

**REDEVELOPMENT AUTHORITY
OF THE
CITY OF APPLETON, WISCONSIN**

April 12, 2018

Resolution No. _____

**Resolution Authorizing the Sale and Issuance of
\$31,865,000 Taxable Lease Revenue Bonds, Series 2018
(Fox Cities Exhibition Center Project),
the Approval and Execution of Related Documents,
and Other Details**

WHEREAS, the Redevelopment Authority of the City of Appleton, Wisconsin (the “**Authority**”) is a public body and a body corporate and politic organized by the City of Appleton, Wisconsin (the “**City**”), under Section 66.1333 of the Wisconsin Statutes (the “**Redevelopment Act**”), and is authorized by the Redevelopment Act:

- (a) to acquire property necessary or incidental to an urban renewal program and to lease, sell, or otherwise transfer such property to a public body or private party for use in accordance with a redevelopment plan;
- (b) to enter into contracts determined to be necessary to effectuate the purposes of the Redevelopment Act;
- (c) to issue revenue bonds to finance its activities; and
- (d) to issue refunding bonds for the payment or retirement of such bonds; and

WHEREAS, the City has established Tax Incremental District #3 City of Appleton (“**TID 3**”) and has adopted a Project Plan for TID 3 (the “**TID 3 Project Plan**”) pursuant to which the City operates to stimulate development and reduce blight in the area described in the TID 3 Project Plan; and

WHEREAS, pursuant to the Redevelopment Act, the Authority established Appleton Redevelopment Exhibition Center Area No. 7 in the City (the “**Redevelopment Area**”) and adopted the Appleton Redevelopment Exhibition Center No. 7 – Redevelopment Plan (as amended, the “**Redevelopment Plan**”), with respect to the Redevelopment Area, which was determined by the Authority to be a blighted area in need of urban renewal within the meaning of the Redevelopment Act; and

WHEREAS, the blighted area described in the TID 3 Project Plan includes the blighted area described in the Redevelopment Plan; and

WHEREAS, pursuant to an Exhibition Center Cooperation Agreement, dated as of November 24, 2015 (the “**Original Agreement**”), entered into by and among the Authority, the

Fox Cities Room Tax Commission, the City and certain other municipalities in the Fox Cities area (the “**Municipalities**”), and the Fox Cities Performing Arts Center, Inc., certain assumptions and agreements were made, including that the Authority would issue bonds to finance the construction of the Fox Cities Exhibition Center (the “**Exhibition Center**”); and

WHEREAS, the Municipalities have enacted ordinances to levy, and authorize the collection and enforcement of, a 10% Room Tax, which includes a 3% Room Tax (the “**Exhibition Center Room Tax**”) for purposes of financing the Exhibition Center and paying debt service on the Bonds (as defined below), as permitted in the Room Tax Act; and

WHEREAS, subsequent to the date of the Original Agreement, certain facts and assumptions contemplated therein have changed, including that the bonds have not yet been issued and the City has completed the construction of the Exhibition Center in the Redevelopment Area with its own funds; and

WHEREAS, the Authority plans to enter into a Lease, dated as of May 1, 2018, with the City (the “**Lease**”), pursuant to which it will lease the Exhibition Center to the City for use in accordance with the Cooperation Agreement; and

WHEREAS, the Authority plans to expend proceeds of the Bonds (i) to pay certain financing costs, (ii) to reimburse the City for the costs of the construction and equipping of the Exhibition Center, (iii) to fund a debt service reserve fund, and (iv) to fund a room tax stabilization fund; and

WHEREAS, in connection with the issuance of the Bonds, a Pledge and Security Agreement, dated as of May 1, 2018 (the “**Pledge and Security Agreement**”), will be entered into by and among the Municipalities, the Fox Cities Area Room Tax Commission, and the Trustee (as defined below), incorporating the pledge of Exhibition Center Room Taxes to the payment, directly or indirectly, of debt service on the Bonds and related purposes.

