

CITY OF WISCONSIN DELLS
COMMUNITY DEVELOPMENT AUTHORITY MEETING
MUNICIPAL BUILDING ~ 300 LA CROSSE STREET
WISCONSIN DELLS, WI 53965
JULY 21, 2008

Chairperson Borchert called the meeting to order at 6:00P.M. Notice of the meeting was provided to the *Dells Events*, WNNO Radio and posted in accordance with State Statutes.

1. Present: Chairperson Ben Borchert, Alderperson Dan Gavinski, Alderperson Brian Holzem, Joyce Nelson, Kirk Kettleton, Jesse Leichsenring and Dan Anchor

Others: City Clerk Dale Darling, Adm. Deputy Clerk Nancy Holzem, Police Chief Bret Anderson, DPW Director Mike Horkan, Assistant DPW Director Chris Tollaksen, Alderperson Joan Ragan, Alderperson Debbie Kinder, Assistant City Attorney Joe Hasler, Mayor Eric Helland, Fire Chief Tory Wolfram, Scott Smith, Larry Nagy, Cambrian Attorney Jeff Clark, Dave Anderson from PFM and Kay James from the *Dells Events*.
2. Motion by Holzem seconded Anchor to approve the minutes of the May 19, 2008 CDA meeting. Motion carried unanimously.
3. Chairperson Borchert declared the Public Hearing open on the CDA's intent to revise and amend the terms of the lease with the City of Wisconsin Dells under which the CDA is leasing to the city certain land and improvements located in Tax Incremental District No. 3, consisting of public right-of-way and any improvements. No one presented to speak for or against. Chairperson Borchert declared the Public Hearing closed.
4. Dave Anderson from PFM reviewed the results of the \$1,730,000 sale in CDA Lease Revenue Bonds for TID No. 3 (Cambrian Development). Underwriters are Bankers' Bank and the Bank of Wisconsin Dells. The overall interest rate came in at 4.98% which is lower than projected 5.25%. The debt for TID No. 3 is projected to retire in the year 2025. Motion by Gavinski seconded by Holzem approve the following resolution:

RESOLUTION No. 3507

RESOLUTION APPROVING THE AMENDED AND RESTATED LEASE OF CERTAIN PROPERTY AND IMPROVEMENTS AND APPROVING the ISSUANCE OF \$1,730,000 COMMUNITY DEVELOPMENT LEASE REVENUE BONDS, SERIES 2008A BY THE COMMUNITY DEVELOPMENT AUTHORITY AND RELATED DOCUMENTS AND TRANSACTIONS

WHEREAS, the Community Development Authority of the City of Wisconsin Dells, Wisconsin (the "Authority") has determined certain property located in Tax Incremental District No. 3 (the "Blighted Property") to be blighted within the meaning of Section 66.1333, Wisconsin Statutes;

WHEREAS, the Authority has acquired the portion of the public property located in Tax Incremental District No. 3 described on Exhibit A hereto (the "Property") from the City of

Wisconsin Dells, Wisconsin (the "Municipality"), and is carrying out a program of blight elimination on blighted property within Tax Incremental District No. 3, consisting of project costs and public improvements included in the Project Plan for Tax Incremental District No. 3 (collectively, the "Project") and proposes to lease the improvements described on Exhibit B and the Property to the Municipality pursuant to an Amended and Restated Lease Agreement in substantially the form set forth on Exhibit C (the "Lease");

WHEREAS, the Authority has authorized the borrowing of \$1,730,000 and the issuance and sale of Community Development Lease Revenue Bonds, Series 2008A, dated August 7, 2008 (the "Bonds"), the proceeds of which shall be used to finance a portion of the Project;

WHEREAS, the Authority has heretofore issued and has outstanding its Community Development Lease Revenue Bonds, Series 2005, dated September 1, 2005, Community Development Lease Revenue Bonds, Series 2006, dated May 1, 2006 and Community Development Lease Revenue Bonds, Series 2007A, dated October 2, 2007 (collectively, the "Prior Bonds") which were also issued to finance a portion of the Project and are also secured by the Lease;

WHEREAS, the Authority has submitted a report on the Lease to this Common Council, has duly noticed and conducted a public hearing on the Lease, and has approved the Lease;

WHEREAS, the Authority has also requested that the Municipality enter into an Amended and Restated Contribution and Cooperation Agreement (the "Contribution and Cooperation Agreement") in connection with the issuance of the Bonds;

WHEREAS, Section 66.1333(13), Wisconsin Statutes, authorizes the Municipality to lend or contribute funds to assist a redevelopment project, Section 66.1105(2)(f)1.h., Wisconsin Statutes, provides that the amount of contributions made under Section 66.1333(13) in connection with implementation of the project plan is an eligible tax increment project cost and Section 66.1105(2)(f)1.b. permits the Municipality to recover "financing costs" related to tax increment projects from tax increment revenues; and

WHEREAS, the development of the Project is included in the project plan for the Municipality's Tax Increment District No. 3 (the "District").

