



Legislation Details (With Text)

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Title: Substitute resolution authorizing amendments to the terms of \$2,615,000 City of Milwaukee, Wisconsin Industrial Development Revenue Refunding Bonds, Series 2011, R&B Wagner, Inc. Project, and related amendments to the Bond Financing Agreement.

Sponsors: ALD. PUENTE

Indexes:

Attachments: 1. First Amendment to Bond Financing Agreement.pdf

Date	Ver.	Action By	Action	Result	Tally
10/13/2015	0	COMMON COUNCIL	ASSIGNED TO		
10/26/2015	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	3:0
11/2/2015	1	COMMON COUNCIL	ADOPTED	Pass	15:0
11/11/2015	1	MAYOR	SIGNED		

150919
SUBSTITUTE 1

ALD. PUENTE

Substitute resolution authorizing amendments to the terms of \$2,615,000 City of Milwaukee, Wisconsin Industrial Development Revenue Refunding Bonds, Series 2011, R&B Wagner, Inc. Project, and related amendments to the Bond Financing Agreement. This substitute resolution approves certain amendments to the terms of \$2,615,000 principal amount of Industrial Development Revenue Refunding Bonds, Series 2011, R&B Wagner, Inc. Project, issued by the City in 2011 to refund the outstanding principal amount of the \$5,000,000 City of Milwaukee, Wisconsin Variable Rate Demand Industrial Development Revenue Bonds, Series 2001, R&B Wagner, Inc. Project. Whereas, The City of Milwaukee, Wisconsin (the "City"), is a municipal corporation organized and existing under and pursuant to the laws of the State of Wisconsin and is authorized by Section 66.1103, Wisconsin Statutes, as amended (the "Act"):

- a. To issue revenue bonds to finance all or any part of the costs of the construction, equipping, reequipping, acquisition, purchase, installation, reconstruction, rebuilding, rehabilitation, improving, supplementing, replacing, maintaining, repairing, enlarging, extending or remodeling of industrial projects and the improvement of sites for industrial projects.
- b. To fund the whole or part of any revenue bonds issued by the City.
- c. To enter into a revenue agreement with an Borrower pursuant to which the Borrower agrees to cause said project to be constructed and to pay the City an amount of funds sufficient to provide for the prompt payment, when due, of the principal of and interest on said revenue bonds; and

Whereas, The City has issued its \$2,615,000 principal amount of Industrial Development Revenue Refunding Bonds, Series 2011, R&B Wagner, Inc. Project, dated September 23, 2011 (the "Bonds"); and

Whereas, The Bonds were issued to refund a prior bond issue that was issued to finance the purchase of land, the renovation and expansion of an existing manufacturing facility and the acquisition of machinery and equipment (collectively, the "Project"), which is owned and operated by R&B Wagner, Inc., a Wisconsin corporation (the "Borrower"); and

Whereas, In connection with the issuance of the Bonds, the City entered into documents relating to the Bonds, including:

- a. A Bond Financing Agreement (the "Bond Financing Agreement"), by and among the City, the Borrower, TCF National Bank, a national banking corporation (the "Bank"), and TCF Investment Management, Inc. a Minnesota corporation (the "Purchaser"), providing for the creation of the Bonds, the terms thereof and the security therefor and providing for a loan of the Bond proceeds to the Borrower on repayment terms scheduled to provide the City with revenues sufficient to retire the Bonds in accordance with their terms.
- b. A Promissory Note, dated the date of issuance of the Bonds (the "Promissory Note"), issued by the Borrower payable to the order of the City in the principal equal to the Bonds as evidence of the borrowing provided for in the Bond Financing Agreement and assigned by the City to the Purchaser.
- c. A Tax Compliance Agreement (the "Tax Agreement") among the City, the Borrower and the Purchaser relating to the tax-exempt status of interest on the Bonds; and

Whereas, The Borrower and the Purchaser have determined that it would be beneficial to amend certain terms of the Bonds to reduce the interest rate borne by the Bonds during the initial rate period, to extend the period to the initial Reset Date and to change the optional and mandatory redemption provisions; and

