

(ATTACHMENT 1) ACTION ON A REQUEST TO ADOPT A RESOLUTION AND APPROVE THE ISSUANCE OF QUALIFIED SCHOOL CONSTRUCTION BONDS (QSCB) IN AN AMOUNT NOT TO EXCEED \$34,933,000 AND TO AUTHORIZE THE APPROVAL AND EXECUTION OF DOCUMENTS AND CERTAIN RELATED MATTERS

Resolution Relative to the issuance of revenue bonds by the Redevelopment Authority of the City of Milwaukee and matters related thereto for Milwaukee Public Schools.

WHEREAS, the Redevelopment Authority of the City of Milwaukee (the “*Authority*”) is a redevelopment authority organized by the City of Milwaukee, Wisconsin (the “*City*”), and existing under and pursuant to the laws of the State of Wisconsin and is authorized by Section 66.1333, Wisconsin Statutes, as amended (the “*Act*”):

(a) to prepare, carry out, contract with respect to and/or operate redevelopment projects;

(b) to issue bonds or other indebtedness to finance its activities under the Act; and

(c) to do all things necessary or incidental to carry out the purpose of the Act; and

WHEREAS, the Milwaukee Board of School Directors, in the name of the City, acting on behalf of the Milwaukee Board of School Directors (“*MPS*”) is a department of the City authorized to administer and operate the public schools of the City; and

WHEREAS, the Common Council of the City has designated certain property (the “*Redevelopment Property*”), identified in an Amended and Restated Cooperation Agreement dated as of November 1, 2016, by and among *MPS*, the City and the Authority, to be “blighted property” within the meaning of subsection 5(c) of the Act; and

WHEREAS, pursuant to subsection (5)(c) of the Act the Authority may acquire by lease any property determined by the Authority to be blighted property; and

WHEREAS, the Authority issued and sold its Federally Taxable Redevelopment Lease Revenue Bonds, Series 2015A (Milwaukee Public Schools – Qualified School Construction Bonds – Direct Payment Subsidy) (the “*Series 2015 Bonds*”) in the aggregate principal amount of \$38,000,000 to provide an amount sufficient to pay the estimated amount of certain school construction project costs related to the designated blighted properties; and

WHEREAS, the Authority issued and sold its Redevelopment Lease Revenue Bonds, Series 2016A (Milwaukee Public Schools) in the aggregate principal amount of \$18,710,000; its Federally Taxable Redevelopment Lease Revenue Bonds, Series 2016B (Milwaukee Public Schools – Qualified Energy Conservation Bonds – Direct Payment Subsidy) in the aggregate principal amount of \$6,275,000; and its Federally Taxable Redevelopment Lease Revenue Bonds, Series 2016C (Milwaukee Public Schools – Qualified Zone Academy Bonds) in the aggregate principal amount of \$1,470,000 (collectively, the “*Series 2016 Bonds*”) to provide sufficient funds to pay the estimated costs of certain school construction project costs related to certain designated blighted properties; and

WHEREAS, the Authority issued and sold its Redevelopment Lease Revenue Bonds, Series 2017 (Milwaukee Public Schools) (the “*Series 2017A Bonds*”) in the aggregate principal

amount of \$29,730,000 to provide an amount sufficient to pay the estimated amount of certain school construction project costs related to the designated blighted properties; and

WHEREAS, in connection with the issuance of the Series 2015 Bonds, the Series 2016 Bonds and the Series 2017A Bonds, the Authority acquired certain Redevelopment Property from the City, acting on behalf of MPS, pursuant to an Amended and Restated Ground Lease dated as of November 1, 2016, as supplemented by the First Supplemental Ground Lease dated as of June 1, 2017, each from the City to the Authority (the “*Ground Lease*”), as more fully identified therein; and

WHEREAS, the Authority applied the proceeds from the sale of the Series 2015 Bonds, the Series 2016 Bonds and the Series 2017A Bonds to finance the Project Costs as referenced in the Cooperation Agreement and more precisely described in the Amended and Restated Lease from the Authority to MPS dated as of November 1, 2016, as supplemented by the Supplement to Lease (Additional Bonds) dated as of June 1, 2017 between the Authority, as lessor, and MPS, as lessee (the “*Original Lease*”); and

