

Redevelopment Authority of the City of Milwaukee

Resolution No.: 10257
Adopted on: December 16, 2010
Project / Area: North Harbor Tract/Henry W. Maier Festival Park
Aldermanic District: 4th

Amended and restated resolution authorizing the issuance of redevelopment revenue bonds (Summerfest Project).

Whereas, the Redevelopment Authority of the City of Milwaukee, Wisconsin (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 Wisconsin Statute section 66.1333 (the "Act"):

1. To carry out redevelopment and urban renewal projects within the City;
2. To assist private acquisition, improvement and development of blighted property;
3. To enter into contracts with redevelopers of property; and
4. To issue bonds or other indebtedness to finance its activities;

Whereas, pursuant to Resolution Number 10243, the Authority gave conditional approval to issue revenue bonds of the Authority pursuant to the Act in one or more series in an aggregate amount not to exceed \$25,000,000 (the "Bonds") to finance a project on behalf of Milwaukee World Festival Inc., a Wisconsin nonstock, nonprofit corporation (the "Project Owner");

Whereas, such project will be owned by the Project Owner and consist of the following (collectively, the "Project"):

- (i) construction of improvements to the property known as the Henry W. Maier Festival Park in Milwaukee, Wisconsin (the "Project Site"); the majority of the Project Site is leased by the City of Milwaukee, acting through its Board of Harbor Commissioners, to the Project Owner pursuant to a Lease Agreement effective as of January 1, 2001 and amended as of February 1, 2005 and January 6, 2010;
- (ii) funding of a debt service reserve fund for the Bonds; and
- (iii) payment of certain expenses incurred in connection with the issuance of the Bonds;

Whereas, By Resolution Number 5708 adopted December 19, 1985, following a public hearing held that same date, the Authority adopted a Redevelopment Plan (the "Redevelopment Plan") for a redevelopment area that includes the Project Site;

Whereas, By Resolution Number 85-1439-b adopted December 23, 1985, the Common Council of the City of Milwaukee approved the Redevelopment Plan;

Whereas, The Project Owner has estimated that the cost of the Project and related costs and expenses would not be less than \$25,000,000 and the Project Owner has represented to the Authority that it would be an encouragement and inducement for the Project Owner to proceed with the Project if it could be financed with revenue bonds issued by the Authority;

Whereas, The proceeds of the Bonds (the "Proceeds") would be lent to the Project Owner for the purpose of paying certain costs of the Project;

Whereas, The Authority, under certain circumstances including, but not limited to, an allocation of new market tax credits to the Project Owner, may use the proceeds of the Project Owner's repayment of a portion of such loan to make a loan to a limited liability company (the "Investment Fund") to permit the Investment Fund to indirectly finance certain costs of the Project;

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 in the City;

Whereas, Pursuant to a resolution adopted by the Authority on November 18, 2010, the Authority has authorized the issuance of the Bonds (the "Original Bond Resolution"); and

Whereas, Due to certain revisions to the terms of the documentation described below, the Project Owner has requested that the Original Bond Resolution be amended and restated; now, therefore be it

Resolved, By the Redevelopment Authority of the City of Milwaukee 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 exceeding \$25,000,000 (the "Bond Amount") be issued by the Authority, maturing at such dates and in such amounts and at interest rates, such that the weighted average interest rate does not exceed 10%, and upon the terms to be set forth in:
 - (i) a Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into among the Authority, the Project Owner and Robert W. Baird & Co., on

behalf of the underwriters identified therein (collectively, the "Underwriters"), setting forth the terms and conditions on which the Authority will sell, and the Purchaser will purchase, the Bonds;