WHEREAS, the Authority desires to enter into an Amended and Restated Cooperation Agreement for the Exhibition Center, dated as of May 1, 2018, by and among the same parties as the Original Agreement (the “**Cooperation Agreement**”), to amend and restate in its entirety the Original Agreement as a result of certain changes in facts and assumptions that have occurred subsequent to the execution of the Original Agreement; and

WHEREAS, under the terms of the Cooperation Agreement:

(a) The Authority will issue and sell its lease revenue bonds in the principal amount of \$31,865,000 (the “**Bonds**”), an amount sufficient, after provision for financing costs, funding a debt service reserve fund, a room tax stabilization fund, and a capitalized interest fund, to reimburse the City for the costs to construct the Exhibition Center;

(b) The City will contribute the Exhibition Center and the real property on which it is situated and related personal property (the “**Leasehold Property**”) to the Authority;

(c) The Authority will lease the Leasehold Property to the City under the Lease, which is an absolutely “net” lease, including rents in each year sufficient (after certain credits) to pay the principal and interest due on the Bonds; and

(d) The Authority will pledge the payments under the Lease to secure payment of the Bonds; and

WHEREAS, the Cooperation Agreement is in furtherance of the public purpose of fostering urban renewal in conformity with the Redevelopment Act, the Redevelopment Plan, and the TID 3 Project Plan; and

WHEREAS, on February 16, 2018, the Authority adopted a resolution authorizing the Cooperation Agreement and a public hearing on the Lease (the “**Initial Resolution**”); and

WHEREAS, the Authority delivered to the City a report on the terms and conditions of the Lease (the “**Report**”) and, following publication of a class 2 notice thereof, the Authority held a public hearing on the Lease and the provisions thereof on March 7, 2018 as directed by the Initial Resolution; and

WHEREAS, the Common Council of the City has approved the Report and the Lease; and

WHEREAS, in connection with the issuance of the Bonds the following proposed documentation for the Bonds has been prepared:

(a) a Bond Purchase Agreement, to be dated as of the date of adoption of this Resolution (the “**Bond Purchase Agreement**”), to be entered into by and among the Authority, the City, and Robert W. Baird & Co. Incorporated (the “**Underwriter**”), setting forth the terms and conditions on which the Authority will sell and the Underwriter will purchase the Bonds; and

(b) an Indenture of Trust, dated as of May 1, 2018 (the “**Indenture**”), to be entered into between the Authority and Associated Trust Company, National Association, as trustee (the “**Trustee**”), which provides for the issuance of the Bonds, the terms thereof, and the security therefor; and

(c) the Lease, setting forth a schedule of rents sufficient (after certain credits) to pay the principal, premium (if any), and interest due on the Bonds; and

(d) an Assignment of Lease and Rents, dated as of May 1, 2018 (the “**Assignment**”), to be entered into by the Authority, assigning its rights under the Lease to the Trustee; and

(e) a Mortgage and Security Agreement, dated as of May 1, 2018 (the “**Mortgage**”), by the Authority in favor of the Trustee, granting a mortgage on and a security interest in the Leasehold Property; and

(f) an Official Statement (the “**Official Statement**”), describing the Bonds, the Authority, and the City.

NOW, THEREFORE, be it resolved as follows:

Section 1. Additional Findings and Determinations.

It has been found and determined and is hereby declared:

(a) That the Exhibition Center constitutes a “redevelopment project” within the meaning of the Redevelopment Act;

(b) That the estimated aggregate cost of funding the Exhibition Center, a debt service reserve fund, a room tax stabilization fund, and a capitalized interest fund, and paying the costs incident to the financing will not be less than the principal amount of the Bonds; and

(c) That the payments required to be made by the City under the Lease are sufficient in amount (together with any credits against rent which are also available for such costs) to pay when due the principal of, and premium, if any, and interest on, the Bonds.

Section 2. Authorization to Lease Leasehold Property; Execution of Lease.