WHEREAS, MPS has heretofore made, installed, constructed, or purchased the projects financed by the Series 2015 Bonds, the Series 2016 Bonds and the Series 2017A Bonds, or will do so, as contemplated in the Original Lease; and

WHEREAS, pursuant to the Act, the Authority adopted resolutions determining that each of the schools identified in such resolutions, by virtue of their present condition, substantially impair and arrest the sound growth and development of the community and further determining that each of the schools constitutes a “blighted property” within the meaning of Section 66.1333(2m) (bm) of the Wisconsin Statutes; and

WHEREAS, MPS has identified certain of its public school facilities identified as Redevelopment Property to be constructed, rehabilitated or repaired with the proceeds of the bonds to be issued by the Authority and certain equipment and furniture located in the portion of the public school facilities being constructed, rehabilitated or repaired, to be acquired with the proceeds of such bonds (the “*2017 Project*”); and

WHEREAS, the Authority has found that the 2017 Project is in furtherance of the Authority’s public purpose objectives set forth in the Act; and

WHEREAS, the Authority may issue bonds to finance its activities to provide for improvements on property, necessary or incidental to a redevelopment project; and

WHEREAS, MPS desires that the Authority issue its Federally Taxable Redevelopment Lease Revenue Bonds Series 2017B (Milwaukee Public Schools – Qualified School Construction Bonds – Direct Payment Subsidy) (the “*Series 2017B Bonds*”) to finance the costs of the 2017 Project; and

WHEREAS, MPS has presented the Authority with proposed documentation in connection with the issuance and sale of the Series 2017B Bonds, as follows:

(a) a Bond Purchase Agreement, to be dated on or prior to the date of issuance of the Series 2017B Bonds (the “*Bond Purchase Agreement*”), by and among MPS, the Authority and Piper Jaffray & Co. (the “*Underwriter*”);

(b) a Second Supplement to Lease (Additional Bonds) to be dated December 1, 2017, from the Authority to MPS (the “*Supplemental Lease*” and together with the Original Lease, the “*Lease*”);

(c) a Third Supplemental Indenture of Trust, to be dated as of December 1, 2017 (the “*Supplemental Indenture*”), between the Authority and U.S. Bank National Association (the “*Trustee*”), amending and supplementing that certain Indenture of Trust dated as of June 1, 2015, as heretofore supplemented and amended by the First Supplemental Indenture of Trust dated as of November 1, 2016 and the Second Supplemental Indenture of Trust dated as of June 1, 2017 (collectively, the “*Original Indenture*”) between the Authority and the Trustee;

(d) a Preliminary Official Statement for the Series 2017B Bonds (the “*Preliminary Official Statement*”), describing the Series 2017B Bonds and the source of payment and security for the Series 2017B Bonds; and

(e) a Continuing Disclosure Undertaking dated as of December 1, 2017 (the “*Undertaking*”) among MPS, the Authority and the Trustee, as dissemination agent.

WHEREAS, MPS will receive the net sale proceeds of the Series 2017B Bonds to be used to finance the 2017 Project in consideration for paying to the Authority increased rental payments pursuant to the Supplemental Lease; and

WHEREAS, the Authority will lease the Redevelopment Property, including the 2017 Project, to MPS and MPS will be required to make rental payments under the Lease in amounts sufficient to pay when due, the principal of and interest and premium due on all Bonds issued under the Original Indenture and the Supplemental Indenture (together, the “*Indenture*”), including the Series 2015 Bonds, the Series 2016 Bonds, the Series 2017A Bonds and the Series 2017B Bonds; and

WHEREAS the Series 2017B Bonds are to be issued pursuant to the Act and the Indenture.

