Redevelopment Authority of the City of Milwaukee

Resolution No.:	**10646**
Adopted on:	October 20, 2016
Project / Area:	Bonds
Aldermanic District:	City Wide

Resolution authorizing the issuance and sale of revenue bonds and matters related thereto for Milwaukee Public Schools.

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

(a) to prepare, carry out, contract with respect to and/or operate redevelopment projects;

(b) to issue bonds or other indebtedness to finance its activities under the Act; and

(c) to do all things necessary or incidental to carry out the purpose of the Act; and

Whereas, the Milwaukee Board of School Directors, in the name of the City, acting on behalf of the Milwaukee Board of School Directors ("*MPS*") is a department of the City authorized to administer and operate the public schools of the City; and

Whereas, the Common Council of the City has designated certain property (the "*Redevelopment Property*"), identified in the proposed Amended and Restated Cooperation Agreement dated as of November 1, 2016, by and among MPS, the City and the Authority, to be "blighted property" within the meaning of subsection 5(c) of the Act, which agreement would amend and restate the terms of a Cooperation Agreement entered into between those parties, dated as of June 1, 2015 (the "*Original Cooperation Agreement*"); and

Whereas, pursuant to subsection (5)(c) of the Act the Authority may acquire by lease any property determined by the Authority to be blighted property; and

Whereas, 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 to pay the estimated amount of the 2015 school construction project costs related to the designated blighted properties; and

Whereas, in connection with the issuance of the Series 2015 Bonds, the Authority 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 as more fully identified therein; and

Whereas, 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 more precisely described in a Lease for the Redevelopment Property from the Authority to MPS dated as of June 1, 2015, as supplemented and amended September 1, 2015 (the "*Original Lease*"); and

Whereas, MPS made, installed, constructed, or purchased the project improvements on behalf of the Authority; and

Whereas, pursuant to the Act, the Authority adopted resolutions determining that each of the schools identified in such resolutions, by virtue of their present condition, substantially impair and arrest the sound growth and development of the community and further determining that each of the schools constitutes a "blighted property" within the meaning of Section 66.1333(2m) (bm) of the Wisconsin Statutes; and

Whereas, the Authority also anticipates acquisition of additional parcels of public school property pursuant to an Amended and Restated Ground Lease dated November 1, 2016 (the "*Amended and Restated Ground Lease*") in order to allow construction of improvements to the schools, including the additional parcels, and acquisition of the additional parcels under the Amended and Restated Ground Lease requires Common Council approval pursuant to Section 66.1333(5)(c), Wisconsin Statutes; and

Whereas, this resolution further authorizes the proper City officers to execute the Amended and Restated Ground Lease, the Amended and Restated Cooperation Agreement, an Amended and Restated Lease and such other instruments and agreements as may be necessary in conjunction with the issuance of the Series 2016 Bonds by the Authority;

Whereas, the Authority, the City and MPS have identified certain additional improvements relating to the Redevelopment Property to be purchased, constructed or installed in addition to those financed with the proceeds of the Series 2015 Bonds (the "*Project Improvements*"); and

Whereas, the City has been requested to approve the Project Improvements; and is scheduled to consider such approval at the meeting of the Common Council on November 1, 2016; and

Whereas, the Authority has found that the Project Improvements are in furtherance of the Authority's public purpose objectives set forth in the Act: and

Whereas, the Authority may, pursuant to the Act, issue bonds to finance its activities to provide for improvements on property, necessary or incidental to a redevelopment project; and

Whereas, MPS desires to finance the Project Improvements and has presented the Authority with proposed documentation in connection with the issuance and sale of its Redevelopment Lease Revenue Bonds, Series 2016 (Milwaukee Public Schools) (the "*Series 2016 Bonds*"), as follows:

(a) a Bond Purchase Agreement, to be dated on or prior to the date of issuance of the Series 2016 Bonds (the "*Bond Purchase Agreement*"), by and among MPS, the Authority and Piper Jaffray & Co. (the "*Underwriter*");

(b) an Amended and Restated Ground Lease, to be dated November 1, 2016, from the City, acting on behalf of MPS, to the Authority (the "*Ground Lease*");

(c) an Amended and Restated Lease, to be dated November 1, 2016, from the Authority to MPS (the "*Lease*");

