

Redevelopment Authority of the City of Milwaukee

Resolution No.:

Adopted on: July 14, 2011

Project / Area: Bonds

Aldermanic District: 3rd

Initial Resolution relative to the issuance of Redevelopment Authority Revenue Bonds for TMB Development Corp. for the Iron Block building at 205 East Wisconsin Avenue.

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, TMB Development Corp. (the "Borrower"), a Wisconsin corporation, proposes to acquire and restore the historically significant Iron Block building at 205 East Wisconsin Avenue, a 40,670 SF office building constructed in 1861, and the only building in the state of Wisconsin with an iron façade (collectively, the "Project"); and

Whereas, The Borrower has estimated that the cost of the Project to be financed with bonds will be approximately \$2,000,000; and

Whereas, The Borrower has requested that the Authority issue revenue bonds to assist Borrower in financing the Project; 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 by issuing revenue bonds pursuant to the Act in one or more series, in an aggregate amount not to exceed \$2,000,000 (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, 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 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