Whereas, In connection therewith the Borrower has presented the City with a proposed First Amendment to Bond Financing Agreement (the "First Amendment"); and

Whereas, In accordance with the Act and the Bond Financing Agreement, the Bonds and interest thereon shall never constitute an indebtedness of the City within the meaning of any State constitutional provision or statutory limitation, shall not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers and do not and shall not constitute or give rise to any personal liability of any member of the Common Council of the City of Milwaukee ("Common Council") or of any officials or employees of the City on the Bonds or for any act or omission related to the authorization or issuance of the Bonds; and

Whereas, The Common Council has found and determined that the City has derived and will continue to derive public benefits from the Project and its operation, including by way of illustration, but not limitation, the following: the provision and retention of gainful employment opportunities for the citizens of the City; the stimulation of the flow of investment capital into the City with resultant beneficial effects on the economy in the City; and the preservation and enhancement of the City's tax base; and

Whereas, The Common Council has found and determined that the public interest will be served if the City were to permit the Borrower and the Purchaser to amend the terms of the Bonds; now, therefore, be it

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

Section 1. Amendment of Bond Terms.

The terms of the Bonds shall be amended as provided in the First Amendment, including the

following:

The interest rate from and after the effective date of the First Amendment shall be equal to the product of the Multiplier times the greater of (i) 5.0 percent per annum or (ii) the sum of 2.75 percent per annum plus the Treasury Rate as in effect on the second business day preceding such effective date.

The "Multiplier" as of the effective date of the First Amendment shall be .68. The "Treasury Rate" shall be a rate per annum equal to the rate set forth for 10-year constant maturity U.S. Treasury obligations in Federal Reserve Statistical Release H.15.

The Bonds shall mature (subject to redemption as provided in the Bond Financing Agreement) on the tenth anniversary of the effective date of the First Amendment. The optional redemption provisions of the Bonds shall be amended as provided in the First Amendment (including the prepayment premiums payable on various prepayment dates) and the Bonds shall be subject to mandatory redemptions on the first business day of each month as provided in Exhibit C to the First Amendment.

Section 2. Execution and Delivery of the First Amendment.

The terms and provisions of the First Amendment are hereby approved. The Mayor, the City Clerk and the City Comptroller are hereby directed for and in the name of the City to execute, affix with the official seal of the City and deliver the First Amendment in the form presented herewith, or with such insertions therein or corrections thereto as shall be approved by the Mayor and the City Clerk consistent with this Resolution and the terms of the Act, their execution thereof to constitute conclusive evidence of their approval of any such insertions and corrections.

Section 3. Execution and Delivery of Related Documents.

The Mayor, the City Clerk and the City Comptroller are hereby authorized for and in the name of the City to execute, affix with the official seal of the City and deliver a replacement Bond and Promissory Note, and a supplement to the Tax Agreement, that may be necessary to give effect to the amendments approved hereby.

Section 4. General Authorizations.

The Mayor, the City Clerk, the City Comptroller and the appropriate deputies and officials of the City in accordance with their assigned responsibilities are hereby each authorized to execute, publish, file and record such other documents, instruments, notices (including Internal Revenue Service Form 8038) and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and to comply with and perform the obligations of the City under the Bond Financing Agreement, as amended by the First Amendment.

In the event that the Mayor, the City Clerk or the City Comptroller shall be unable by reason of death, disability, absence or vacancy of office to perform in a timely fashion any of the duties specified herein (such as the execution of Bond, the Bond Financing Agreement, a supplement to the Tax Agreement, or the assignment of the Promissory Note), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the ordinances of the City.

Section 5. Election.

The City hereby elects to have the provisions of Section 144(a)(4) of the Internal Revenue Code of 1986, as amended, applied to the issuance of the Bonds.

Section 6. Effective Date; Conformity.

This Resolution shall be effective immediately upon its adoption and approval. To the

extent that any prior resolutions of the Common Council are inconsistent with the provisions hereof, this Resolution shall control and such prior resolutions shall be deemed amended to such extent as may be necessary to bring them into conformity with this Resolution.

DCD:David.Misky:dpm

10/16/15