Redevelopment Authority of the City of Milwaukee

Resolution No.:	**10282**
Adopted on:	April 14, 2011
Project / Area:	Bonds
Aldermanic District:	3rd

Initial Resolution relative to the issuance of Redevelopment Authority Revenue Bonds for Milwaukee School of Engineering.

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 (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, 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, 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 created by the Authority pursuant to a redevelopment plan and which was found to be blighted within the meaning of the Act in connection with the creation of that area, and which is to be 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 finding; and

Whereas, The Borrower has presented the Authority with evidence of its intention to reimburse itself for expenditures relating to the Project which it pays with funds which are not the proceeds of revenue bonds issued under the Act; and

Whereas, The Borrower has requested that the Authority issue revenue bonds, in one or more series, in an aggregate principal amount not to exceed $35,000,000 to finance the Project, and to refund the 1999A Bonds, 1999B Bonds, 1999C Bonds and 2003B Bonds (collectively, the "Prior Bonds"); and

Whereas, It is the finding and determination of this body that the public interest will be served if the Authority were to provide financing under the Act for the Project and the refunding of the Prior Bonds; now, there, be it

Resolved:

1. The Authority hereby declares its intent to assist the Borrower with respect to the financing of the Project and the refunding of the Prior Bonds by issuing revenue bonds pursuant to the Act in one or more series, in an aggregate amount not to exceed $35,000,000 (the "Bonds") and, under Treas. Reg. Sec. 1.150-2, to reimburse any expenditures made on costs of the Project prior to issuance of the Bonds with proceeds of the Bonds.

2. To encourage the Borrower to pursue the Project and the refunding of the Prior Bonds, the Authority will pursue a financing plan (the "Financing") under which it will:

(a) issue and sell the Bonds to one or more purchasers procured by the Borrower;

(b) enter into one or more agreements (the "Revenue Agreements") with the Borrower providing the Authority with revenue which when added to any other lawful sources of revenue available to the Authority in connection with the Project and the projects refinanced with the Bonds will be sufficient to pay the principal of, premium, if any, and interest on the Bonds when due; and

(c) assign any Revenue Agreements to the holders of the Bonds or to a trustee for their benefit and enter into any other appropriate arrangement requested by the Borrower to further secure the payment of the Bonds.

3. The appropriate officers of the Authority are authorized to negotiate the terms of the Financing and all related documents. The terms of the Financing and all related documents will be subject to this Resolution and the Act and will not be binding until:

(a) the details of the Financing in question and the issuance of the Bonds in question are approved and authorized by further resolution of this Authority;

(b) an unqualified approving legal opinion or opinions of a nationally recognized firm of bond attorneys acceptable to the Authority and the Borrower and an opinion of the City Attorney of the City are executed and delivered;

(c) all applicable costs of the Authority charged in connection with the issuance and sale of the Bonds in question are paid or reimbursed either from the proceeds of the Bonds or by the Borrower; and

(d) all documents required in connection with the Financing have been duly executed and delivered by the parties, and

(e) the Borrower enters into one or more agreements with the City and the Authority or other arrangements satisfactory to them, to use its "best efforts" as defined in such agreement(s) to utilize certain emerging businesses in the construction and equipping of the Project.

4. The Bonds shall not constitute an indebtedness of the Authority or the City within the meaning of any state constitutional provision or statutory limitation and shall not constitute or give rise to a pecuniary liability, direct or contingent, of any kind or degree whatsoever, of the Authority or the City or their officers or a charge against the City's general credit or taxing powers. The Bonds shall be limited obligations of the Authority payable solely out of revenues derived from the Revenue Agreement to be entered into by the Authority and the Borrower.

5. The staff of the Authority is hereby authorized to hold a public hearing satisfying the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, with respect to the Project and the projects financed by the Prior Bonds and the issuance by the Authority of the Bonds at such time and place as staff shall deem appropriate, to give notice of such public hearing in compliance with Chapter 985 of the Wisconsin Statutes, and to prepare a report on the results of such public hearing and present the same to the Authority and the Mayor of the City. Unless otherwise determined by the Authority following such public hearing, the Authority requests that the Mayor approve the issuance of the Bonds.

6. As a condition to the issuance of the Bonds the Borrower shall pay the Authority a fee of 3/4 of 1% of the principal amount of the Bonds and reimburse all costs of the Authority incurred in connection with the issuance of the Bonds.

7. This Resolution constitutes a declaration of official intent to reimburse expenditures in respect to the Project with proceeds of such Bond issue for purposes of section 1.150-2 of Federal Treasury Regulations relating to tax exempt bonds.

8. The Resolution shall be effective immediately upon its passage and approval.

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