

Redevelopment Authority of the City of Milwaukee

Resolution No.: 10119
Adopted on: August 20, 2009
Project / Area: TID 37
Aldermanic District: 4th

Resolution relative to the amendment to the loan for the Ivory Retail/Office project at 555 North Plankinton Avenue and 101 West Wisconsin Avenue.

Whereas, A loan for \$6.4 million was made to the Ivory Tusk project which was part of Tax Increment District No. 37 covering the Grand Avenue and other properties of which \$2 million was repaid and \$2.4 million is currently outstanding to the Ivory Retail/Office Operating company; and

Whereas, The loan was used to convert a vacant 660,000 square foot property into a retail and commercial multi-tenant building that has generated significant tax revenues for the City and created jobs; and,

Whereas, The Ivory Retail/Office operating Company needs to renew it's primary long-term debt on the project with the senior lender on or before September 2010 and the renewal terms stipulate a certain debt service coverage ratio in order to obtain new financing at a reasonable rate; and

Whereas, The interest rate and payment of principal on the loan of \$2.4 million is scheduled to increase from 4.5% interest-only to 6.5% with interest and principal repayment beginning in July 2011 and would increase the company's payments to a level that could affect the ability to renew the senior loan; and

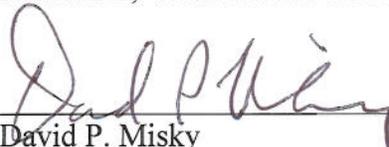
Whereas, The Redevelopment Authority of the City of Milwaukee has determined that extending the interest-only period will assist the company in satisfying the senior lender's requirements thus benefitting the project and RACM's ability to be repaid on its loan which is in a secondary position behind the primary lender; now, therefore, be it

Resolved, By the Redevelopment Authority of the City of Milwaukee that the Executive Director is authorized to extend the interest-only period on the loan up to a maximum period of three years, as may be necessary to satisfy the debt service coverage requirements for renewing the primary loan on the project, giving consideration to prevailing interest rates at the time of renewal.

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
