

Item #3



HOPE Schools Project

Andrew T. Phillips to: Stephen.Cady@milwcnty.com,
willie.johnson@milwcnty.com

10/29/2013 11:32 AM

Steve and Sup. Johnson –

Attached are the materials confirming the City of Milwaukee's approval of the PFA financing for the HOPE Schools project. If you believe it necessary, I would ask that you provide this to committee members in anticipation of Thursday's meeting. I will be at the meeting on Thursday and will have copies available for the committee members as well. In the meantime, if you have any questions or concerns, please do not hesitate to let me know. Thank you again for your assistance in moving the proposed Resolution forward and I look forward to seeing you on Thursday.

Best regards,

Andy

Andrew T. Phillips

cid:image001.png@01CE313E.D910BFD0

10140 N. Port Washington Road

Mequon, WI 53092

(262) 241-7788

Cell: (414) 491-7780

Fax: (262) 241-7779

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- City Approval 10.15.13.pdf

**THE COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE
RECOMMENDS:**

ADOPTION OF THE FOLLOWING:

59. 130571 Resolution relating to the 2013 use and allocation of Community Development Block Grant funds awarded to the City of Milwaukee Youth Council.
- Sponsors:** THE CHAIR
- Amend Attachment A to remove \$25,000 from Pearls for Girls and grant \$25,000 to Growing Power.*
- A motion was made by ALD. DAVIS that this Resolution be AMENDED. This motion PREVAILED by the following vote:
- Aye, 15 - Ald. Hamilton, Ald. Davis, Ald. Kovac, Ald. Bauman, Ald. Bohl, Ald. Coggs, Ald. Wade, Ald. Donovan, Ald. Puente, Ald. Murphy, Ald. Dudzik, Ald. Perez, Ald. Witkowski, Ald. Zielinski Ald. Hines Jr.
- No, 0
- A motion was made by ALD. DAVIS that this Resolution be ADOPTED. This motion PREVAILED by the following vote:
- Aye, 15 - Ald. Hamilton, Ald. Davis, Ald. Kovac, Ald. Bauman, Ald. Bohl, Ald. Coggs, Ald. Wade, Ald. Donovan, Ald. Puente, Ald. Murphy, Ald. Dudzik, Ald. Perez, Ald. Witkowski, Ald. Zielinski Ald. Hines Jr.
- No, 0
60. 130653 Substitute resolution approving the issuance of revenue bonds by the Public Finance Authority for the benefit of HOPE Christian Schools to finance a project consisting of 3 elementary schools located in the City of Milwaukee in the 15th, 1st and 6th Aldermanic Districts.
- Sponsors:** Ald. Hines Jr.
- Proposed Substitute A accepted.*
- A motion was made by ALD. HINES JR. that this Resolution be SUBSTITUTED. This motion PREVAILED by the following vote:
- Aye, 15 - Ald. Hamilton, Ald. Davis, Ald. Kovac, Ald. Bauman, Ald. Bohl, Ald. Coggs, Ald. Wade, Ald. Donovan, Ald. Puente, Ald. Murphy, Ald. Dudzik, Ald. Perez, Ald. Witkowski, Ald. Zielinski Ald. Hines Jr.
- No, 0
- A motion was made by ALD. DAVIS that this Resolution be ADOPTED. This motion PREVAILED by the following vote:
- Aye, 15 - Ald. Hamilton, Ald. Davis, Ald. Kovac, Ald. Bauman, Ald. Bohl, Ald. Coggs, Ald. Wade, Ald. Donovan, Ald. Puente, Ald. Murphy, Ald. Dudzik, Ald. Perez, Ald. Witkowski, Ald. Zielinski Ald. Hines Jr.

No, 0

61. 130773

Resolution relative to the establishment of the Fiscal Year 2014 Funding Allocation Plan.

Sponsors: Ald. Davis and Ald. Murphy

A motion was made by ALD. DAVIS that this Resolution be ADOPTED. This motion PREVAILED by the following vote:

Aye, 15 - Ald. Hamilton, Ald. Davis, Ald. Kovac, Ald. Bauman, Ald. Bohl, Ald. Coggs, Ald. Wade, Ald. Donovan, Ald. Puente, Ald. Murphy, Ald. Dudzik, Ald. Perez, Ald. Witkowski, Ald. Zielinski Ald. Hines Jr.

