

Redevelopment Authority of the City of Milwaukee

Resolution No.:
Adopted on: May 17, 2012
Project / Area: Bonds
Aldermanic District: 9th

Resolution Authorizing the Issuance of Multifamily Housing Revenue Bonds (Bradley Townhomes) Series 2012.

Whereas, the Redevelopment Authority of the City of Milwaukee, Wisconsin (the “Authority”) is a redevelopment authority organized and existing under and pursuant to the laws of the State of Wisconsin and is authorized by Section 66.1333 of the Wisconsin Statutes, as amended (the “Act”) to issue bonds or other indebtedness to finance blight elimination activities under the Act; and

Whereas, Bradley Place Townhomes, LLC, a Wisconsin limited liability company (the “Borrower”) has requested the Authority to issue its Multifamily Housing Revenue Bonds (Bradley Townhomes) Series 2012 (the “Bonds”), to finance the acquisition, rehabilitation and equipping of a 232-unit residential rental facility to be known as Bradley Townhomes and located at 6401 West Bradley Road, Milwaukee, Wisconsin, 53223 (the “Project”), which Project will be owned by the Borrower and leased to multi-use tenants, all of which would contribute to the well-being of the City of Milwaukee, Wisconsin (the “City”); and

Whereas, the Authority has received and will continue to receive substantial municipal benefits from the financing of the Project including by way of illustration, but not limitation, the alleviation of the need for substantial renovation found by the Authority to be present at the Project site; the promotion of a decent living environment and adequate places for employment of the people of the City at the Project site; retention of and more steady employment of its citizens resulting in the alleviation of unemployment within the City; stimulation for expansion of existing and new business; stimulation of private investment funds from financial institutions; and betterment of the City’s environment and economy; and

Whereas, the Borrower has presented the Authority with proposed documentation for the Bonds (collectively, the “Bond Documents”), as follows:

- (a) a Loan Agreement (the “Loan Agreement”) to be entered into by and among the Authority, the Borrower and U.S. Bank National Association, as bondholder (the “Bondholder”) and as escrow agent (the “Escrow Agent”); and
- (b) a Regulatory Agreement and Declaration of Restrictive Covenants, to be entered into by and between the Authority and the Borrower.

Resolved, by the Redevelopment Authority of the City of Milwaukee that the issuance and sale of the Bonds for the purpose of financing the Project is approved; and, be it

Further Resolved, That:

1. Additional Findings and Determinations. It has been found and determined and is declared as follows:

- (a) the Project is a “Redevelopment Project” within the meaning of the Act;
- (b) the purpose of the Authority financing the costs of the Project is and the effect thereof will be to promote the public purposes set forth in the Act;
- (c) it is desirable that revenue bonds in the aggregate principal amount not to exceed \$10,000,000 (the “Bond Amount”) be issued by the Authority, maturing at such date and in such amount and at such interest rates and upon the terms set forth in the Loan Agreement under the provisions of which the Authority’s interests in Loan Agreement (except for certain rights provided therein) and the loan repayments will be assigned to the Escrow Agent as security for the payment of principal of premium, if any, and interest on all Bonds outstanding under the Loan Agreement;
- (d) the estimated aggregate cost of financing the Project and paying the costs incident to the financing is not less than the Bond Amount;
- (e) the loan repayments required to be made by the Borrower under the Loan Agreement will be sufficient to produce income and revenue to provide for prompt payment of principal of and interest on and premium, if any, on all Bonds issued under the Loan Agreement when due; the amount necessary in each year to pay principal and interest on the Bonds due in such year, whether on a stated payment date, a redemption date, or otherwise; and the Loan Agreement provides that the Borrower shall provide for the maintenance of the Project in good repair and keeping it properly insured; and
- (f) a Notice of Public Hearing will be published in *The Milwaukee Journal-Sentinel*, and a hearing will be held before a staff member of the Department of City Development, on behalf of the Authority prior to the sale and issuance of the Bonds in order to comply with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.
- (g) On or before the closing date, the Borrower will enter into an Emerging Business Enterprise Agreement with the Authority to use its “best efforts,” as defined in such agreement, to use certified emerging business enterprises in renovating, rehabilitating and equipping the Project.

2. Approval and Authorization. The Bonds shall be issued in the aggregate principal amount not to exceed \$10,000,000 and shall be designated as follows:

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE
 MULTIFAMILY HOUSING REVENUE BONDS
 (BRADLEY TOWNHOMES) SERIES 2012

The Bonds shall be issued in the form and upon the terms set forth in the Loan Agreement, which terms, including without limitation interest rates, redemption provisions and maturity, are for this purpose incorporated in this Resolution and made a part hereof, with such insertions therein as shall be necessary to comply with the terms of this Resolution and with such corrections therein, if any, as bond counsel may require for conformity with the terms of this Resolution, the Loan Agreement and the Act. The terms are hereby approved without further action by the Authority, subject to the following parameters:

- (a) the initial fixed interest rate shall not exceed 4.5%;

- (b) the sale and funding of the Bonds shall occur prior to December 31, 2012;
- (c) the final maturity date of the Bonds shall be no later than 30 years after the date of issuance;
- (d) the maximum Bond Amount shall not exceed \$10,000,000;
- (e) the Borrower has received an allocation from the Wisconsin Housing Economic Development Agency or other appropriate authority in connection with the Project for at least the principal amount of the Bonds.

