

**A SUBSTITUTE RESOLUTION/ORDINANCE**

From the Director, Economic Development requesting to amend 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

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 created pursuant to the provisions of Sections 66.0301, 66.0303, and 66.0304 of the Wisconsin 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 of Wisconsin; and

WHEREAS, Section 66.0304(11)(a) of the Wisconsin Statutes 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

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

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

WHEREAS, in the March 2017 cycle of the Milwaukee County Board of Supervisors, an informational report (File 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,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors does hereby amend 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,

47 by adopting the following:

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**AN ORDINANCE**

The Milwaukee County Board of Supervisors does ordain as follows:

**Section 1. Chapter 32 Milwaukee County Ordinances is amended, and section 32.97 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.
- 3) 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 pursuant to Section 66.0304(11)(a) of the Wisconsin Statutes.
- 4) The Director, Department of Economic Development is designated as the primary contact person for Milwaukee County PFA projects.
- 5) The PFA or bond counsel representing a conduit revenue bond transaction will contact Milwaukee County’s Economic Development Director 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 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 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).
- 7) The Director of Economic Development will acknowledge receipt of a request by providing a written response within seven (7) days of receiving such a request. In that acknowledgment, the Director of Economic Development will describe the procedures and criteria for review prior to the County issuing its consent.

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