,000 to provide financing to the Borrower for the costs of the Project and refunding the 1999A Bonds, 1999B Bonds, 1999C Bonds and 2003B Bonds; and

Whereas, in connection with the issuance of the Bonds, the Authority has been presented with proposed documentation for the Bonds, as follows:

(a) a Bond Trust Indenture (the "Indenture"), to be entered into between the Authority and the corporate trustee hereinafter designated (the "Trustee"), providing for the creation of the Bonds, the terms thereof and the security therefor; and

(b) a Loan Agreement (the "Loan Agreement"), to be entered into between the Authority and the Borrower providing for a loan of the proceeds of the sale of the Bonds from the Authority to the Borrower to enable the Borrower to accomplish the Project and the Refinancing; and

(c) a Promissory Note (the "Note") to be issued by the Borrower payable to the order of the Authority in the principal amount not to exceed $35,000,000 as evidence of the borrowing provided for in the Loan Agreement and to be assigned by the Authority to the Trustee; and

(d) a Purchase Contract (the "Purchase Contract") to be entered into among the Authority, the Borrower and Robert W. Baird & Co. Incorporated (the

"Purchaser") to set forth the terms and conditions of the purchase and sale of the Bonds; and

Whereas, in accordance with the Act, this Resolution and the aforesaid instruments and documents, the Bonds and interest thereon shall never constitute an indebtedness of the Authority or the City within the meaning of any State constitutional provision or statutory limitation, shall not constitute or give rise to a pecuniary liability of the Authority or the City or a charge against their general credit or the taxing powers of the City, and shall not constitute or give rise to any personal liability of any member of this body or of any officers or employees of the Authority or the City on the Bonds or for any act or omission related to the authorization or issuance of the Bonds; and

Whereas, it is in the public interest of the City to encourage and promote the development of projects such as the Project, the 1999A Project, 1999B Project, 1999C Project and 2003B Project and the financing of the Project and refinancing of the 1999A Bonds, 1999B Bonds, 1999C Bonds and 2003B Bonds in order to realize public benefits such as, but not limited to, the continued provision and retention of gainful employment and educational opportunities for the citizens of the City, and the improvement of health and wellness of the citizens of the City and other persons who participate in educational programs and services offered at the Project, the 1999A Project, the 1999B Project, the 1999C Project and the 2003B Project; and

Whereas, the Project and Refinancing and the issuance of Bonds to provide funding for the Project and the Refinancing as herein recited will, in the judgment of this body, serve the intended accomplishments of public purpose and in all respects conform to the provisions and requirements of the Act; now, therefore, be it

Resolved, by the Authority as follows:

1. Additional Findings and Determinations. The Authority finds and determines and hereby declares that:

(a) the Project, 1999A Project, 1999B Project, 1999C Project and 2003B Project are each a "redevelopment project" under the Act and are each located in redevelopment areas created by the Authority pursuant to redevelopment plans or are located upon property which the Authority has found to be blighted property within the meaning of the Act, and

(b) the purpose of the Authority in financing the costs of the Project and the Refinancing, and the effect thereof will be, to promote the public purposes set forth in the Act; and

(c) it is desirable that revenue bonds in the aggregate principal amount not to exceed $35,000,000 be issued by the Authority, maturing on such dates and in such amounts and at such interest rates, such that the weighted average interest rate does not exceed 10%, and upon the terms to be set forth in the Purchase Contract; and

(d) the Loan Agreement will constitute a revenue agreement to provide the Authority with income and revenues sufficient for the prompt payment of the principal of, premium, if any, and interest on the Bonds.

2. Authorization to Borrow and to Lend. The Authority shall borrow, but only in the manner herein recited, a sum not to exceed $35,000,000 for the purpose of providing funds for the Project and the Refinancing. Said borrowing shall be accomplished through the sale of the Bonds issued pursuant to the Act to the Purchaser. The Authority shall lend a sum not to exceed

$35,000,000 to the Borrower pursuant to the terms of the Loan Agreement, which borrowing shall be evidenced by the Note.

