



Legislation Text

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090805
SUBSTITUTE 1

ALD. BAUMAN

Substitute resolution approving the terms of a Cooperation and Development Agreement for the property located at 700 East Kilbourn Avenue, in the 4th Aldermanic District. This substitute resolution approves the terms of a Cooperation and Development Agreement for the purpose of providing a loan guarantee for the construction of the Bookends project.

Whereas, The Common Council of the City of Milwaukee, in accordance with the Economic Feasibility Study for the proposed Bookends project, desires to enter into a Cooperation and Development Agreement among the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee and Bookends North LLC to provide loan guarantee assistance for the Bookends project in an amount not to exceed \$3,450,000 to support the original principal amount of a subordinate loan the developer will obtain for the project in accordance with a Term Sheet, a copy of which is attached to this Common Council File; and

Whereas, The loan guarantee for the Bookends project will provide that in the event of a monetary default by the developer to its subordinate lender, the full amount of the City guarantee, in an amount not to exceed \$3.45 million, will be payable by the City to the developer's subordinate lender; now, therefore, be it

Resolved, That the Common Council of the City of Milwaukee, approves the Term Sheet for the Bookends Cooperation and Development Agreement; and, be it

Further Resolved, That the Common Council authorizes up to, not to exceed, \$3,450,000 in the form of a loan guarantee for the Bookends project in accordance with the Term Sheet for the Bookends Cooperation and Development Agreement; and, be it

Further Resolved, That an amount not to exceed \$3,450,000 of Contingent Borrowing shall be reserved for the term of the City's obligations under the loan guarantee and may be used for payment of the City's loan guarantee obligation to the developer's subordinate lender in the event of a default by the developer, which would require payment on the loan guarantee; and, be it

Further Resolved, That the City declares its intent to borrow for any such expenditures using traditional tax-exempt bonds, special revenue bonds or other financing options that may be available to the City; and, be it

Further Resolved, That the proper City officials are directed to enter into a Cooperation and Development Agreement with the Redevelopment Authority of the City of Milwaukee and the developer for the purpose of implementing the Bookends project and related loan guarantee provisions on terms substantially in accordance with said Term Sheet for the project.

CA:DMB:dmb
10/22/09