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(ITEM) From the Milwaukee County Comptroller, requesting authorization to execute Addendum No. 6 to the Standby Reimbursement Agreement with U.S. Bank National Association by extending the existing agreement for a period of one year from August 15, 2015, to August 15, 2016, by recommending adoption of the following:

A RESOLUTION

WHEREAS, Midwest Airlines, Inc., (Midwest) and Skyway Airlines, Inc., doing business as Midwest Connect (collectively, Midwest Airlines) is now doing business as Frontier Airlines and Republic Airways; and

WHEREAS, the Standby Reimbursement Agreement is due to expire on August 15, 2015, and must be extended, or the outstanding bonds will be called due against the irrevocable letters of credit (“Letters of Credit”), with Milwaukee County (County) becoming responsible for the guaranteed payment under the Letter of Credit; and

WHEREAS, the City of Milwaukee, Wisconsin, issued its \$8,300,000 City of Milwaukee, Wisconsin, Variable Rate Demand Industrial Development Revenue Bonds, Series 1998 (Midwest Express Airlines, Inc. Project) (the “1998 Bonds”) and its \$7,000,000 City of Milwaukee, Wisconsin, Variable Rate Demand Industrial Development Revenue Bonds, Series 2001 (Skyway Airlines Project) (the “2001 Bonds”); and

WHEREAS, at the respective times of issuance of the 1998 Bonds and the 2001 Bonds, U.S. Bank National Association (U.S. Bank) issued its Letters of Credit in an amount sufficient during their respective terms to pay the principal of and up to 45 days of interest on the 1998 Bonds and 2001 Bonds from time to time outstanding; and

WHEREAS, the Letters of Credit were issued pursuant to agreements (collectively, as amended, the Credit Facility) pursuant to which U.S. Bank has agreed, subject to the terms and conditions contained therein to extend certain credit to Midwest Airlines, including the credit extended through the issuance of the Letters of Credit; and

WHEREAS, in 2003 the County was requested to provide credit assistance to Midwest Airlines in order to provide additional credit capacity to Midwest Airlines by guaranteeing payment of amounts required to be paid by the Letters of Credit; and

WHEREAS, pursuant to Resolution 03-265(a)(a) adopted by the Milwaukee County Board of Supervisors (County Board) on July 24, 2003, the County Board approved the provision of credit relief to Midwest Airlines with respect to the 1998 and 2001 Bonds; and

46 WHEREAS, the County entered into a Credit Assistance Agreement, Standby
47 Reimbursement Agreement, and other documents to secure the County's credit
48 position; and

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50 WHEREAS, the County agreed to enter into the Standby Reimbursement
51 Agreement with U.S. Bank to provide credit support with respect to Midwest Airlines
52 obligations under the 1998 and 2001 Bond agreements so that Midwest Airlines could
53 obtain additional credit from lenders; and

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55 WHEREAS, the original Standby Reimbursement Agreement had a termination
56 date of August 15, 2008; and

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58 WHEREAS, an extension of one year was granted for the Standby
59 Reimbursement Agreement and the new termination date was August 15, 2009; and

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61 WHEREAS, a second extension was granted for the Standby Reimbursement
62 Agreement on August 15, 2010, with a new termination date of August 15, 2012; and

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64 WHEREAS, a third extension was granted for the Standby Reimbursement
65 Agreement on August 15, 2012, with a new termination date of August 15, 2013; and

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67 WHEREAS, a fourth extension was granted for the Standby Reimbursement
68 Agreement on August 15, 2013, with a new termination date of August 15, 2014; and

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70 WHEREAS, a fifth extension was granted for the Standby Reimbursement
71 Agreement on August 15, 2014, for a new termination date of August 15, 2015; and

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73 WHEREAS, an extension requires the approval of the County Executive and
74 County Board; and an extension of one year is being requested to the Standby
75 Reimbursement Agreement; and

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77 WHEREAS, the Committee on Transportation, Public Works, and Transit, at its
78 meeting of April 8, 2015, recommended adoption of the Comptroller's request (vote 7-
79 0); and

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81 WHEREAS, the Committee on Finance, Personnel, and Audit, at its meeting of
82 April 16, 2015, also recommended adoption of the Comptroller's request (vote *-
83 *); now, therefore,

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85 BE IT RESOLVED, the Milwaukee County Comptroller shall extend the Standby
86 Reimbursement Agreement with U.S. Bank National Association from the current
87 termination date of August 15, 2015, for a period of one year, to August 15, 2016; and

88
89 BE IT FURTHER RESOLVED, the Milwaukee County Comptroller shall execute
90 an application to amend the Standby Reimbursement Agreement similar in format to
91 that which is hereto attached to this file.
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96 U:\Committees\2015\April\TPWT\Resolutions\15-272 Midwest Express Airlines.docx