If the Bonds are sold and issued in conformity with the parameters set forth herein, no further authorization by the Authority is required, and the Chairperson and Assistant Executive Director-Secretary are authorized and directed to execute and deliver the Bond Documents which are hereby approved, together with such subsequent changes as may be requested and approved by bond counsel and the Authority's attorney, and such other documents, agreements, instruments or certificates as are deemed necessary or desirable by the Authority's attorney and bond counsel, including a tax certificate, an Internal Revenue Service Form 8038, certified copies of all proceedings and records of the Authority relating to the Bonds, and such other affidavits and certificates as may be required by the Bondholder and bond counsel to show the facts relating to the legality and marketability of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished shall constitute representations of the Authority as to the truth of all statements contained therein, and such other documents as may be necessary to effectuate the closing of the Bonds and which are approved by bond counsel and by counsel for the Authority. In particular, they are authorized and directed to publish the Notice to Electors (attached hereto as Exhibit A) pursuant to Wis. Stats. § 893.77.

In the event that the Bonds cannot be sold and issued in conformity with the parameters set forth above, no Bonds may be issued without approval of the Authority pursuant to a subsequent resolution approving the terms of the Bonds.

Subject to the parameters set forth above, the Chairperson and the Assistant Executive Director-Secretary are authorized and directed to execute and seal the Bonds as prescribed in the Loan Agreement and to deliver them to the Escrow Agent (together with a certified copy of this resolution and any other documents required by the Loan Agreement) for authentication and delivery to the original purchaser.

3. Execution and Authentication of Bonds. The Bonds shall be executed on behalf of the Authority with the facsimile or manual signature of its Chairperson, countersigned with the manual signature of its Assistant Executive Director-Secretary, and shall have impressed, imprinted or otherwise reproduced thereon an official seal, if any, of the Authority or a facsimile thereof. No Bond shall be issued unless first authenticated by the Escrow Agent to be evidenced by the manual signature of an authorized signatory of the Escrow Agent on each Bond.
4. Bonds as Limited Obligations. The Bonds and interest thereon shall never be or be considered a general obligation of the Authority or the City or 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 of the Authority or the City or a charge against their general credit or the City's taxing powers.

5. 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.
6. Redemption of Bonds Prior to Maturity. In addition to scheduled principal payments, the Bonds shall be subject to mandatory and optional redemptions prior to maturity as provided in the Loan Agreement.
7. Funds and Accounts. The funds and accounts created under the Loan Agreement to be held in the custody of the Escrow Agent and applied for the uses and purposes provided in the Loan Agreement are authorized and approved.
8. Execution and Delivery of Documents. The Chairperson and the Assistant Executive Director-Secretary of the Authority are authorized for and in the name of the Authority to execute and deliver the Bond Documents. The execution and delivery of any Bond Documents or any other document by the Chairperson or the Assistant Executive Director-Secretary of the Authority shall be conclusive evidence of the approval of the Authority of such document in accordance with the terms thereof. The approval hereby given to the various documents referred to in this Resolution includes the approval of such additional details therein as may be necessary and appropriate for their completion and such modifications thereto, deletions therefrom and additions thereto as may be approved by the counsel for the Authority and bond counsel. The execution of any document by the appropriate officer or officers of the Authority herein authorized shall be conclusive evidence of the approval by the Authority of such document in accordance with the terms hereof.
9. Effective Date; Conformity. This Resolution shall be effective immediately upon its passage and approval. To the extent that any prior resolutions of the Authority 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.
10. Issuance Fee. Issuance of the Bonds is expressly conditioned on the Authority being paid, upon issuance, a fee equal to 0.75% of the principal amount of Bonds issued, less any application fee previously paid to the Authority.

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

EXHIBIT A

NOTICE TO ELECTORS OF THE CITY OF MILWAUKEE

RELATING TO BOND SALE

On May 17, 2012, a resolution was offered, adopted and approved by the Redevelopment Authority of the City of Milwaukee, Wisconsin (the "Authority"), whereby the Authority authorized the issuance and sale of its Multifamily Housing Revenue Bonds (Bradley Townhomes) Series 2012 in an amount not to exceed \$10,000,000 (the "Bonds"). It is anticipated that the closing of this bond sale will be held on or about May 17, 2012. A copy of all proceedings had to date with respect to the authorization and sale of said bonds is on file and may be examined in the office of the said Authority.

This notice is given pursuant to Section 893.77, Wisconsin Statutes, which provides that an action or proceedings to contest the validity of such municipal financing, for other than constitutional reasons, must be commenced within 30 days after the date of publication of this Notice.

David P. Misky
Assistant Executive Director-Secretary
Redevelopment Authority of the
City of Milwaukee, Wisconsin

Publication Date: _____, 2012