The lease of the Leasehold Property to the City in accordance with the Cooperation Agreement is hereby approved. The payments by the City under the Lease are hereby determined to be the fair market value of the Leasehold Property and related property interests in accordance with the Redevelopment Act, based upon the following considerations, among others:

(a) Said payments by the City under the Lease are equal to the principal amount of, and interest on, the Bonds, and therefore the development of the Leasehold Property in accordance with the Redevelopment Plan is to be accomplished at no out-of-pocket cost to the Authority; and

(b) In accordance with the Cooperation Agreement, the use of the Exhibition Center has been restricted in a manner which will carry out the objectives of the Redevelopment Plan for the prevention and alleviation of the conditions of urban blight found by the Authority and Common Council to be present in the Redevelopment Area.

The Executive Director of the Authority is hereby authorized and directed for and in the name of the Authority to execute and deliver the Lease in the form presented herewith or with such insertions therein or corrections thereto as shall be approved by the Executive Director consistent with this Resolution, the execution thereof to constitute conclusive evidence of the approval of any such insertions and corrections.

Section 3. Designation, Denomination, Tenor, and Maturity of Bonds Created for Issuance.

The Bonds shall be issued under the Indenture, in the aggregate principal amount of \$31,865,000, and shall be designated:

REDEVELOPMENT AUTHORITY OF THE
CITY OF APPLETON, WISCONSIN
TAXABLE LEASE REVENUE BONDS, SERIES 2018
(FOX CITIES EXHIBITION CENTER PROJECT)

The Bonds shall become due and payable on the dates, in the amounts, and shall bear interest at the rates per annum set forth below:

<u>Maturity Date</u> <u>(April 1)</u>	<u>Principal Amount</u>	<u>Interest</u> <u>Rate</u>
2020	\$ 100,000	2.80%
2021	100,000	2.89
2022	125,000	3.09
2023	150,000	3.15
2024	200,000	3.30
2025	225,000	3.41
2026	270,000	3.51
2027	315,000	3.62
2028	360,000	3.72
2029	410,000	3.82
2030	465,000	3.87
2031	520,000	3.92
2032	580,000	3.97
2033	645,000	4.02
2038	4,770,000	4.03
2043	6,595,000	4.13
2048	9,635,000	4.23
2051	6,400,000	4.28

Interest shall accrue from the original issue date and shall be payable semiannually on each April 1 and October 1, beginning on October 1, 2018.

The Bonds shall be issuable as fully registered bonds without coupons in denominations of \$5,000 or any multiple thereof. The Bonds and the interest thereon shall be transferable by and shall be payable to the registered owners thereof in the manner and with the

effect provided in the Indenture. The principal of, and premium, if any, and interest on, the Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Trustee, as paying agent, or the office of any successor or additional paying agent designated by the Authority.

The Bonds shall have as their original issue date the date of their initial delivery. Each Bond shall be dated, as its registration date, the date of its authentication. The Bonds may be lettered and numbered as provided in the Indenture.

The Bonds shall be issued in the form therefor as set forth in the Indenture, with such insertions therein as shall be necessary to comply with the terms of this Resolution and with such corrections therein, if any, as the approving bond attorney may require for conformity with the terms of this Resolution, the Indenture, and the Redevelopment Act.

Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. To the extent permitted by law, overdue principal, premium, if any, and interest shall bear interest at the same rate as was borne by the Bonds on the due date of the payment that is delinquent.

Section 4. Redemption of Bonds Prior to Maturity.

The Bonds shall be subject to redemption at the option of the City at par plus accrued interest on April 1, 2026 and on any date thereafter, at a price of 100% of the principal amount redeemed plus accrued interest to the redemption date.

The Bonds maturing on April 1 in the years 2038, 2043, 2048, and 2051 (collectively, the “**Term Bonds**”) are also subject to mandatory partial redemptions by operation of a sinking fund. On the following redemption dates (each a “**Sinking Fund Redemption Date**”), the Authority will redeem the following principal amounts of the Term Bonds:

<u>Term Bonds Maturing April 1, 2038</u>		
Sinking Fund Redemption Date (April 1)		Principal Amount to be Redeemed
2034		\$ 800,000
2035		875,000
2036		950,000
2037		1,030,000
2038	(Stated Maturity)	1,115,000

