



Legislation Text

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210759
ORIGINAL

Ald. Coggs

Resolution relating to the intent to issue Industrial Development Revenue Bonds for the Outreach Community Health Centers, Incorporated Project.

This resolution is the initial resolution required by Wis. Stat. § 66.1103 approving the issuance of bonds by the City of Glendale to finance the purchase of land, construction of an approximately 60,000 square foot new health care facility, acquisition and installation of furniture, fixtures and equipment at the new facility, renovation of an existing health care facility, and payment of certain professional fees and costs of issuance of the bonds. The majority of the project is located in the City of Glendale.

Whereas, Section 66.1103 of the Wisconsin Statutes (the “Act”) authorizes the City of Milwaukee, Milwaukee County, Wisconsin (the “City”), to authorize the issuance and sale of bonds by the City to construct, equip, re-equip, acquire by gift, lease or purchase, install, reconstruct, rebuild, rehabilitate, improve, supplement, replace, maintain, repair, enlarge, extend or remodel industrial projects in the City; and

Whereas, Section 66.1103(3)(f) provides that a municipality also may finance an industrial project which is located entirely outside the geographic limits of the municipality, but only if the revenue agreement for the project also relates to another project of the same eligible participant, part of which is located within the geographic limits of the municipality; and

Whereas, Outreach Community Health Centers, Incorporated, a Wisconsin nonstock, nonprofit corporation (the “Borrower”), desires to complete a multi-jurisdictional project consisting of financing the (i) purchase of land, (ii) construction of an approximately 60,000 square foot facility (the “Facility”) on a parcel of land owned by the Borrower located east of and proximate to the Borrower’s existing facility located at 210 West Capitol Drive, Milwaukee, Wisconsin (the “Existing Facility”), with the majority of the property located in the City of Glendale, Wisconsin (“City of Glendale”) and the remaining portion of the property located in the City of Milwaukee, which Facility will be used by the Borrower to provide healthcare services; (iii) acquisition and installation of furniture, fixtures and equipment at the Facility, (iv) renovation of the Existing Facility, and (v) payment of certain professional fees and costs of issuance (collectively, the “Project”); and

Whereas, the cost of the Project is presently estimated to be greater than \$15,000,000, and the amount proposed to be financed with one or more series of tax-exempt and/or taxable revenue bonds does not exceed \$15,000,000; and

Whereas, the proposed Project is a multi-jurisdictional project which is located in the City and the City of Glendale, and the Borrower has requested that the City and the City of Glendale each approve an initial resolution providing for the financing of the Project in an amount not to exceed \$15,000,000; and

Whereas, the City of Glendale considered an initial resolution on September 14, 2021 to provide for the

financing of the multi-jurisdictional Project in an amount not to exceed \$15,000,000; and

Whereas, the City of Glendale shall be the issuer of said revenue bonds; and

Whereas, the Borrower has requested that the City now approve an initial resolution providing for the financing of the multi-jurisdictional Project; now, therefore be it

Resolved, by the Common Council of the City of Milwaukee that:

1. Based upon representations of the Borrower, it is the finding and determination of the Common Council that the Project is a qualified “project” within the meaning of the Act and that the Borrower is an “eligible participant” within the meaning of the Act. The City recognizes and agrees that upon the approval of the Common Council of the City of Glendale, the City of Glendale shall:

(a) Finance the Project in an amount not to exceed \$15,000,000; and

(b) Issue revenue bonds in one or more series of tax-exempt and/or taxable bonds (the “Bond(s)”), in an amount not to exceed \$15,000,000 in order to finance costs of the Project, located in the City and the City of Glendale, pursuant to Section 66.1103(3)(f) of the Wisconsin Statutes.

2. The aforesaid plan of financing contemplates, and is conditioned upon, the following:

(a) The Bonds shall never constitute an indebtedness of either the City or the City of Glendale within the meaning of any state constitutional provision or statutory limitation;

(b) The Bonds shall not constitute or give rise to a pecuniary liability of either the City or the City of Glendale or a charge against their general credit or taxing powers;

(c) The Project shall be subject to property taxation in the same amount and to the same extent as though the Project were not financed with revenue bonds;

(d) The Borrower shall find a purchaser for all of the Bonds;

(e) The City’s out-of-pocket costs, including but not limited to legal fees and Trustee’s fees, in connection with the authorization, issuance and sale of the Bonds shall be paid by the Borrower; and

(f) A notice of public hearing (the “TEFRA Hearing”), such notice to be in substantially the form attached hereto, required by federal law for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, shall be published in a newspaper of general circulation in the City and the City of Glendale, and public hearings shall be held by both the City and the City of Glendale to provide interested individuals or parties the opportunity to testify with respect to the nature and location of the Project and the issuance of the Bonds to finance the Project.

3. The aforesaid plan of financing shall not be legally binding upon the City nor be finally implemented unless and until:

(a) The details and mechanics of the same are authorized and approved by a further resolution of the City of Glendale as the conduit Issuer of the Bonds, which shall be solely within the

discretion of the Common Council of the City of Glendale;

(b) The City Clerk shall cause notice of adoption of this Initial Resolution, such notice to be in substantially the form attached hereto, to be published once in a newspaper of general circulation in the City, and the electors of the City shall have been given the opportunity to petition for a referendum on the matter of the aforesaid Bond issue, all as required by law;

(c) Either no such petition shall be timely filed or such petition shall have been filed and said referendum shall have approved the Bond issue;

(d) The City and the City of Glendale, shall have received an employment impact estimate issued under Section 238.11 of the Wisconsin Statutes;

(e) All documents required to consummate the financing have been duly authorized and delivered; and

(f) The City and the City of Glendale have approved the issuance of the Bonds following the TEFRA Hearing required by Section 2(f) above. The Mayor is authorized to sign the Approval of Mayor, substantially the form attached hereto, upon verification from bond counsel that the TEFRA Hearing was held.

4. Pursuant to the Act, all requirements that the Project be subject to the contracting requirements contained in Section 66.1103 are waived, the Borrower having represented that it is able to negotiate satisfactory arrangements for completing the Project and that the City's interests are not prejudiced thereby.

5. The City Clerk is directed, following adoption of this Initial Resolution (i) to publish notice of such adoption not less than one time in the official newspaper of the City, such notice to be in substantially the form attached hereto and (ii) to file a copy of this Initial Resolution, together with a statement indicating the date the Notice to Electors was published, with the Wisconsin Economic Development Corporation within twenty (20) days following the date of publication of such notice.

6. This Initial Resolution is an "initial resolution" within the meaning of the Act and official action toward issuance of the Bonds for purposes of Sections 103 and 144 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. Furthermore, it is the reasonable expectation of the City that proceeds of the Bonds may be used to reimburse expenditures made on the Project prior to the issuance of the Bonds. The maximum principal amount of debt expected to be issued for the Project on the date hereof is \$15,000,000. This statement of official intent is made pursuant to Treasury Regulations §1.150-2.

Requestor:

City Attorney

Drafter:

City Attorney: Jeremy R. McKenzie