3. Approval of Loan Agreement. The Loan Agreement is hereby approved as necessary to effectuate the purposes of the Act. The Chairperson or Vice Chairperson and Executive Director-Secretary or Assistant Executive Director-Secretary are hereby authorized and directed for and in the name of the Authority to execute and deliver the Loan Agreement in the form hereof presented herewith or with such insertions therein or corrections thereto as shall be approved by them consistent with this Resolution, their execution thereof to constitute conclusive evidence of their approval of any such insertions and corrections.

4. Designation, Denomination, Tenor and Maturity of Bonds Created for Issuance; Parameters. The Bonds shall be issued in a principal amount not to exceed $35,000,000 and shall be designated:

Redevelopment Authority
of the City of Milwaukee
Revenue Bonds, Series 2012
(Milwaukee School of Engineering Project)

The Bonds shall mature, bear interest and be payable and have such other terms as set forth in the Indenture. The Bonds shall be issued in the form as set forth in the Indenture, with such insertions therein as shall be necessary to comply with the terms of this Resolution, and with such corrections, insertions and revisions therein, if any, as the approving bond attorney may require for conformity with the terms of this Resolution, the Indenture and the Act. The terms of the Bonds shall be subject to the following parameters:

(a) the weighted average interest rate of the Bonds shall not exceed 10%;

(b) the sale and funding of the Bonds is anticipated to occur prior to August 30, 2012;

(c) the final maturity date of the Bonds shall be no later than 30 years after the date of issuance of the Bonds; and

(d) the maximum Bond amount shall not exceed $35,000,000.

5. Execution and Authentication of Bonds. The Bonds shall be executed on behalf of the Authority by the Chairperson or Vice Chairperson and Executive Director-Secretary or Assistant Executive Director-Secretary under the official seal of the Authority. The signatures of the Chairperson or Vice Chairperson and Executive Director-Secretary or Assistant Executive Director-Secretary may be manual or facsimile. The official seal may be actually impressed or imprinted or otherwise reproduced thereon by facsimile. No Bond shall be issued unless first authenticated by the Trustee, to be evidenced by the manual signature of an authorized representative of the Trustee on each Bond.

6. Designation of Trustee. The Authority hereby designates and appoints The Bank of New York Mellon Trust Company, N.A. to perform the functions of the Trustee, under the Indenture.

7. Bonds as Special, Limited Obligations. The Bonds shall be limited obligations of the Authority and shall not constitute a general or moral obligation or a pledge of the faith or credit of the Authority or the City or any taxing power of the City. The Bonds and the interest thereon shall not be a debt of the City, the State of Wisconsin or any subdivision thereof nor shall

any of them be liable thereon. The Bonds shall not in any event be payable out of any funds or property other than the revenues as described in the Loan Agreement and the Indenture. The members of the governing body of the Authority and all officers or employees of the Authority shall have no personal liability on the Bonds or for any act or omission related to the authorization or issuance of the Bonds.

8. Source of Payment; Pledge of Revenues. The Bonds shall be limited obligations of the Authority payable by it solely from revenues and income derived by or for the account of the Authority from or for the account of the Borrower pursuant to the terms of the Loan Agreement and the Note, including without limitation (i) all payments by or on behalf of the Borrower on the Note or pursuant to the Loan Agreement; and (ii) all cash and securities held from time to time in certain trust funds held by the Trustee under the Indenture, and the investment earnings thereon.

9. Redemption of the Bonds Prior to Maturity. The Bonds shall be subject to redemption prior to maturity as provided in the Indenture.

10. Trust Funds. The trust funds described in the Indenture shall be created under the Indenture to be held in the custody of the Trustee and applied for the uses and purposes provided in the Indenture.

11. Investment of Trust Funds. Any moneys held as a part of the trust funds held by the Trustee under the Indenture may be invested and reinvested by the Trustee upon request by the Borrower in investments as specified in the Loan Agreement and the Indenture.

