

RESOLUTION NO. 14-04

A RESOLUTION AUTHORIZING THE ISSUANCE OF A \$3,700,000  
TAXABLE TAX INCREMENT PROJECT REVENUE BOND (TID NO. 5)

WHEREAS, the City of Platteville, Grant County, Wisconsin (the "City") has undertaken and financed projects in the City's Tax Incremental District No. 5 ("TID No. 5") pursuant to a Development Agreement and a TID #5 Finance Agreement with Platteville Development Group, Inc. (the "Developer");

WHEREAS, pursuant to the TID #5 Finance Agreement, the City has agreed to reimburse the Developer for the cost of certain public improvements constructed by the Developer in TID No. 5;

WHEREAS, the Common Council deems it to be necessary, desirable and in the best interest of the City to pay to the Developer the balance of the amount owed to the Developer pursuant to the terms of the TID #5 Finance Agreement;

WHEREAS, the community development and redevelopment projects in TID No. 5 constitute a revenue-producing enterprise of the City which is operated for a public purpose and constitutes a "public utility" within the meaning of Section 66.0621, Wis. Stats.; and

WHEREAS it is desirable to borrow the funds needed to pay the amount owed to the Developer through the issuance of revenue bonds pursuant to Section 66.0621, Wis. Stats., which bonds are to be payable only from tax increment revenues generated from the property within TID No. 5 (the "Property") and appropriated by the City to pay the bonds;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Platteville, Grant County, Wisconsin, as follows:

Section 1. Authorization of Revenue Bond. For the purpose described above, the City shall issue its "Taxable Tax Increment Project Revenue Bond (TID No. 5)" (the "Bond") to American Trust & Savings Bank, Dubuque, Iowa (the "Purchaser"). The Bond shall be in the principal amount of \$3,700,000 and shall be dated its date of issuance. The Bond shall be sold to the Purchaser at a purchase price equal to the principal amount of the Bond.

The Bond shall bear interest at a fixed rate of 2.75% per annum through September 30, 2018. On September 30, 2018 and September 30, 2023, the interest rate shall adjust to a fixed rate equal to the interest rate on five-year U.S. Treasury Notes as published by the Federal Reserve Bank for the business day prior to the adjustment date plus 2.00%. The adjusted interest rate on the Bond shall not be less than 3.25% or greater than 5.00% per annum.

An installment of interest only on the Bond shall be payable on September 30, 2014, and thereafter, principal of and interest on the Bond shall be payable in installments on March 31 and September 30 of each year commencing March 31, 2015 and continuing through and including September 30, 2025 (each, a "Bond Payment Date"). The amount of principal payable on the

Bond on each Bond Payment Date is set forth on the schedule attached hereto as Exhibit A. The City's obligation to pay all or any portion of the Bond shall terminate with the final payment made on September 30, 2025. The payment due on each Bond Payment Date shall be payable from the Available Tax Increment (defined below) which is appropriated by the Common Council to payment of the Bond.

"Available Tax Increment" means an amount equal to the annual gross tax increment revenue actually received and retained by the City which is generated by the increment value of the Property.

The Bond shall be subject to prepayment at any time at the option of the City. Installments of principal shall be prepayable as a whole or from time to time in part, as selected by the City, at the principal amount thereof plus accrued interest to the prepayment date.

The schedule of payments on the Bond is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

The Bond shall be signed by the manual or facsimile signatures of the City Manager and City Clerk of the City (provided that, unless the City has contracted with a fiscal agent to authenticate the Bond, at least one of such signatures shall be manual), and sealed with the corporate seal of the City, or a facsimile thereof.

The Bond shall be payable only out of the Special Redemption Fund hereinafter provided, and shall be a valid claim of the owner thereof only against the Special Redemption Fund and the revenues pledged to such Fund pursuant to this Resolution.

Section 2. Form of Bond. The Bond shall be in substantially the form set forth on Exhibit B hereto.

Section 3. Payable Solely From Revenues. The Bond shall be payable only out of the Special Redemption Fund as hereinafter provided, and shall be a valid claim of the owner thereof only against the Special Redemption Fund and from the revenues pledged to such fund, and shall be payable solely from the Available Tax Increment which has been received and retained by the City in accordance with the provisions of Section 66.1105 of the Wisconsin Statutes and appropriated by the Common Council to the payment of the Bond (hereinafter referred to as "Revenues").

As stated above, the application of the Available Tax Increment to payment of the Bond is subject to future annual appropriation by the Common Council. However, the City fully expects and anticipates that to the extent the Available Tax Increment is generated and received by the City, it will appropriate such Available Tax Increment to the payment of the principal of and interest on the Bond.

