



Legislation Text

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ORIGINAL

ALD. BORKOWSKI

Resolution approving the issuance of revenue bonds by the Public Finance Authority for the benefit of Hyrule LLC and BHP, Inc. d/b/a Global Power Components to finance the acquisition, expansion, and equipping of an existing industrial facility located at 2300 South 51st Street, in the 11th Aldermanic District.

The Public Finance Authority is a public body corporate and politic created by the State of Wisconsin with the authority to issue conduit revenue bonds to finance a project with the approval of the political subdivision in which the project is located. This resolution constitutes City approval of the issuance of conduit revenue bonds by the Public Finance Authority for the Global Power Components project, located at 2300 South 51st Street. City approval of the project and the issuance of the bonds shall not give rise to a debt or pecuniary liability or a legal or moral obligation of the City for any reason whatsoever.

Whereas, The Public Finance Authority ("PFA") is a unit of government and body corporate and politic of the State of Wisconsin created pursuant to the provisions of ss. 66.0303 and 66.0304, Wis. Stats., commonly known as the "Joint Exercise of Powers Law" (as amended, the "Act") and an Amended and Restated Joint Exercise of Powers Agreement, dated September 20, 2010, (the "Joint Exercise Agreement"); and

Whereas, The PFA is authorized and empowered under the Act and by the Joint Exercise Agreement to, among other things, issue bonds, notes or other evidences of indebtedness in connection with, and to make loans to assist in the financing of, "projects" located inside and outside of the State of Wisconsin; and

Whereas, Hyrule LLC and BHP, Inc. d/b/a Global Power Components (collectively the "Borrower") wishes to finance the acquisition, expansion, and equipping of land and buildings located at 2300 South 51st Street in the City of Milwaukee (the "Project"), which land and buildings are or will be owned by the Borrower and will be operated as an industrial facility; and

Whereas, The Borrower is requesting the assistance of the PFA in financing the Project through the issuance by the PFA of its bonds in an amount not to exceed \$8,300,000 (the "Bonds"); and

Whereas, Section 66.0304(11)(a) of the Act provides that the PFA may not issue bonds to finance a capital improvement project in the State of Wisconsin unless all of the political subdivisions within whose boundaries the project is to be located have approved the financing of the project, and further provides that in cities of the 1st class, such approval may only be given by the governing body of such city; and

Whereas, The Borrower has requested this approval from the Common Council; and

Whereas, Pursuant to the Act and the Joint Exercise Agreement, bonds issued by the PFA are limited obligations of the PFA payable solely from funds pledged for their payment in accordance with the related bond indenture, and neither the members of the PFA nor the State of Wisconsin or any political subdivision thereof or any political subdivision approving the issuance of the bonds, including the City of Milwaukee, shall be obligated to pay the principal of, premium, if any, or interest thereon or any costs incidental thereto; and

Whereas, The Bonds or a portion thereof will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and pursuant to Code Section 147(f), prior to their issuance, the Bonds are required to be approved by (i) the PFA as the governmental unit issuing the Bonds; and (ii) the "applicable elected representative" of a governmental unit having jurisdiction over the area in which the Project is located, in each case after a public hearing regarding the financing of the Project and the issuance of the Bonds (commonly known as a "TEFRA Hearing ") held following reasonable public notice (commonly known as a "TEFRA Notice"); and

Whereas, City staff will administratively undertake the issuance of a TEFRA Notice, in a form to be approved by the Office of the City Attorney, and then conduct a TEFRA Hearing; and

Whereas, Subject to satisfactory completion of the TEFRA Hearing and a report of the proceedings thereto, the Borrower expects to request the Mayor, as the "applicable elected representative" of the City of Milwaukee, to approve the Bonds and the financing of the Project for purposes of Code s. 147 (f); and

Whereas, The Borrower has agreed to enter into a customary agreement to utilize best efforts to reach a goal of 25 percent small business enterprise participation for construction of the Project; now, therefore, be it

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

1. The financing of the Project by the PFA through the issuance of the Bonds is approved for purposes of s. 66.0304(11)(a) of the Act.
2. The conduct of the TEFRA Hearing is approved.
3. The publication of the TEFRA Notice, as described above in a form approved by the Office of the City Attorney, is approved.
4. The Bonds, when and if issued, shall not constitute a debt or pecuniary liability or a legal or moral obligation of the City of Milwaukee for any reason whatsoever.
5. The Small Business Enterprise Agreement is hereby approved and the proper City officials are directed to execute and deliver the agreement on behalf of the City of Milwaukee.

LRB164931-1

Thomas O. Gartner: Tea Norfolk

06/14/2016