12. Determination of Revenue Payment. The amount necessary in each year to pay the principal of, premium, if any, and interest on the Bonds is the sum of (i) the amount of principal becoming due in such year (as reduced from time to time by reason of prior redemptions and purchases of Bonds for cancellation in accordance with the Indenture) plus (ii) the amount of interest on the Bonds becoming due in such year.

In expressing the Borrower's obligation to make the necessary revenue payments, it shall suffice herein and in the Loan Agreement to state that the Borrower shall be obligated to pay the Authority (or the Trustee for the account of the Authority) amounts sufficient to pay when due the principal of, premium, if any, and interest on the Bonds.

The Loan Agreement contains provisions, adequate in the judgment of this body, requiring the Borrower to provide for the maintenance of the projects and the carrying of all proper insurance with respect thereto. Consequently, the Borrower need not be required to pay amounts into any reserve funds for the maintenance of the projects.

13. Approval of the Purchase Contract; Award of Bonds. The form of the Purchase Contract is hereby approved. The Borrower has negotiated for the sale of the Bonds to the Purchaser at a price set forth in the Purchase Contract. Given the purposes of the financing and the involvement of the Authority therewith, it is the determination of this body that the Bonds shall be hereby sold to the Purchaser at such price with delivery to follow in the manner, at the time and subject to the conditions set forth in the Purchase Contract. As evidence thereof, the Chairperson or Vice Chairperson and the Executive Director or Assistant Executive Director are hereby authorized, for and in the name of the Authority to execute and deliver the Purchase Contract with the Purchaser and the Borrower with respect to the Bonds in the form hereof presented herewith or with such insertions therein or corrections thereto as shall be approved by them consistent with this Resolution, their execution thereof to constitute conclusive evidence of their approval of the final terms of such agreement.

14. Execution and Delivery of the Indenture and Loan Agreement. The terms and provisions of the Indenture and assignment of the Note are hereby approved. The Chairperson or Vice Chairperson and Executive Director-Secretary or Assistant Executive Director-Secretary are hereby authorized for and in the name of the Authority to execute and deliver the Indenture and Loan Agreement in the forms thereof presented herewith, or with such insertions or revisions therein or corrections thereto as shall be approved by the Chairperson or Vice Chairperson and Executive Director-Secretary or Assistant Executive Director-Secretary consistent with this Resolution and the terms of the Act, their execution thereof to constitute conclusive evidence of their approval of any such insertions and corrections.

15. Execution and Delivery of the Bonds. The Chairperson or Vice Chairperson and Executive Director-Secretary or Assistant Executive Director-Secretary are hereby authorized for and in the name of the Authority to execute the Bonds in the manner authorized by paragraph 5 of this Resolution. The Authority shall deliver the Bonds pursuant to the terms and conditions of the Purchase Contract.

16. General Authorizations. The Authority shall receive a bond administrative fee in an amount acceptable to the Assistant Executive Director-Secretary not to exceed the Authority's customary fee. The Assistant Executive Director-Secretary and the appropriate deputies and officials of the Authority in accordance with their assigned responsibilities are hereby each authorized to execute, publish, file and record such other documents (including Internal Revenue Service Form 8038), instruments, tax exemption agreements, assignments of collateral documents and certificates, notices and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and to comply with and perform the obligations of the Authority under the Bonds and the Indenture.

In the event that the Chairperson or Vice Chairperson and Executive Director-Secretary or Assistant Executive Director-Secretary shall be unable by reason of death, disability, absence or vacancy of office to perform in timely fashion any of the duties specified herein such duties shall be performed by the officer or official succeeding to such duties in accordance with law.

17. Effective Date; Conformity. This Resolution shall be effective immediately upon its passage and approval. To the extent that any prior resolutions of this body are inconsistent with the provisions hereof, this Resolution shall control and such prior resolutions shall be deemed amended to such extent as may be necessary to bring them in conformity with this Resolution.

CERTIFICATION

I certify that the forgoing is a true and exact copy of a resolution adopted by the Redevelopment Authority of the City of Milwaukee, WI on the date set forth above.

(seal)

David P. Misky
Assistant Executive Director – Secretary