Redevelopment Authority of the City of Milwaukee

Resolution No.:	**10645**
Adopted on:	October 20, 2016
Aldermanic District:	City Wide

Resolution Facilitating the Renovation of Various Milwaukee Public Schools by Approving the Blight Designation of These Schools and Authorizing an Amended and Restated Cooperation Agreement with the City of Milwaukee and MPS providing for the Sale and Issuance of additional Lease Revenue Bonds by the Authority and the Execution of Necessary Documentation, including an Amended and Restated Ground Lease and an Amended and Restated Lease for Such Schools.

Whereas, the Redevelopment Authority of the City of Milwaukee, Wisconsin (the "**Authority**") is a redevelopment authority organized by the City of Milwaukee, Milwaukee County, Wisconsin, under Section 66.1333 of the Wisconsin Statutes, and is authorized (hereinafter sometimes referred to as the "**Redevelopment Act**"):

(a) to acquire property determined by the Authority to be blighted property without designating a boundary or adopting a redevelopment plan, to improve and develop such property, and to lease, sell, or otherwise transfer such property or any interest in such property to a public body or private party;

(b) to enter into contracts determined to be necessary to effectuate the purposes of the Act; and

to issue revenue bonds for such purposes; and

Whereas, to aid in the development and renewal of the Redevelopment Property, the Authority has entered into Cooperation Agreement dated as of June 1, 2015 (the "**Original Cooperation Agreement**") with the Milwaukee Board of School Directors and the City of Milwaukee (the "**City**") to provide funding for the costs (the "**Project Costs**") of certain real property improvements to the Redevelopment Property (the "**Project Improvements**"); and

Whereas, under the terms of the Original Cooperation Agreement:

(a) The Authority issued and sold its Federally Taxable Redevelopment Lease Revenue Bonds, Series 2015A (Milwaukee Public Schools – Qualified School Construction Bonds – Direct Payment Subsidy) (the "**Series 2015 Bonds**") in a principal amount of $38,000,000 to provide an amount sufficient, after provision for financing costs, to pay the estimated amount of the Project Costs ;

(b) The Authority has acquired from the City, acting on behalf of MPS, a Ground Lease dated June 1, 2015, as amended September 1, 2015 (the "**Original Ground Lease**"), on the Redevelopment Property;

(c) The Authority applied the proceeds from the sale of the Series 2015 Bonds to the Project Costs as referenced in the Original Cooperation Agreement and to be more precisely described in a Lease for the Redevelopment Property from the Authority to MPS dated as of June 2, 2015, as supplemented and amended September 1, 2015 (the **"Original Lease"**);

(d) MPS made, installed, constructed or purchased the Project Improvements on behalf of the Authority;

(e) The Authority leases the Project Improvements to MPS under the Original Lease which is be a "triple net" lease including rentals in each year sufficient (after certain credits) to pay the principal and interest due on the Series 2015 Bonds;

(f) The Authority has pledged the payments under the Original Lease to secure payment of the Bonds; and

Whereas, the Cooperation Agreement is in furtherance of the public purpose of elimination and prevention of blight in conformity with the Redevelopment Act; and

Whereas, the Milwaukee Board of School Directors ("**MPS**") has asked the Authority to make a determination that the additional parcels of public school property described in the attached Exhibit A (together, with the existing parcels, the "**Redevelopment Property**") are blighted property within the meaning of the Redevelopment Act, and to use its bonding authority for redevelopment by financing certain additional Project Costs (the "**Series 2016 Project Costs**") and Project Improvements (the "**Series 2016 Project Improvements**") through the issuance of its Redevelopment Lease Revenue Bonds, Series 2016 (the "**Series 2016 Bonds"**) in a principal amount of not to exceed $30,000,000.00 (the "**Bond Amount**"), to provide an amount sufficient to pay the estimated amount of the Project Costs and financing costs; and

Whereas, the Series 2016 Bonds will be secured on a parity with the Authority's Series 2015 Bonds; and

Whereas, information has been presented to the Authority in support of the blight determination for the additional parcels of Redevelopment Property; and

Whereas, to accomplish the forgoing, it will be necessary to amend and restate the Cooperation Agreement, the Ground Lease and the Lease, to provide for the addition of certain parcels of public school property subject thereto; the issuance of the Series 2016 Bonds and the payment of additional rental payments in an amount sufficient to pay debt service on the Series 2015 Bonds and the Series 2016 Bonds; and Whereas, the Common Council approval of the amendments to and restatements of the Cooperation Agreement, the Original Lease and the Original Ground Lease, and the designation of certain additional parcels of the Redevelopment Property as blighted within the meaning of the Redevelopment Act is required; and

Whereas, after waiver of statutory notice by MPS, the Authority conducted a public hearing on the determination that the additional parcels of Redevelopment Property are "blighted property"; and

Whereas, in connection with the issuance of the Series 2016 Bonds various documents including the Amended and Restated Cooperation Agreement, the Amended and Restated Ground Lease, the Amended and Restated Lease, a Bond Purchase Agreement, a First Supplemental Indenture of Trust, an Official Statement and other documents and agreements related to the Bonds will be prepared and presented to the Authority for approval at a later date; and

Whereas, a copy of both the Original Cooperation Agreement and Amended and Restated Cooperation Agreement are on file with the Authority;

Now, therefore, be it resolved as follows:

1. <u>Additional Findings and Determinations</u>.

It has been found and determined and is hereby declared:

(a) That the Redevelopment Property, including the additional parcels, is "blighted property" and the Series 2016 Project Improvements constitute a "redevelopment project" within the meaning of the Act because the Redevelopment Property "By virtue of its present condition substantially impairs or arrests the sound growth and development of the community"; and

(b) That the estimated aggregate cost of funding the Series 2016 Project Costs and paying the costs incident to the financing will not be less than the final Bond Amount; and

(c) That the payments required to be made by MPS under the Amended and Restated Lease shall be sufficient in amount (together with any credits against rent which are also available for such costs) to pay when due the principal of, premium, if any, and interest on the Series 2015 Bonds and the Series 2016 Bonds.

2. Execution and Delivery of the Amended and Restated Cooperation Agreement.

The terms and provisions of the Amended and Restated Cooperation Agreement are hereby approved. The Chairperson and the Executive Director are hereby authorized for and in the name of the Authority to execute and deliver the Amended and Restated Cooperation Agreement, in the form thereof presented herewith, or with such insertions therein or corrections thereto as shall be recommended by the City Attorney and approved by them consistent with this resolution and the terms of the Redevelopment Act, their execution thereof to constitute conclusive evidence of their approval of any such insertions and corrections.

3. 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. To the maximum extent possible, this Resolution shall be construed in a manner consistent with the powers of the Authority under the Redevelopment Act to achieve its intended purpose. Reference is made to the Redevelopment Act, which provides that it shall be construed liberally to effectuate its purposes.

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

List and Addresses of Properties to be Added to List of Redevelopment Property

1.	Roosevelt Middle School	800 W. Walnut Street
2.	River Trail School	12021 W. Florist Ave