(d) a First Supplemental Indenture of Trust, to be dated as of November 1, 2016 (the "*Supplemental Indenture*"), between the Authority and The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*"), amending and supplementing that certain Indenture of Trust dated as of June 1, 2015 (the "*Original Indenture*") between the Authority and the Trustee;

(e) an Amended and Restated Cooperation Agreement, dated as of November 1, 2016, by and among MPS, the City and the Authority (the "*Cooperation Agreement*");

(f) a Preliminary Official Statement for the Series 2016 Bonds (the "*Preliminary Official Statement*"), describing the Series 2016 Bonds and the source of payment and security for the Series 2016 Bonds; and

(g) a Continuing Disclosure Undertaking dated as of November 1, 2016 (the "*Undertaking*") among MPS, the Authority and the Trustee, as dissemination agent.

Whereas, the City will lease the Redevelopment Property to the Authority in consideration for the Authority providing MPS with proceeds of the Series 2016 Bonds to finance the Project Improvements; and

Whereas, the Authority will lease the Redevelopment Property, including the Project Improvements, back to MPS and MPS will be required to make rental payments under the Lease in amounts sufficient to pay when due, the principal of and interest and premium due on all Bonds issued under the Original Indenture and Supplemental Indenture, including the Series 2015 Bonds and the Series 2016 Bonds; and

Whereas the Series 2016 Bonds are to be issued pursuant to the Act, this Resolution and the Original Indenture, as supplemented and amended by the Supplemental Indenture; and

Whereas, the Authority will pledge the Lease, payments under the Lease and certain of its rights under the Lease to the Trustee, as security for the Bonds (as defined in the Original Indenture); and

Whereas, this Resolution is adopted pursuant to the Act; now, therefore, be it

Resolved, by the Commissioners of the issuer:

1. Finding and Determination. It has been hereby found and determined that the issuance of the Series 2016 Bonds and the financing of the Project Improvement are an essential public and governmental purpose, and will accomplish the intended public purposes as set forth in the Act. It is hereby further found and determined that the payments required to be made by MPS under the Lease are sufficient in amount to pay when due the principal of, premium, if any, and interest on the Series 2015 Bonds and the Series 2016 Bonds.

2. Approval of Documents. The Authority shall issue the Bonds pursuant to the Original Indenture, as supplemented and amended by the Supplemental Indenture (collectively, the "*Indenture*"). The Authority shall lease the Redevelopment Property from MPS pursuant to the Ground Lease in order to provide MPS with the proceeds of Bonds to be issued in an aggregate principal amount of not to exceed $30,000,000 for the purpose of (i) financing the cost of the Project Improvements and (ii) paying the costs of issuing the Bonds. MPS shall lease back the Redevelopment Property, including the Project Improvements, and pay to the Authority as rent, payments sufficient in amount to pay the principal of, premium, if any, and interest on the Series 2015 Bonds and the Series 2016 Bonds.

The Chairperson or the Vice Chairperson of the Authority and the Assistant Executive Director or Executive Director (each an "*Authorized Officer*") are each hereby authorized to execute and deliver, in the name and on behalf of the Authority, the Supplemental Indenture, Cooperation Agreement, the Undertaking, the Ground Lease and the Lease, in the forms thereof presented to this meeting or with such changes thereto as the parties executing the same deem reasonable and necessary and consistent with this Resolution, their execution thereof to constitute conclusive evidence of the Authority's approval of any such changes.

3. Designation, Denomination, Tenor and Maturity of Series 2016 Bonds Created for

Issuance. The Series 2016 Bonds shall be issued in an aggregate principal amount of not to exceed $30,000,000 in one or more series and shall be designated as follows:

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE
REDEVELOPMENT LEASE REVENUE BONDS, SERIES 2016A
(MILWAUKEE PUBLIC SCHOOLS)

and

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE
FEDERALLY TAXABLE REDEVELOPMENT LEASE REVENUE BONDS, SERIES 2016B
(MILWAUKEE PUBLIC SCHOOLS – QUALIFIED ENERGY CONSERVATION BONDS – DIRECT PAYMENT SUBSIDY)

and

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE
FEDERALLY TAXABLE REDEVELOPMENT LEASE REVENUE BONDS, SERIES 2016C
(MILWAUKEE PUBLIC SCHOOLS – QUALIFIED ZONE ACADEMY BONDS)

The Series 2016 Bonds shall be substantially in the forms, shall have the maturities and redemption provisions and shall bear interest as shall be set forth in the Supplemental Indenture. The Bonds shall have such maturity and sinking fund redemption schedules and shall bear interest at such rates per annum as MPS shall recommend and the Chairperson, Vice Chairperson or other officer of the Authority executing the Supplemental Indenture shall approve.

