Redevelopment Authority of the City of Milwaukee

Resolution No.:	**10297**
Adopted on:	July 14, 2011
Project / Area:	Bonds
Aldermanic District:	3rd

Resolution giving preliminary approval to the issuance of revenue bonds on behalf of USL Phase I Land LLC to finance redevelopment of the property located at 455 East Pleasant Street with multifamily housing.

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 Section 66.1333, Wisconsin Statutes, as amended, (hereinafter sometimes referred to as the "Act") and is authorized by the Act:

(a) to assist private acquisition, improvement, and redevelopment of property determined by the Authority to be blighted property for the purpose of eliminating the blighted status of such property;

(b) 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

(c) to issue bonds or other indebtedness in furtherance of its purposes.

Whereas, USL Phase I Land LLC ("Developer") owns the property located at 455 East Pleasant Street (the "Property") and proposes to redevelop the Property with approximately 155 units of multifamily housing (the "Project"), the cost of which Project is estimated to be approximately $36.7 million; and

Whereas, the Property is located within a "blighted area", as previously determined by the Authority, and the Project would be consistent with the redevelopment plan for such area previously adopted by the Authority; and

Whereas, the Developer has requested that the Authority issue revenue bonds to assist Developer in financing the Project; and

Whereas, the public interest will be served if the Authority were to provide financing under the Act for the Project; now, therefore, be it

Resolved, that, subject to the conditions specified below, the Authority shall pursue and consummate a financing having the following elements:

(a) The Authority shall issue revenue bonds pursuant to the Act (the "Bonds") at one or more times in one or more series in such aggregate principal amount not in excess of $5,100,000 as the Developer shall request; provided, however, that the actual aggregate principal amount shall not be greater than $4,950,000, plus the estimated financing and bond issuance costs.

(b) The Bonds shall be limited obligations of the Authority payable by the Authority solely out of revenues derived from the Developer or otherwise provided for pursuant to the terms of a lease, loan, or similar agreement (the "Revenue Agreement") to be entered into between the Authority and the Developer.

(c) The Revenue Agreement shall require the Developer to provide the Authority with revenues sufficient to pay when due the principal of, premium, if any, and interest on the Bonds; and be it

Further Resolved, the issuance of the Bonds by the Authority shall be on the following conditions:

(d) The Bonds shall not constitute an indebtedness of the Authority or the City within the meaning of any State of Wisconsin constitutional provision or statutory limitation.

(e) The Bonds shall not constitute or give rise to a pecuniary liability of the Authority or the City or a charge against the City's general credit or taxing powers.

(f) The Borrower shall be responsible for finding a purchaser or purchasers for all of the Bonds.

(g) Prior to the issuance of the Bonds, this body, by further resolution, shall have authorized and approved the terms of the Bonds and the Revenue Agreement.

(h) The Bonds shall be issued pursuant to the Act, and the delivery of the Bonds shall be accompanied with the approving legal opinion of Foley & Lardner LLP or another nationally recognized firm of bond attorneys acceptable to the Authority and the Developer.

The Developer shall enter into one or more agreements with the City and/or the Authority on terms set forth in the Term Sheet approved by the City and Authority in connection with the amendment to the Project Plan for Tax Incremental District No. 48, for the Project. Further resolved, no Bonds shall be issued until the terms and conditions of any guidelines governing the issuance of Bonds which may be adopted by the Authority have been complied with; and be it

Further Resolved, that 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; and, be it

Further Resolved, as a condition to the issuance of the Bonds, the Developer 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; and, be it

Further Resolved, that 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; and, be it

Further Resolved, that this 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