NOW THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE MILWAUKEE BOARD OF SCHOOL DIRECTORS AS FOLLOWS:

1. **Finding and Determination.** It has been hereby found and determined that the issuance of the Series 2017B Bonds and the financing of the 2017 Project are in the best interests of MPS and are an essential public and governmental purpose, and will accomplish the intended public purposes as set forth in the Act.

2. **Approval of Documents.** The Authority shall issue the Series 2017B Bonds pursuant to the Indenture. The Authority shall provide MPS with the proceeds of Series 2017B Bonds to be issued in an aggregate principal amount of not to exceed \$34,933,000 for the

purpose of (i) financing the costs of the 2017B Project and (ii) paying the costs of issuing the Series 2017B Bonds. MPS shall lease back the Redevelopment Property, including the 2017B Project, and pay to the Authority as rent, payments sufficient in amount to pay the principal of, premium, if any, and interest on the Series 2015 Bonds, the Series 2016 Bonds, the Series 2017A Bonds and the Series 2017B Bonds.

The President of the Milwaukee Board of School Directors, acting alone, or with the Superintendent of MPS (the “*Authorized Officers*”), are each hereby authorized to execute and deliver, in the name and on behalf of MPS, the Undertaking and the Supplemental Lease, in the forms thereof presented to this meeting or with such changes thereto as the parties executing the same deem reasonable and necessary and consistent with this Resolution, their execution thereof to constitute conclusive evidence of MPS’s approval of any such changes. The Supplemental Indenture is hereby approved.

3. **Execution and Delivery of the Bond Purchase Agreement.** The Authorized Officers are hereby authorized to negotiate for the sale of the Series 2017B Bonds pursuant to the Bond Purchase Agreement with the Underwriter at a purchase price not less than 98.5% of the par amount of the Series 2017B Bonds. The Authorized Officers are hereby authorized and directed for and in the name of MPS to execute and deliver the Bond Purchase Agreement in the form presented herewith, or with such insertions therein or corrections thereto as shall be approved by the Authorized Officers executing the same, consistent with this Resolution and the terms of the Act, their execution thereof to constitute conclusive evidence of MPS’s approval of any such insertions and corrections. Notwithstanding the foregoing, if, in the opinion of MPS, private sale of a portion of the Series 2017B Bonds is economically beneficial, all or a portion of the Series 2017B Bonds may be sold via private placement, in a direct sale to a financial institution or institutions. In such event, Piper Jaffray & Co. is authorized to act as Placement Agent and the Authorized Officers are hereby authorized to enter into a Placement Agreement with the Placement Agent and one or more purchasers of the Series 2017B Bonds at the direction of MPS, provided that the purchase price for such Series 2017B Bonds is not less than 98.5% of the par amount of such Series 2017B Bonds.

4. **Authorization of Official Statement.** The distribution by the Underwriter of the Preliminary Official Statement and the preparation and distribution of a final Official Statement (in substantially the form of the Preliminary Official Statement, with blanks completed) in connection with the offering and sale of the Series 2017B Bonds is hereby authorized and approved. The Authorized Officers are hereby authorized to execute the final Official Statement with such changes and insertions from the form of Preliminary Official Statement as the parties executing the same deem reasonable and necessary, their execution thereof to constitute conclusive evidence of MPS’s approval of any such changes.

5. **Designation as “Qualified School Construction Bonds”.** MPS hereby designates, in 2017, \$34,933,000 principal amount of “qualified school construction bonds” as defined in Section 54F of the Internal Revenue Code of 1986 for financing the 2017 Project.

6. **General Authorizations.** The Authorized Officers and the appropriate deputies and officials of MPS in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file and record such other documents, instruments,

notices 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 MPS under the Bond Purchase Agreement and the Lease.

In the event that said officers shall be unable by reason of death, disability, absence or vacancy of office to perform in timely fashion any of the duties specified herein (such as the execution of the documents authorized herein), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the Authority.

7. **Effective Date; Conformity.** This Resolution shall be effective immediately upon its passage and approval. To the extent that any prior resolutions of this body 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 in conformity with this Resolution.

Dated: November 30, 2017.