The interest rate and maturity date of the Series 2016 Bonds shall be those specified by the Underwriters in the Bond Purchase Agreement (or Placement Agreement as hereinafter described), but in any event the interest rate shall not exceed 6 % per annum, and the maturity shall be no later than November 15, 2051. The Series 2016 Bonds shall be issuable as fully registered Bonds in denominations of $5,000 or any multiple thereof. The Series 2016 Bonds and the interest thereon shall be transferable by and shall be payable to the registered owners thereof in the manner and with the effect provided in the Indenture. The principal of, premium, if any, and interest on the Series 2016 Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee.

The Series 2016 Bonds shall have as their original date the date of issuance of the Series 2016 Bonds. Thereafter, each Series 2016 Bond shall be dated, as its registration date, the date of its authentication.

The Series 2016 Bonds shall be issued in the forms therefor as set forth in the Indenture, with such insertions therein as shall be necessary to comply with the terms of this Resolution and with such corrections therein, if any, as the approving bond attorney may require for conformity with the terms of this Resolution, the Indenture and the Act.

The Authority hereby designates in 2016: $6,275,000 principal amount of "qualified energy conservation bonds" as defined in Section 54D of the Internal Revenue Code (the "*Code*") for financing the Project Improvements to the Redevelopment Property and $1,470,000 principal amount of "qualified zone academy bonds" as defined in Section 54E of the Code for financing projects used for qualified purposes with respect to qualified zone academies established by MPS.

4. Execution and Authentication of Bonds. The Series 2016 Bonds shall be executed on behalf of the Authority with the facsimile or manual signature of its Chairperson, countersigned with the facsimile or manual signature of its Assistant Executive Director and shall have impressed, imprinted or otherwise reproduced thereon an official seal, if any, of the Authority or a facsimile thereof. No Series 2016 Bond shall be issued unless first authenticated by the Trustee (as fiscal agent and bond registrar), to

be evidenced by the manual signature of an authorized signatory of the Trustee on each Bond. Subject to the terms and conditions of the Bond Purchase Agreement (or Placement Agreement), the Authority shall deliver the Series 2016 Bonds to the Underwriter or to DTC for the account of the Underwriter (or purchaser).

5. Bonds as Limited Obligations. The Series 2016 Bonds are limited obligations of the Authority. The Series 2016 Bonds shall not constitute a debt or obligation of the City or MPS, the county in which they are located, the State of Wisconsin, or any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and do not constitute a charge against their general credit or taxing powers of the City, MPS or the Authority. The Authority has no taxing powers.

6. Source of Payment; Pledge of Revenues. The Series 2016 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 pursuant to the terms of the Indenture; including without limitation: (i) all cash and securities held from time to time in the Trust Funds (other than the Rebate Fund), and the investment earnings thereon; and (ii) all payments by MPS under the Lease or pursuant to the Lease; but excluding any amounts derived by the Authority for its own accounts pursuant to enforcement of Unassigned Rights (as defined in the Indenture).

As security for the payment of the principal of, premium, if any, and interest on the Series 2016 Bonds and the Series 2015 Bonds, the Authority has pledged and assigned to the Trustee all of its right, title and interest in and to the "*Trust Estate*" described in the Indenture.

7. Redemption or Purchase of Bonds Prior to Maturity. The Series 2016 Bonds shall be subject to mandatory and optional redemption, and mandatory and optional purchase, prior to maturity as provided in the Indenture.

8. Trust Funds. The trust funds and accounts created under the Indenture to be held in the custody of the Trustee and applied for the uses and purposes provided in the Indenture are hereby authorized and approved.

9. Investment of Trust Funds. Any moneys held as a part the trust funds held by the Trustee under the Indenture may be invested and reinvested by the Trustee in "*Qualified Investments*" in accordance with, and as defined in, the Indenture.

