

# **COOPERATION AGREEMENT**

**(TID Project Plan – Financing)**

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### **TID Project Plan - Financing**

THIS AGREEMENT is made as of the \_\_\_ day of \_\_\_\_\_, 2014, by and between the CITY OF MILWAUKEE (“CITY”), and the REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE, (“RACM”).

#### **WITNESSETH**

**WHEREAS**, CITY has historically funded Tax Increment Districts (“TIDs” or “TID Projects”) using its general obligation bonds; and

**WHEREAS**, RACM also has the power to issue revenue bonds for the purpose of furthering its redevelopment objectives; and

**WHEREAS**, RACM has been designated by CITY to consider and approve plans for tax increment districts (“TID Project Plans”) created pursuant to Wis. Stat. § 66.1105; and

**WHEREAS**, CITY and RACM enter into cooperation agreements in conjunction with the implementation of TID Project Plans from time to time; and

**WHEREAS**, Utilization of RACM revenue bond financing to fund TID Project Plans would provide additional flexibility in structuring financing for such projects and reduce the need for CITY issuance of general obligation bonds; and

**WHEREAS**, CITY has the power to pledge its moral obligation to provide credit enhancement for RACM revenue bonds; and

**WHEREAS**, The City and RACM desire to enter into this Cooperation Agreement in order to provide the most efficient and cost effective financing of TID Project Plans through the cooperative exercise of their respective powers.

#### **CITY and RACM**

**NOW, THEREFORE**, in consideration of the premises and the mutual promises and undertakings contained herein, agree as follows:

#### **I. CITY/RACM COOPERATION.**

RACM and City are entering this Agreement in order to cooperate and jointly exercise their respective powers with respect to the financing and development of TID Project Plans and, in particular, to provide for the financing of TID Projects. In their cooperative implementation of such TID Projects, City and RACM shall undertake the following actions:

**A. CITY ACTIONS:**

1. Make all determinations with respect to the manner in which TID Projects are to be implemented and enter into the necessary construction and professional service contracts for the construction of public infrastructure and public improvements necessary to serve such TID Projects.
2. Provide financial and other assistance to and cooperate with RACM in order to finance TID Projects. In particular, CITY shall undertake all actions necessary in order to provide for the issuance and marketing of RACM revenue bonds (“Bonds”) in amounts necessary to provide net Bond proceeds equal to the amount determined by City to be necessary to fund costs of TID Projects.
3. CITY assistance to RACM hereunder shall include execution by CITY of all agreements and instruments necessary in order to allow RACM to secure a favorable rating on Bonds issued to fund TID Projects and to allow issuance and marketing of such Bonds upon terms deemed appropriate by the Executive Director/Secretary of RACM in consultation with CITY’s Comptroller. Such agreements and instruments shall provide RACM with revenues sufficient to fulfill RACM’s financial obligations with respect to such Bonds; provided, however, that all financial obligations of CITY hereunder shall be moral obligations subject to annual appropriation unless otherwise expressly provided through a resolution adopted by CITY’s Common Council.
4. CITY’s Comptroller shall have the right to review the accounting and financial reporting systems necessary to administer the Bonds and all accounts created in conjunction with the Bonds.
5. Notwithstanding the foregoing, CITY may, in its sole discretion, provide direct financial assistance to RACM through the appropriation of funds or the issuance of its bonds or notes in order to provide amounts to RACM which may be required to pay the costs of TID Projects and all other amounts due in conjunction with the implementation of TID Projects.
6. Provide staff assistance to RACM to identify the most efficient and cost effective manner in which to finance TID Projects.

**B. RACM ACTIONS:**

1. Upon request by CITY, implement the issuance and marketing of Bonds and utilize the net Bond proceeds for payment of costs and expenses incurred to implement TID Projects Plans.

2. Execute all agreements and instruments necessary in order to secure a favorable rating on such Bonds and allow issuance and marketing of such Bonds upon terms deemed appropriate by RACM and CITY.
3. In cooperation with CITY's Comptroller, establish the accounting and financial reporting systems necessary to administer such Bonds and all accounts created in conjunction with such Bonds.
4. Provide staff assistance to CITY to identify the most efficient and cost effective manner in which to finance TID Projects.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Cooperation Agreement as of the date and year first above written.

**REDEVELOPMENT AUTHORITY  
OF THE CITY OF MILWAUKEE**

\_\_\_\_\_  
William Schwartz, Chair

\_\_\_\_\_  
David P. Misky  
Assistant Executive Director/Secretary

Approved as to content this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**THE CITY OF MILWAUKEE**

\_\_\_\_\_  
MARY L. SCHANNING  
Assistant City Attorney

\_\_\_\_\_  
Tom Barrett, Mayor

Approved as to form and execution this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Jim Owczarski, City Clerk

**COUNTERSIGNED:**

\_\_\_\_\_  
THOMAS O. GARTNER  
Assistant City Attorney

\_\_\_\_\_  
Martin Matson, City Comptroller