- (ii) an Indenture of Trust (the "Indenture"), to be entered into between the Authority and the corporate bond trustee designated in Section 4 hereof (the "Trustee"), providing for the creation of the Bonds, the terms thereof, and the security therefor;
 - (iii) a Loan Agreement (the "Direct Loan Agreement") to be entered into between the Authority and the Project Owner, providing for the Authority to (1) loan the Proceeds to the Project Owner (the "Loan") to permit the Project Owner to pay certain costs of the Project and (2) under certain circumstances, use the proceeds of the Project Owner's repayment of a portion of such loan to make a loan (the "Leverage Loan") to the Investment Fund to permit the Investment Fund to indirectly finance certain costs of the Project;
 - (iv) two Promissory Notes (the "Direct Notes"), to be issued by the Project Owner payable to the order of the Authority, in the principal amount of the Bonds as evidence of the Loan, and to be assigned by the Authority to the Trustee;
 - (v) a Leverage Loan Agreement (the "Leverage Loan Agreement"), if the Authority makes a loan under 1.(c)(iii)(2) above, to be entered into between the Authority and the Investment Fund providing for the Leverage Loan to the Investment Fund for purposes of indirectly financing certain costs of the Project (the Direct Loan Agreement and the Leverage Loan Agreement are collectively referred to herein as the "Loan Agreements");
 - (vi) a Promissory Note (the "Leverage Note"), if the Authority makes a loan under 1.(c)(iii)(2) above, to be issued by the Investment Fund payable to the order of the Authority, as evidence of the Leverage Loan, and to be assigned by the Authority to the Trustee (the Direct Notes and the Leverage Note are collectively referred to herein as the "Notes");
 - (vii) a Tax Compliance Agreement (the "Tax Agreement"), to be dated the date of initial delivery of the Bonds, to be entered into among the Authority and other transaction participants, setting forth certain undertakings in order to ensure compliance under the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code") relating to the tax exempt status of the Bonds; and
 - (viii) a Cooperation Agreement (the "2010 Cooperation Agreement") to be entered into between the City and the Authority pertaining to any City credit enhancements of the Bonds.
- (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 Project Owner and the Investment Fund, if applicable, under the Loan Agreements and the Notes 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 Indenture 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 Direct Loan Agreement provides that the Project Owner shall maintain the Project in good repair and keep it properly insured; and
- (f) a Notice of Public Hearing was published on November 23, 2010 in *The Milwaukee Journal-Sentinel*, and a hearing was held on December 7, 2010 before a staff member of the Department of City Development, on behalf of the Authority evidencing compliance with the requirements of Section 147(f) of the Code.

2. Designation, Denomination, Tenor and Maturity of Bonds Created for Issuance; Parameters Resolution. The Bonds shall be issued in the aggregate principal amount not to exceed \$25,000,000 and shall be designated as follows:

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE, WISCONSIN
REDEVELOPMENT REVENUE BONDS, SERIES 2010
(SUMMERFEST PROJECT)

The Bonds shall be issued in the form and upon the terms to be set forth in the Indenture, which terms, including without limitation interest rates, redemption provisions and maturity, shall be subject to approval by the Authority as provided in this Resolution and shall comply with and conform to the terms of this Resolution and the Act. The terms of the Indenture shall be subject to the following parameters:

- (a) the weighted average interest rate of the Bonds shall not exceed 10%;
- (b) the sale and funding of the Bonds shall occur prior to December 31, 2010;
- (c) the final maturity date of the Bonds shall be no later than 30 years after the date of issuance; and
- (d) the maximum Bond Amount shall not exceed \$25,000,000.

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 Executive Director are authorized and directed to execute and deliver the documents as set forth in Paragraph 5 below.

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 Issuer pursuant to a Resolution approving the terms of the Bonds.

3. Execution and Authentication of Bonds. Subject to the parameters set forth herein, the Bonds shall be executed on behalf of the Authority with the facsimile or manual signature of its Chairperson or Vice Chairperson, countersigned with the facsimile or manual signature of its Executive Director/Secretary or Assistant Executive Director/Secretary and shall have impressed, imprinted or otherwise reproduced thereon an official seal of the Authority or a facsimile thereof, if any. No 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.
4. Designation of Trustee. The Authority hereby designates and appoints U.S. Bank National Association, and its successors or assigns, to perform the functions of the Trustee, bond registrar and paying agent under the Indenture.
5. Approvals and Authorizations. Subject to the parameters set forth herein, the Chairperson or the Vice Chairperson and the Executive Director of the Authority are authorized and directed in the name and on behalf of the Authority to execute such documents to which the Authority is a party, and either one of them or both of them are authorized and directed to execute such other documents, agreements, instruments, certificates, notices (including Internal Revenue Service form 8038), 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 Bonds, the Indenture, the Loan Agreements, the Tax Agreement and any related documents. 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 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 above-referenced documents), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the Authority.