No, 0

62. 130791

Substitute resolution directing the Department of Administration-Community Development Grants Administration to inform the Common Council of audits conducted or in progress by the U.S. Department of Housing and Urban Development related to federal funds allocated to the City.

Sponsors: Ald. Davis

A motion was made by ALD. DAVIS that this Resolution be ADOPTED. This motion PREVAILED by the following vote:

Aye, 15 - Ald. Hamilton, Ald. Davis, Ald. Kovac, Ald. Bauman, Ald. Bohl, Ald. Coggs, Ald. Wade, Ald. Donovan, Ald. Puente, Ald. Murphy, Ald. Dudzik, Ald. Perez, Ald. Witkowski, Ald. Zielinski Ald. Hines Jr.

No, 0

CONFIRMATION OF THE FOLLOWING:

63. 130742

Appointment of Dr. Sylvestra Ramirez to the Business Improvement District #43 (South 27th Street) by the Mayor (13th Aldermanic District)

Sponsors: THE CHAIR

A motion was made by ALD. DAVIS that this Appointment be CONFIRMED. This motion PREVAILED by the following vote:

Aye, 15 - Ald. Hamilton, Ald. Davis, Ald. Kovac, Ald. Bauman, Ald. Bohl, Ald. Coggs, Ald. Wade, Ald. Donovan, Ald. Puente, Ald. Murphy, Ald. Dudzik, Ald. Perez, Ald. Witkowski, Ald. Zielinski Ald. Hines Jr.

No, 0

64. 130743

Appointment of Lee R. Barczak to the Business Improvement District #44 (Kinnickinnic Avenue) by the Mayor (14th Aldermanic District)

Sponsors: THE CHAIR

A motion was made by ALD. DAVIS that this Appointment be CONFIRMED. This motion PREVAILED by the following vote:



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin 53202

Legislation Details (With Text)

File #: 130653 **Version:** 3
Type: Resolution **Status:** Passed
File created: 9/4/2013 **In control:** COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE
On agenda: **Final action:** 10/15/2013

Effective date:

Title: Substitute resolution approving the issuance of revenue bonds by the Public Finance Authority for the benefit of HOPE Christian Schools to finance a project consisting of 3 elementary schools located in the City of Milwaukee in the 15th, 1st and 6th Aldermanic Districts.

Sponsors: ALD. HINES JR.

Indexes:

Attachments: 1. Project Description, 2. 2013 SBE Agreement (Hope Christian Schools)_v1, 3. Hearing Notice List, 4. Motion by Ald Hines, 5. Notice Published on 10-17-13

Date	Ver.	Action By	Action	Result	Tally
9/4/2013	0	COMMON COUNCIL	ASSIGNED TO		
9/17/2013	1	CITY CLERK	DRAFT SUBMITTED		
10/1/2013	1	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/1/2013	1	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/7/2013	2	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	3:0
10/7/2013	1	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	SUBSTITUTED	Pass	3:0
10/15/2013	2	COMMON COUNCIL	SUBSTITUTED	Pass	15:0
10/15/2013	2	COMMON COUNCIL	ADOPTED	Pass	15:0
10/24/2013	2	MAYOR	SIGNED		

130653
SUBSTITUTE 3

ALD. HINES

Substitute resolution approving the issuance of revenue bonds by the Public Finance Authority for the benefit of HOPE Christian Schools to finance a project consisting of 3 elementary schools located in the City of Milwaukee in the 15th, 1st and 6th Aldermanic Districts.

The Public Finance Authority is a public body corporate and politic created by the State of Wisconsin pursuant to the provisions of ss. 66.0301, 66.0303 and 66.0304, Wis. Stats., with the authority to issue conduit revenue bonds to finance projects with the approval of the political subdivision in which the project is located. This resolution constitutes City approval of the issuance of conduit revenue bonds by the Public Finance Authority for the HOPE Christian Schools project. City approval of the project and the issuance of the bonds shall not give rise to a debt or pecuniary liability or a legal or moral obligation of the City for any reason whatsoever.