Term Bonds Maturing April 1, 2043

Sinking Fund Redemption Date (April 1)	Principal Amount to be Redeemed
2039	\$1,115,000
2040	1,210,000
2041	1,315,000
2042	1,420,000
2043 (Stated Maturity)	1,535,000

Term Bonds Maturing April 1, 2048

Sinking Fund Redemption Date (April 1)	Principal Amount to be Redeemed
2044	\$1,655,000
2045	1,785,000
2046	1,920,000
2047	2,060,000
2048 (Stated Maturity)	2,215,000

Term Bonds Maturing April 1, 2051

Sinking Fund Redemption Date (April 1)	Principal Amount to be Redeemed
2049	\$2,375,000
2050	2,545,000
2051 (Stated Maturity)	1,480,000

The redemption price will be 100% of the principal amount redeemed, plus accrued interest to the applicable Sinking Fund Redemption Date.

The Bonds are also subject to mandatory redemption (i) in part, on any Interest Payment Date, to the extent there are amounts of not less than \$100,000 on deposit in the Redemption Fund as of the date that is 35 days prior to such Interest Payment Date, and (ii) in whole on any Interest Payment Date if the amounts on deposit in the Bond Fund, the Redemption Fund, the Debt Service Reserve Fund and the Room Tax Stabilization Fund as of the date that is 35 days prior to such Interest Payment Date are sufficient to pay the redemption price of all outstanding Bonds. The redemption price shall be 100% of the principal amount of Bonds so redeemed, plus accrued interest to the redemption date.

The Bonds are also subject to mandatory redemption, in whole but not in part, on the earliest date for which notice may be given, in the event of the termination of the Lease by

the City. The redemption price in such event is 100% of the principal amount of the outstanding Bonds, plus accrued interest to the redemption date.

The Bonds are also subject to optional redemption, in whole or in part on the earliest date for which notice may be given, in the event and to the extent that the City elects to use condemnation and insurance proceeds with respect to the Leasehold Property to redeem the Bonds and prepay Rents in accordance with the Lease. The redemption price in such event is 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

The redemption provisions for the Bonds and the definitions of the capitalized terms used above are fully described in the Indenture.

Section 5. Execution and Authentication of Bonds.

The Bonds shall be executed on behalf of the Authority with the facsimile or manual signature of its Chairperson, countersigned with the facsimile or manual signature of its Executive Director, and shall have impressed, imprinted, or otherwise reproduced thereon an official seal, if any, of the Authority or a facsimile thereof. No Bond shall be issued unless first authenticated by the Trustee (as fiscal agent and bond registrar), to be evidenced by the manual signature of an authorized signatory of the Trustee on each Bond.

Section 6. Designation of Trustee.

The Authority hereby designates Associated Trust Company, National Association to perform the functions of Trustee, bond registrar, fiscal agent, and paying agent under the Indenture.

Section 7. Bonds as Limited Obligations.

The Bonds and interest thereon shall never be or be considered a general obligation of the Authority or the City or an indebtedness of the Authority or the City within the meaning of any State constitutional provision or statutory limitation and shall not constitute or give rise to a pecuniary liability of the Authority or the City or a charge against their general credit or the City's taxing powers.

Section 8. Source of Payment; Pledge of Revenues.

The Bonds shall be limited obligations of the Authority payable by it, on a parity basis with all prior and additional bonds under the Indenture, solely from revenues and income derived by or for the account of the Authority from or for the account of the City pursuant to the terms of the Lease, the Pledge and Security Agreement, the Mortgage, the Assignment, and the Indenture, including, without limitation (i) all Exhibition Center Room Taxes, (ii) all payments by the City pursuant to the Lease; (iii) all proceeds of condemnation awards and all insurance proceeds (including without limitation title insurance) payable to the Authority or the Trustee in respect of the Leasehold Property; (iv) all amounts derived by recourse to the Mortgage; and (v) all cash and securities held from time to time in the trust funds, and the investment earnings thereon.

As security for the payment of the principal of, and premium, if any, and interest on, the Bonds (and such prior and additional bonds), the Authority has pledged and assigned to the Trustee all its right, title, and interest in and to the Trust Estate described in the Indenture.

