

FN 060865



Department of City Development

Housing Authority
Redevelopment Authority
City Plan Commission
Historic Preservation Commission
NIDC

Rocky Marcoux
Commissioner

Martha L. Brown
Deputy Commissioner

October 31, 2006

To the Honorable
Community & Economic Development Committee
City of Milwaukee
200 E. Wells St., Room 205
Milwaukee, WI 53202

RE: Resolution relating to the Issuance of Industrial Development Revenue Bonds (Pettit National Ice Center, Inc. Project)

Dear Committee Members:

This resolution sets forth the intent of the City to issue Industrial Development Revenue Bonds, in an amount not to exceed \$2,500,000, to finance costs related to the acquisition of the Pettit National Ice Center located at 500 S. 84th St. in the City of Milwaukee.

As you may know, the Center has been struggling to meet its lease payments to the State of Wisconsin. The State subsequently decided that a sale of the Center to the non-profit entity which has been operating it would be in the best interest of preserving this facility, and financially turning it around.

The proposed Industrial Development Revenue Bond issue is a vehicle through which the Center can obtain financing at a reduced rate of interest, compared with conventional bank rates. This so-called "conduit financing" simply uses the City as a pass-through and does not require the City to guarantee payment on the bonds or to pledge any tax revenue to payment on the bonds. The City has used this financing vehicle to assist over 125 projects, ranging from manufacturers to non-profit entities.

The Pettit Center is an official US Olympic training facility (one of only two in the nation). The 3,000 seat Center houses a 400-meter indoor speed skating ice oval, and two international size rinks used for hockey, figure skating, and short-track speed skating. The Center was established in 1992 and has 10 full-time staff members.

Financing the sale of the Pettit Center with industrial bonds will preserve cash flow for the organization, which can then be used to improve operations. The Center is a non-profit 501(c)3 corporation.

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We believe it is in the City's best interest to assist in the financing of the Center with this type of bond issue and recommend adoption of this resolution. Final authorization of the bonds will be subject to a subsequent resolution of the Common Council.

Sincerely,

A handwritten signature in black ink, appearing to read "Rocky Marcoux", written in a cursive style.

Rocky Marcoux
Commissioner