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the Municipality as follows:

Section 1. Approval of the Conveyance of the Property. The transfer to the Authority of the Property, which has previously occurred, is ratified and affirmed.

Section 2. Approval of the Lease. The Lease, in substantially the form attached hereto as Exhibit C and incorporated herein by this reference, is hereby approved and the Mayor and City Clerk/Treasurer are hereby authorized to execute and deliver the Lease for and on behalf of the Municipality. The rentals paid under the Lease shall be "financing costs" under Section 66.1105(2)(f)1.b., Wisconsin Statutes, to the extent they constitute the payment of principal or interest on the Prior Bonds and the Bonds. The Common Council covenants for the benefit of the owners of the Prior Bonds and the Bonds that, subject to annual appropriation of the Lease rental payments, all funds in the special fund of the District will be used first to make the rental payments due under the Lease and only after the rental payments have been paid in full for any particular year shall funds in said special fund be

used to pay any other project costs of the District. The Common Council finds that the rental payments due under the Lease are at the fair market value for the Property and the improvements to be leased pursuant to the Lease.

Section 3. Statement of Intent to Appropriate. The Common Council acknowledges that the projected tax increment to be derived from the District may not be realized and that the increment revenues may therefore be insufficient to make payments under the Lease sufficient to pay all debt service on the Prior Bonds and the Bonds as it becomes due. The Municipality hereby declares that it fully expects and anticipates that, if such a shortfall occurs, it will appropriate funds from other available revenues of the Municipality sufficient to fund any such shortfall in order to meet its obligation to make rental payments under the Lease sufficient to pay when due all principal of and interest on the Prior Bonds and the Bonds, provided however, that such payment shall be subject to annual appropriation by the Common Council and shall be subject to the Municipality's quiet enjoyment of the property and improvements leased pursuant to the Lease.

Section 4. Approval of the Contribution and Cooperation Agreement. The Contribution and Cooperation Agreement in substantially the form attached hereto as Exhibit D and incorporated herein by this reference is hereby approved and the Mayor and City Clerk/Treasurer are hereby authorized to execute and deliver the Contribution and Cooperation Agreement for and on behalf of the Municipality.

Section 5. Approval of the Bonds. The terms of the Bonds authorized by the Authority at its meeting duly noticed, held and conducted on July 21, 2008 are ratified and approved. The Municipality designates the Bonds to be "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.

Section 6. Undertaking to Provide Continuing Disclosure. The Municipality, as the obligated person with respect to the Bonds, hereby covenants and agrees, for the benefit of the holders of the Bonds, to enter into a written undertaking (the "Undertaking") required by SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the holders of the Bonds or by the original purchaser of the Bonds on behalf of such holders (provided that the holders' and purchaser's right to enforce the provisions of the Undertaking shall be limited to a right to obtain specific performance of the obligations there under and any failure by the Municipality to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

The City Clerk/Treasurer shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the Municipality's Undertaking.

Section 7. Execution and Delivery of Documents. The Mayor and City Clerk/Treasurer are hereby authorized for and in the name of the Municipality to execute and deliver the Lease, the Contribution and Cooperation Agreement and any and all additional documents as may be necessary or desirable to effectuate the sale of the Bonds and the completion of the transactions contemplated hereby.

Motion to approve the resolution carried unanimously.

5. A Manual of Policies and Procedures for an Economic Development Revolving Loan Fund (RLF) Program was reviewed. The manual sets forth regulations that will govern the proposed program to assist with the revitalization of businesses and to promote economic development. Eligible activities would include:

- Interior and exterior remodeling
- Code compliance
- Acquisition of land, buildings and improvements
- Housing on upper levels
- Mixed-use facilities
- Facade renovation
- Acquisition/demolition in conjunction with an approved activity
- Leaseholder improvements - purchasing and installing fixture property
- Repairing or replacing existing roof or installing new roof
- Structural Repair: Upgrading street level and upper floors to useable condition
- Repairing or replacing mechanical systems
- New Construction: Building appropriate in-fill construction, but only when existing buildings cannot be utilized
- Professional design or architectural services in conjunction with an approved completed project
- Utility improvements to be implemented in conjunction with an approved activity
- Other activity as approved or recommended by CDA.

Funding for the RLF program will come from the TIF reserve. The maximum amount available at this time is \$300,000. City Clerk Dale Darling stated that if the program becomes successful additional funding could be added. The public will be informed of the program via brochures, the local newspapers and the city's website.

Motion by Nelson seconded by Anchor to approve the RLF Manual as prepared by MSA contingent upon wording changes on page 5 ("DFP" should read "RLF") and on page 7 ("undertake" should read "undertaken"). Motion carried unanimously. This will be referred to the Common Council for final approval.

6. There were no items for referral.

7. Motion by Anchor seconded by Holzem to adjourn. Motion carried unanimously and the meeting adjourned at 6:40P.M.

Nancy R. Holzem
Adm. Deputy Clerk/Treasurer
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