Section 9. Trust Funds.

The trust funds and accounts created under the Indenture are to be held in the custody of the Trustee and applied for the uses and purposes provided in the Indenture are hereby authorized and approved.

Section 10. Investment of Trust Funds.

Any moneys held as a part of the trust funds held by the Trustee under the Indenture may be invested and reinvested by the Trustee in accordance with the Indenture.

Section 11. Execution and Delivery of the Cooperation Agreement, the Bond Purchase Agreement, the Indenture, the Assignment, and the Mortgage.

The terms and provisions of the Cooperation Agreement are hereby ratified and approved. The terms and provisions of the Bond Purchase Agreement, the Indenture, the Assignment, and the Mortgage are hereby approved. The Executive Director is hereby authorized for and in the name of the Authority to execute and deliver the Cooperation Agreement, the Bond Purchase Agreement, the Indenture, the Assignment, and the Mortgage in the forms thereof presented herewith, or with such insertions therein or corrections thereto as shall be approved by the Executive Director consistent with this resolution and the terms of the Redevelopment Act, the execution thereof to constitute conclusive evidence of the approval of any such insertions and corrections.

Section 12. Sale of Bonds.

The Authority has negotiated for the sale of the Bonds to the Underwriter at a purchase price of \$31,387,025.00. Given the purposes of the financing and the involvement of the Authority therewith, it is the determination of the Authority that the Bonds shall be hereby awarded to the Underwriter at the price aforesaid with delivery to follow in the manner, at the time and subject to the conditions set forth in the Bond Purchase Agreement.

Section 13. Official Statement.

The Authority ratifies, authorizes, and approves the preliminary offering document prepared in connection with the sale of the Bonds and its distribution, and authorizes and approves the final version of such document (the “**Official Statement**”) to be prepared and distributed prior to the issuance of the Bonds; *provided, however*, that the Official Statement shall be in substantially the form submitted to this meeting, with such modifications as the Chairperson or the Executive Director approve. The Executive Director is authorized and directed to execute copies of the Official Statement and deliver copies of the Official Statement to the Underwriter, which execution and delivery shall be conclusive evidence of the approval of any such modification.

Section 14. General Authorizations; Conveyance Documents.

The Chairperson and the Executive Director and the appropriate deputies and officials of the Authority in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file, and record such other documents, instruments, conveyances (including deeds, leases, and easements), notices, and records, including any documents or instruments relating to the conveyance or amendment of any portion of the Exhibition Center, the Leasehold Property, or any document or instrument relating thereto, or to the acquisition or conveyance of any other real or personal property or interest therein in respect of the Exhibition Center, in connection with the issuance of the Bonds, or in the future, and to take such other actions as shall be necessary or desirable, to accomplish the purposes of this Resolution and to comply with and perform the obligations of the Authority under the Bonds, the Cooperation Agreement, the Bond Purchase Agreement, the Lease, the Indenture, the Assignment, and the Mortgage.

The execution, delivery, publication, filing, and recording of all such documents, instruments, conveyances, notices, and records, heretofore made, are hereby ratified and affirmed in all respects.

In the event that said officers shall be unable by reason of death, disability, absence, or vacancy of office to perform in timely fashion any of the duties specified herein (such as the execution of the Bonds, the Cooperation Agreement, the Bond Purchase Agreement, the Lease, the Indenture, the Assignment, or the Mortgage), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the Authority.

Section 15. Publication of Notice.

Notice of the sale of the Bonds, in the form attached hereto as Exhibit A, shall be published forthwith in the official newspaper of the Authority as a class 1 notice under Chapter 985 of the Wisconsin Statutes. The Executive Director shall obtain proof, in affidavit form, of such publication, and compare the Notice as printed with the form attached hereto as Exhibit A to ascertain that no mistake has been made therein.

Section 16. Effective Date; Conformity.

This Resolution shall be effective immediately upon its passage and approval. To the extent that any prior resolutions of this body are inconsistent with the provisions hereof, this resolution shall control and such prior resolutions shall be deemed amended to such extent as may be necessary to bring them in conformity with this Resolution.