10. Execution and Delivery of the Bond Purchase Agreement. MPS will negotiate for the sale of the Series 2016 Bonds pursuant to the Bond Purchase Agreement with the Underwriter at a purchase price not less than 98.5% of the par amount of the Series 2016 Bonds. Given the purposes of the financing and the involvement of the Authority therewith, it is the determination of this body that the Series 2016 Bonds shall be awarded to the Underwriter at prices within the parameters aforesaid, with delivery of the Series 2016 Bonds to follow in the manner, at the times and subject to the conditions set forth in the Bond Purchase Agreement and this Resolution. As evidence thereof the Authorized Officers are hereby authorized and directed for and in the name of the Authority to execute, affix with the official seal of the Authority and deliver the Bond Purchase Agreement in the form presented herewith, or with such insertions therein or corrections thereto as shall be approved by the Authorized Officers executing the same, consistent with this Resolution and the terms of the Act, their execution thereof to constitute conclusive evidence of the Authority's approval of any such insertions and corrections. Notwithstanding the foregoing, if, in the opinion of MPS, private sale of a portion of the Series 2016 Bonds is economically beneficial, a portion of the Series 2016 Bonds may be sold via private placement, in a direct sale to a financial institution or institutions. Piper Jaffray & Co. is authorized to act as Placement Agent and the Authorized Officers are hereby authorized to enter into a Placement Agreement with the Placement Agent and one or more purchasers of the Series 2016 Bonds at the direction of MPS, provided

that the purchase price for such Series 2016 Bonds is not less than 98.5% of the par amount of such Series 2016 .

11. Authorization of Official Statement. The distribution by the Underwriter of the Preliminary Official Statement and the preparation and distribution of a final Official Statement (in substantially the form of the Preliminary Official Statement, with blanks completed) in connection with the offering and sale of the Series 2016 Bonds is hereby authorized and approved.

12. Authorizations Regarding Financial Reports. The Chairperson and the Assistant Executive Director and the appropriate deputies and officials of the Authority in accordance with their assigned responsibilities are hereby each authorized to provide to the State all financial reports of the Authority and all regular monthly statements of any trustee of the Series 2016 Bonds on a direct and ongoing basis as required by the Act.

13. General Authorizations. The Authorized Officers and the appropriate deputies and officials of the Authority in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file and record such other documents, instruments, notices (including without limitation, the Internal Revenue Service Form 8038G) and records, and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and to comply with and perform the obligations of the Authority under the Bond Purchase Agreement, the Series 2016 Bonds, the Ground Lease, the Lease and the Indenture.

In the event that said officers shall be unable by reason of death, disability, absence or vacancy of office to perform in timely fashion any of the duties specified herein (such as the execution of the documents authorized herein), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the Authority.

14. 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.

15. Publication of Notice. Notice of the sale of the Series 2016 Bonds, in the form attached hereto as *Exhibit A*, shall be published forthwith in the official newspaper of the Authority as a class 1 notice under Chapter 985 of the Wisconsin Statutes. The Assistant Executive Director of the Authority shall obtain proof in affidavit form, of such publication, and shall compare the Notice as printed with the form attached hereto as *Exhibit A* to ascertain that no mistake has been made therein.

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 OF BOND ISSUE BY THE REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE

Pursuant to a resolution adopted on October 20, 2016, the Redevelopment Authority of the City of Milwaukee (the "*Authority*") has entered into a contract for sale of its Redevelopment Lease Revenue Bonds, Series 2016 (Milwaukee Public Schools) in the aggregate principal amount of $_____. The closing of such bond financing will occur on or about December 1, 2016. A copy of all proceedings had to date with respect to the authorization and sale of said bond financing is on file and may be examined in the office of the Assistant Executive Director of the Authority, 809 North Broadway, Milwaukee, Wisconsin.

This Notice has been authorized by the Commissioners of the Authority and is given pursuant to Section 893.77(2), Wisconsin Statutes, which provides that an action or proceeding to contest the validity of such bond financing, for other than constitutional reasons, must be commenced within 30 days after the publication of this Notice.

/s/ David P. Misky

Assistant Executive Director-Secretary,
Redevelopment Authority of the City of Milwaukee