Whereas, The Public Finance Authority ("PFA") is a unit of government and body corporate and politic of the State of Wisconsin created pursuant to the provisions of ss. 66.0301, 66.0303 and 66.0304, Wis. Stats., commonly known as the "Joint Exercise of Powers Law" (as amended, the "Act") and an Amended and Restated Joint Exercise of Powers Agreement, dated September 28, 2010 (the "Joint Exercise Agreement"); and the PFA is authorized and empowered under the Act and by the Joint Exercise Agreement 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, Educational Enterprises, Inc. ("EEI") is a Wisconsin nonprofit corporation and the sole member of EEI Real Estate Holdings: Prima, LLC, EEI Real Estate Holdings: Fortis, LLC and EEI Real Estate Holdings: Semper, LLC, each of which is a Wisconsin limited liability company (collectively referred to herein as the "Borrowers"); and EEI also is the sole member of HOPE Christian Schools, Inc. a Wisconsin nonprofit corporation which is the sole member of HOPE Christian Schools: Prima, LLC, HOPE Christian Schools: Fortis, LLC and HOPE Christian Schools: Semper, LLC, each of which is a Wisconsin limited liability company (collectively referred to herein as the "School Companies"); and

Whereas, Through the above-described network of "subsidiaries," EEI manages and operates 3 private schools known as "HOPE Christian Schools: Prima," "HOPE Christian Schools: Fortis" and "HOPE Christian Schools: Semper" (collectively, the "Schools"); and

Whereas, EEI, through the Borrowers, wishes to finance and refinance, as applicable, the acquisition, construction, renovation, equipping and/or improvement of land and a building located at 2345 North 25th Street in the City of Milwaukee, land and a building located at 3601 North Port Washington Avenue in the City of Milwaukee, and land and a building located at 3040 West Capitol Drive in the City of Milwaukee" (collectively, the "Project"), which land and buildings are or will be owned by the respective Borrowers and leased to the respective School Companies for use in connection with the operation of the respective Schools; and

Whereas, EEI, through the Borrowers, is requesting the assistance of the PFA in financing and refinancing, as applicable, the Project through the issuance by the PFA of its bonds to be designated "Education Revenue Bonds (HOPE Christian Schools Project), Series 2013" in an amount not to exceed \$18,000,000 (the "Bonds"); and

Whereas, Section 66.0304(11)(a) of the Act 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 further provides that in cities of the 1st class such approval may only be given by the governing body of such city, and the PFA has requested such approval from the Common Council; and

Whereas, Pursuant to the Act and the Joint Exercise Agreement bonds issued by the PFA are limited obligations of the PFA payable solely from funds pledged for their payment in accordance with the related bond indenture and neither the members of the PFA nor the State of Wisconsin or any political subdivision thereof or any political subdivision approving the issuance of the bonds, including the City

of Milwaukee, shall be obligated to pay the principal of, premium, if any, or interest thereon or any costs incidental thereto; and

Whereas, The Bonds or a portion thereof will be "private activity bonds" and "qualified 501(c)(3) bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and pursuant to Code Section 147(f), prior to their issuance, the Bonds are required to be approved by (i) the PFA as the governmental unit issuing the Bonds; and (ii) the "applicable elected representative" of a governmental unit having jurisdiction over the area in which the Project is located, in each case after a public hearing regarding the financing of the Project and the issuance of the Bonds (commonly known as a "TEFRA Hearing") held following reasonable public notice (commonly known as a "TEFRA Notice"); and

Whereas, City staff will administratively undertake the issuance of a TEFRA Notice, in a form to be approved by the Office of the City Attorney, and the conduct TEFRA Hearing; and

Whereas, Subject to satisfactory completion of the TEFRA Hearing and a report of the proceedings thereto, the Borrowers expect to request the Mayor, as the "applicable elected representative" of the City of Milwaukee to approve the Bonds and the financing of the Project for purposes of Code Section 147(f); and

Whereas, The Borrowers have agreed to enter into a customary agreement to utilize best efforts to reach a goal of 25% SBE participation for construction of the Project and a customary PILOT Agreement for the HOPE Christian Schools: Prima facility; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee as follows:

1. The financing of the Project by the PFA through the issuance of the Bonds is approved for purposes of s. 66.0304(11)(a) of the Act.
2. The conduct of the TEFRA Hearing is approved.
3. The publication TEFRA Notice as described above, in a form approved by the Office of the City Attorney, is approved.
4. The Bonds, when and if issued, shall not constitute a debt or pecuniary liability, or a legal or moral obligation, of the City of Milwaukee for any reason whatsoever.
5. The Small Business Enterprise Agreement (HOPE Christian Schools Project) and the PILOT Agreement is hereby approved and the proper City officers are authorized and directed to execute and deliver the agreements on behalf of the City.

City Attorney
TOG:mll
October 10, 2013
196650
1055-2013-2386
LRB149426-3
Teodros W. Medhin:lp
10/10/2013