Adopted: April 12, 2018

Executive Director

EXHIBIT A

NOTICE TO THE ELECTORS OF THE
CITY OF APPLETON, WISCONSIN
RELATING TO BOND SALE

On April 12, 2018, a resolution was offered, read, approved, and adopted whereby the Redevelopment Authority of the City of Appleton, Wisconsin (the “**Authority**”), entered into a contract to sell an issue of taxable lease revenue bonds under Section 66.1333 of the Wisconsin Statutes, as amended, in the principal amount of \$31,865,000. It is anticipated that the closing of the bond financing will be held on or about May 1, 2018. A copy of all proceedings had to date with respect to the authorization and sale of said bonds is on file and may be examined in the office of the Executive Director of the Authority, at City Hall, 100 North Appleton Street, Appleton, Wisconsin.

This notice is given pursuant to Section 893.77, Wisconsin Statutes, which provides that an action or proceeding to contest the validity of such financing, for other than constitutional reasons, must be commenced within 30 days after the date of publication of this notice.

Publication Date: April ____, 2018

/s/ Karen Harkness
Executive Director

CERTIFICATIONS BY EXECUTIVE DIRECTOR

I, Karen Harkness, hereby certify that I am the duly qualified and acting Executive Director of the Redevelopment Authority of the City of Appleton, Wisconsin (the “**Authority**”), and as such I have in my possession, or have access to, the complete corporate records of said Authority and of its Commissioners (the “**Governing Body**”) and that attached hereto is a true, correct, and complete copy of the resolution (the “**Resolution**”) entitled:

**Resolution Authorizing the Sale and Issuance of
\$31,865,000 Taxable Lease Revenue Bonds, Series 2018
(Fox Cities Exhibition Center Project),
the Approval and Execution of Related Documents,
and Other Details**

I do hereby further certify as follows:

1. **Meeting Date.** On April 12, 2018, a meeting of the Governing Body was held commencing at _____ p.m.
2. **Posting.** On April ____, 2018 (and not less than 24 hours prior to the meeting), I posted, or caused to be posted, at the Authority’s offices in Appleton, Wisconsin a notice setting forth the date, time, location, and subject matter (including specific reference to the Resolution) of said meeting.
3. **Notification of Media.** On April ____, 2018 (and not less than 24 hours prior to the meeting), I communicated or caused to be communicated, the date, time, location, and subject matter (including specific reference to the Resolution) of said meeting to those news media who have filed a written request for such notice.
4. **Open Meeting Law Compliance.** Said meeting was a special meeting of the Governing Body which was held in open session in compliance with Subchapter V of Chapter 19 of the Wisconsin Statutes and any other applicable local rules and state statutes.
5. **Members Present.** Said meeting was duly called to order by the Chairperson (the “**Presiding Officer**”), who chaired the meeting. Upon roll call, I noted and recorded that there were ____ members of the Governing Body present at the meeting, such number being a quorum of the Governing Body.
6. **Consideration of and Roll Call Vote on Resolution.** Various matters and business were taken up during the course of the meeting without intervention of any closed session. One of the matters taken up was the Resolution. A proper quorum of the Governing Body was present for the consideration of the Resolution, and each member of the Governing Body had received a copy of the Resolution. All rules of the Governing Body that interfered with the consideration of the Resolution, if any, were suspended by a two-thirds vote of the Governing Body. The Resolution was then introduced, moved, and seconded, and after due

consideration, upon roll call, ____ of the Governing Body members voted Aye, ____ voted Nay, and ____ Abstained.

7. **Adoption of Resolution.** The Resolution was supported by the affirmative vote of a majority of a quorum of Governing Body members in attendance. The Presiding Officer then declared that the Resolution was adopted, and I so recorded it.

8. **Publication of Exhibit A to Resolution.** I have caused Exhibit A to the Resolution to be published in the form and place specified in the Resolution.

IN WITNESS WHEREOF, I have signed my name and affixed the seal, if any, of the Authority hereto on April ____, 2018.

Executive Director

[SEAL]