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From the Director of Economic Development, Department of Administrative Services, requesting authorization to adopt procedures to review Public Finance Authority requests for Milwaukee County consent of conduit revenue bond issuance to be included within the Administrative Manual of Operating Procedures, by recommending adoption of the following:

**A SUBSTITUTE RESOLUTION/ORDINANCE**

WHEREAS, conduit financing is a funding mechanism for projects through the issuance of tax-exempt municipal bonds that can support a wide variety of projects, including public works projects and private development; and

WHEREAS, the Public Finance Authority (PFA) is a unit of government, body corporate, and politic of the State of Wisconsin (the State) created pursuant to the provisions of Sections 66.0301, 66.0303, and 66.0304 of the Wisconsin State Statutes (the Statutes) that is authorized 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; and

WHEREAS, Section 66.0304(11)(a) of the Statutes provides that the PFA may not issue bonds to finance a capital improvement project in the State unless all of the political subdivisions within whose boundaries the project is to be located have approved the financing of the project; and

WHEREAS, the bonds, when and if issued, do not constitute a debt or pecuniary liability, or a legal or moral obligation of Milwaukee County (the County) for any reason whatsoever; and

WHEREAS, pursuant to Amendment 1 of Adopted File 16-418, which states “the Director, Department of Economic Development is designated as the primary contact person for the County Public Financing Authority projects and is authorized and requested to develop a procedure to evaluate such requests received by the County” such procedures are herein provided; and

WHEREAS, in the March 2017 cycle of the Milwaukee County Board of Supervisors, an informational report (File No. 17-156) was provided that outlined the following procedures; and

WHEREAS, this and all future actions having to do with the issuance of debt shall be reviewed by the Office of the Comptroller; now, therefore,

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BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby amends Chapter 32 of the Milwaukee County Code of General Ordinances to establish a clear and uniform review process of requests for Milwaukee County consent of conduit revenue bond issuance from the Public Finance Authority, by adopting the following:

**AN ORDINANCE**

The Board of Supervisors of the County of Milwaukee does ordain as follows:

**Section 1. Section 32.97 of the Milwaukee County Code of General Ordinances is created as follows:**

**32.97 – The Process for Consent of Conduit Revenue Bonds**

- 1) Definition.
  - a. “Conduit financing” is a funding mechanism for projects through the issuance of tax-exempt municipal bonds.
- 2) The Public Finance Authority (PFA) is authorized to issue bonds, notes, or other evidences of indebtedness in connection with, and to make loans to assist in the financing of, projects located within and outside of the State of Wisconsin (the State).
- 3) PFA may not issue bonds to finance a capital improvement project in the State unless all of the political subdivisions within whose boundaries the project is to be located have approved the financing of the project pursuant to Section 66.0304(11)(a) of the Wisconsin State Statutes.
- 4) The Director of Economic Development is designated as the primary contact person for Milwaukee County (the County) PFA projects.
- 5) The PFA or bond counsel representing a conduit revenue bond transaction will contact the Director of Economic Development at least ninety (90) days prior to when the County’s consent is required. This initial communication will contain at least:
  - a. A project description and economic impact analysis as described in 9(a) and 9(b).
  - b. A written request for Milwaukee County Board of Supervisors (County Board) consent of bond issuance.
  - c. Evidence of support from the local municipality as described in 9(e).
- 6) A copy of this request will be sent to the Director of the Department of Administrative Services, the Milwaukee County Comptroller, the County Board Chairperson, and the County Board Supervisor of the district in which the project(s) are located shall be provided written notification of the proposed project(s).

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- 91 7) The Director of Economic Development will acknowledge receipt of a request by  
92 providing a written response within seven (7) days of receiving such a request. In  
93 that acknowledgment, the Director of Economic Development will describe the  
94 procedures and criteria for review prior to the County issuing its consent.  
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- 96 8) All actions related to issuance of debt are to be reviewed by the Office of the  
97 Comptroller  
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- 99 9) The Director of Economic Development and Office of the Comptroller will review  
100 requests within thirty (30) days of acknowledging receipt. The following criteria will be  
101 applied to that review:  
102 a. Project Description  
103 i) A description of the project including the borrower, municipality where the  
104 issuance will occur, project end use, and  
105 ii) A description of the type of bond being issued.  
106 b. Economic Impact Analysis  
107 i) Estimated total jobs created in the project and induced through construction.  
108 ii) Anticipated tax base created.  
109 c. Project Viability  
110 d. Statement of No County Liability  
111 i) Bond counsel must confirm as a condition of the County's consent that the  
112 bonds, when and if issued, do not constitute a debt or pecuniary liability, or a  
113 legal or moral obligation of the County for any reason whatsoever. A written  
114 statement or other similar contract from the requesting entity declaring the  
115 same shall be submitted with the request for consent to the County Board.  
116 e. Municipal Support  
117 i) The County will begin its review after receiving written consent from the local  
118 municipality where the bonds will be issued. A certified resolution of this  
119 support shall be submitted with the initial request.  
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- 121 10) If it is determined that the project and request for consent of conduit revenue  
122 bonding is sufficient, the request will be sent to the County Board for action along  
123 with the (1) Project Description, (2) Economic Impact Analysis, (3) Statement of No  
124 County Liability, and (4) Resolution indicating municipal approval.  
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- 126 11) If the issuance is consented by the County, the PFA shall provide the Office of the  
127 Comptroller the following items:  
128 a. Bond closing transcripts.  
129 b. A final report listing the assets or portions of assets that are financed or  
130 refinanced with the proceeds.  
131 c. Notification of any violations that are discovered relating to bond financed or  
132 refinanced assets.  
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134 **Section 2.** This provisions of this ordinance shall be effective upon passage and  
135 publication.

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jmj  
06/22/17