



MEMORANDUM

TO: Finance Committee

FROM: MAYOR TIM HANNA

DATE: April 11, 2017

RE: von Briesen Engagement Letter for Phase V of Exhibition Center

Attached is the von Briesen (vB) Engagement Letter for Phase V of the Exhibition Center.

Phase IV services were approved February 5, 2016 with an end date of December 31, 2016. vB was asked and agreed to continue to provide services under the Phase IV agreement through January 31, 2017 to direct the issuance and response to the Request for Proposal (RFP) to borrow funds to construct the Fox Cities Exhibition Center. Responses to the RFP were due January 13, 2017 and garnered three responses. vB analyzed the responses and recommended pursuing negotiations with a specific lender.

Phase V services have an effective date of February 1, 2017 which coincides with the start of negotiations.

Phase V scope of services are divided into two parts and outlined below:

Phase V, Part 1

- Drafting of the original loan documents
- Anticipate close in draw phase of May 2017 and term of loan close January 2018

Fee for Phase V, Part 1 is a flat fee of \$75,000 based on lenders joining in a syndicated loan and not a bond issuance. Amount is due upon approval of this agreement. If the close date is delayed past June 2017, the flat fee shall be reasonably adjusted according to the extent of the delay.

Phase V, Part 2

- Communicating to interested lenders the financial requirements of the project
- Develop terms of the loan
- Build, verify and audit formulas
- Maintain and communicate financial model to multiple stakeholders
- Organize, communicate with, and bring together multiple lenders to facilitate an agreement between all thus creating a syndicated loan to finance the FCEC.
- Develop, negotiate, draft, re-draft, edit and modify the loan documents
- Engage with and facilitate communication and negotiations with lender's counsel
- Establish and maintain a financing data room related to FCEC financing close

Fee for Phase V, Part 2 is at an hourly rate ranging from \$150 for paralegal work and a range of \$225 to \$425 for attorney work and limited to no more than \$193,000 with services completed prior to January 31, 2018.

The Phase V Engagement Letter also has an Incentive Fee which is outlined below:

Incentive Fee

- Upon closing of the syndicated loan, vB shall be paid 1.25% for the loan amount less all amounts paid under Phase V, Parts 1 and 2, excluding the flat fee.
- Earned and paid at the time the draw loan closes except for \$50,000 which shall be reserved for payment until the successful transition from the draw loan to the term loan.