



Legislation Text

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ORIGINAL

ALD. MURPHY

Resolution approving amendments to terms of the City's Industrial Development Revenue Bond, Series 2007 (Pettit National Ice Center, Inc. Project).

This resolution authorizes certain amendments to the interest rate and redemption terms of the City's Industrial Development Revenue Bond, Series 2007 (Pettit National Ice Center, Inc. Project), issued to finance Pettit National Ice Center, Inc.'s acquisition of the ice skating facility located at 500 South 84th Street. The owner of the Bond and the Borrower have agreed to the terms of the amendment. The City has no pecuniary liability with respect to the Bond.

Whereas, The City of Milwaukee has issued its Industrial Development Revenue Bond, Series 2007 (Pettit National Ice Center, Inc. Project) (referred to herein as the "Bond"); and

Whereas, In connection therewith, the City entered into a Financing and Bond Purchase Agreement ("Agreement") with TCF National Bank (referred to herein as the "Bondholder") and Pettit National Ice Center, Inc. (referred to herein as the "Borrower"), pursuant to which the City sold the Bond to the Bondholder and lent the proceeds thereof to the Borrower to finance its acquisition and improvement of the ice skating facility located at 500 South 84th Street; and

Whereas, The Agreement provides for the interest rate on the Bond to be reset on January 5, 2012, and January 5, 2017, and further provides for redemption of the Bond on January 5, 2017, at the election of the Bondholder; and

Whereas, The Borrower and the Bond Purchaser have presented the City with a proposed First Amendment to Financing and Bond Purchase Agreement (attached hereto as Exhibit A, incorporated herein by reference and referred to herein as the "Amendment"), which would amend the Agreement and the terms of the Bond by changing the interest rate formula for the Bond, by revising the amortization schedule based on the new interest rate, by rescinding the call for redemption of the Bond on January 5, 2012, and by making the redemption on January 5, 2017, mandatory, unless the Bondholder waives the redemption; and

Whereas, The Agreement and the Bond provide that the City is not responsible for the payment of the Bond, except for payments made by the Borrower under the Agreement; now, therefore, be it

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

1. The amendments to the interest rate borne by the Bond and the redemption provisions applicable to the Bond set forth in the Amendment are approved.
2. Subject to such changes or revisions therein as the City Attorney may approve or require, and as

Foley & Lardner LLP as Bond Counsel may approve, the Amendment, in substantially the form attached hereto, is approved. The Mayor, City Comptroller and City Clerk, or persons authorized by law to sign on their behalf, are authorized on behalf of the City to execute and deliver the Amendment. The Mayor, City Comptroller and City Clerk and persons authorized by law to sign on their behalf and other officials of the City are authorized to prepare or to have prepared and to execute, file and deliver, as appropriate, all such documents, financing statements, opinions, certificates of incumbency, non-litigation, arbitrage and other necessary certificates, affidavits and closing or post-closing instruments as may be required by this resolution or the Amendment, or deemed necessary by said officials or by the City Attorney.

3. If and to the extent that any prior resolution of the Common Council is inconsistent with this resolution, such prior resolution, but only to the extent of such inconsistency, is rescinded.

LRB 136149-1

TWM:lp

12/15/2011