6. 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.
7. 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 Project Owner and the Investment Fund, if applicable, pursuant to the terms of the Loan Agreements, the Notes and the Indenture, including, without limitation, (i) all payments by the Project Owner and the Investment Fund, if applicable, on the Notes or pursuant to the terms of the Loan Agreements and (ii) all amounts held from time to time in the trust funds, and the investment earnings thereon. As security for the payment of the principal of and interest on the Bonds, the Authority shall pledge and assign to the Trustee all of its right, title, and interest in and to the property described in the Indenture.

As further security for the payment of the Bonds, the Authority shall assign to the Trustee all of the Authority's right, title and interest in and to the 2010 Cooperation Agreement, under which the City agrees to consider, under the circumstances described therein, allocating or appropriating funds to be used to make a loan to the Authority to cure any deficiency in the debt service reserve fund created under the Indenture.

8. 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 Indenture.
9. 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 authorized and approved. Any moneys held as a part of such trust funds may be invested and reinvested by the Trustee in accordance with the Indenture.
10. Execution and Delivery of Documents. Subject to the parameters set forth herein and the approval of counsel to the Authority, the Chairperson or the Vice Chairperson and the Executive Director of the Authority are authorized for and in the name of the Authority to execute and deliver the Bond Purchase Agreement, the Bonds, the Indenture, the Loan Agreements, the Tax Agreement, the 2010 Cooperation Agreement and any related documents. The execution and delivery of any such documents by the Chairperson or Vice Chairperson or the Executive Director of the Authority shall be conclusive evidence of the approval of the Authority of such document in accordance with the terms thereof.
11. Execution and Delivery of the Bonds. The Chairperson or Vice Chairperson and the Executive Director/Secretary or Assistant Executive Director/Secretary are hereby authorized for and in the name of the Authority to execute the Bonds in the manner authorized by Section 3 hereof. Subject to the terms and conditions of the Bond Purchase Agreement, the Authority shall deliver the Bonds to the Underwriters.
12. Effective Date; Original Bond Resolution Superseded; Conformity. This Resolution shall be effective immediately upon its passage and approval and shall expire on the one year anniversary date of the effective date if the Bonds shall not have been issued prior to such anniversary date. This Resolution amends and restates in its entirety, and supersedes, the Original Bond Resolution, which is hereby repealed. 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.
13. Authority 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.
14. Irrepealability. After the Bonds are delivered by the Trustee to the Underwriters upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Bonds and interest thereon shall have been fully paid, canceled, and discharged.

EXHIBIT A

NOTICE TO ELECTORS OF THE CITY OF MILWAUKEE
RELATING TO BOND SALE

On December 16, 2010, a resolution was offered, read, approved, and adopted by the Redevelopment Authority of the City of Milwaukee (the "Authority"), whereby the Authority authorized a contract to sell redevelopment revenue bonds in a principal amount not to exceed \$25,000,000. It is anticipated that the closing of this bond financing will be held on or about December 29, 2010. 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 Assistant Executive Director of the Authority, 809 North Broadway, Milwaukee, Wisconsin.

This notice is given pursuant to Section 893.77, Wisconsin Statutes, which provides that an action or proceeding 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.

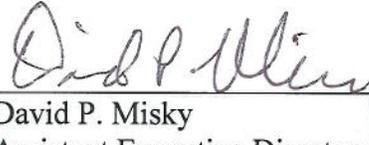
/s/ David P. Misky
Assistant Executive Director

Publication Date: December __, 2010

CERTIFICATION

I certify that the foregoing is a true and exact copy of a resolution adopted by the Redevelopment Authority of the City of Milwaukee, Wisconsin on the date set forth above.

(SEAL)



David P. Misky
Assistant Executive Director-Secretary
