

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: December 17, 2019

TO: Supervisor Theodore Lipscomb, Chair, County Board of Supervisors

FROM: Aaron Hertzberg, Director, DAS, Economic Development

SUBJECT: Revenue bond financing by the Public Finance Authority of a project located at 4001 S. 68th Street, Milwaukee, pursuant to Wis. Stat. 66.0304(11)(a) and Milwaukee County Code of Ordinances Section 32.97

REQUEST

A resolution approving the revenue bond financing by the Public Finance Authority ("PFA") of a project located in Milwaukee County for the benefit of St. John's Evangelical Lutheran Church ("St. John's"), pursuant to Wis. Stat. 66.0304(11)(a) and Milwaukee County Code of Ordinances Section 32.97.

Previous Legislation

File No. 17-156 – Recommended Procedures for PFA Requests
File No. 17-365 – Adoption of Procedures to Review PFA Requests
Milwaukee County Code of Ordinances Section 32.97

Background

PFA is a governmental entity created by the legislature and authorized to issue tax-exempt, taxable, and tax conduit bonds for public and private entities. PFA is sponsored by the National Association of Counties, National League of Cities, Wisconsin Counties Association and League of Wisconsin Municipalities. PFA was established as an alternative to local government issuance of bonds and reduces cost, staff time and liability to cities and counties in relation to requests for these types of bonds. PFA does provide an opportunity to weigh in on the issuance of bonds within a community through a requirement to hold a public hearing and approve the financing prior to issuance of the bonds by PFA.

Report

Wisconsin Statutes Section 66.0304(11)(a) requires that PFA may not issue bonds for a project unless a political subdivision within whose boundaries the project is to be located has approved the financing. Because this project is located both within the City

of Milwaukee and Milwaukee County such approval must be made by the Milwaukee Common Council and the Milwaukee County Board of Supervisors.

Attorney William B. Everson of Everson & Gibbs, LLC is Bond Counsel in this matter.

At its meeting on November 13, 2019, the City of Milwaukee Public Works Committee moved the approval to its Common Council meeting. At its meeting on November 26, 2019, City of Milwaukee Common Council approved the project and the issuance of PFA bonds for St. John's.

Bond Counsel requests approval from Milwaukee County for the issuance of, not to exceed, \$3,750,000 of Public Finance Authority Bonds (St. John's Evangelical Lutheran Church) Series 2019.

The bonds will be used to finance a new facility to be constructed between the existing church and existing school. The new building will contain eight new classrooms to increase enrollment capacity by approximately 500 students. The new building will be two stories and just over 23,500 s.f. ("Project").

The economic impact is as follows:

- a) Five new teaching positions.
- b) Six new teaching aides.
- c) Three additional custodial staff.

Since the school is a non-profit tax exempt entity, there will not be any additional tax basis added to the County.

The National Exchange Bank and Trust will purchase the bond directly from PFA. The National Exchange Bank has already determined the credit worthiness of St. John's and believes the Project is viable.

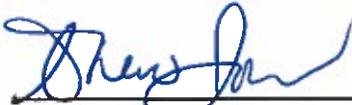
Bond Counsel has confirmed that upon holding the hearing and approval of the project, the County will have no further responsibility or liability in connection with the issuance or post issuance compliance activities associated with the bonds.

Pursuant to Milwaukee County Code of Ordinances Section 32.97, if the issuance is consented by the County, PFA shall provide the Office of the Comptroller the following items:

- a) Bond closing transcripts.
- b) A final report listing the assets or portions of assets that are financed or refinanced with the proceeds.
- c) Notification of any violations that are discovered relating to bond financed or refinanced assets.

RECOMMENDATION

Approval of the attached Resolution pursuant to Wis. Stat. 66.0304(11)(a) and Milwaukee County Code of Ordinances Section 32.97.



Sherri Jordan
Deputy Director, Department of Administrative Services

(On behalf of Aaron Hertzberg, Director, DAS, Economic Development)

- cc: Chris Abele, County Executive
Teig Whaley-Smith, Director, Department of Administrative Services
Economic and Community Development Committee Members
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Raisa Koltun, Chief of Staff, County Executive's Office
Ken Smith, Research Analyst
Allyson Smith, Committee Coordinator
Scott Manske, Comptroller
Steve Cady, Research & Policy Director