Any Available Tax Increment which is in excess of the amount of principal and interest due on the Bond on any Bond Payment Date may be applied by the City to pay other project costs of TID No. 5.

Section 4. Special Redemption Fund. For the purpose of the application and proper allocation of the Revenues, and to secure the payment of the principal of and interest on the Bond, the Special Redemption Fund is hereby created and shall be used solely for the purpose of paying principal of and interest on the Bond in accordance with the provisions of the Bond and this Resolution.

Uninvested money in the Special Redemption Fund shall be kept on demand deposit with such bank or banks as may be designated from time to time by the City as public depositories under the laws of Wisconsin. Such deposits of Special Redemption Fund money shall be secured to the fullest extent required by the laws of Wisconsin and the general investment policy of the City.

Money in the Special Redemption Fund, if invested, shall be invested in direct obligations of, or obligations guaranteed as to principal and interest by, the United States of America, or in certificates of deposit secured by such obligations and issued by a state or national bank which is a member of the Federal Deposit Insurance Corporation and is authorized to transact business in the State of Wisconsin, maturing not later than the date such money must be transferred to make payments on the Bond, or deposited in the local government pooled-investment fund. All income from such investments shall be deposited in the Special Redemption Fund. Such investments shall be liquidated at any time when it shall be necessary to do so to provide money for any of the purposes for the Special Redemption Fund.

All Revenues shall be deposited in the Special Redemption Fund, and no other fund is created by this Resolution.

Section 5. Application of Revenues to Payment of the Bond. On each Bond Payment Date, the City shall apply to the payment due on the Bond the Available Tax Increment which has been appropriated by the Common Council to the payment of the principal of and interest on the Bond.

If on any Bond Payment Date there shall be insufficient Revenues to pay the principal of and interest due on the Bond, the amount due but not paid shall accumulate, with interest at the rate payable on the Bond (as adjusted from time to time), and be payable on the next Bond Payment Date until the final Bond Payment Date.

If after making the payment due on the final Bond Payment Date, there remain amounts outstanding and unpaid on the Bond, then the remaining balance of principal of and interest on the Bond shall be deemed paid in full, it being understood that upon making the payment due on the final Bond Payment Date, the obligation of the City to make any further payments on the Bond shall terminate. The City shall have no obligation to pay any amount of principal or interest on the Bond which remains unpaid after the final Bond Payment Date and the owner of the Bond shall have no right to receive payment of such amounts.

If for any reason (other than voluntary resolution of the Common Council) TID No. 5 terminates prior to the final Bond Payment Date, and there remain amounts outstanding and unpaid on the Bond, then the remaining balance of principal of and interest on the Bond shall be deemed paid in full, it being understood that upon such termination of TID No. 5, the obligation

of the City to make any further payments on the Bond shall also terminate. The City shall have no obligation to pay any amount of principal or interest on the Bond which remains unpaid upon termination of TID No. 5 and the owner of the Bond shall have no right to receive payment of such amounts.

Section 6. Persons Treated as Owners; Transfer of Bond. The City Treasurer shall keep books for the registration and for the transfer of the Bond. The person in whose name the Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of principal of and interest on the Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Bond may be transferred or assigned by the registered owner thereof only with the consent of the City, by surrender of the Bond at the office of the City Treasurer accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer or assignment, the City Treasurer shall record the name of the transferee or assignee in the registration book and note such transfer or assignment on the Bond and re-issue the Bond (or a new Bond or Bonds of like aggregate principal amount and maturity).

The Bond may be exchanged for a new Bond or Bonds of like aggregate principal amount and maturity.

Section 7. General Authorizations. The City Manager and City Clerk and the appropriate deputies and officials of the City in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records 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 City under this Resolution and the Bond.

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 Bond), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the City.

Section 8. Severability of Invalid Provisions. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining sections, paragraphs and provisions of this Resolution.

Section 9. Effective Date. This Resolution shall be effective immediately upon its passage and approval.

PASSED BY THE COMMON COUNCIL on the 28th day of January, 2014.

  
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Eileen Nickels, Council President

ATTEST:

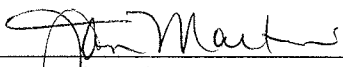
  
\_\_\_\_\_  
Jan Martin, City Clerk

EXHIBIT A

Principal Payment Schedule

<u>Bond Payment Date</u>	<u>Principal Amount Payable</u>
09/30/2014	\$ -0-
03/31/2015	175,000
09/30/2015	175,000
03/31/2016	175,000
09/30/2016	175,000
03/31/2017	175,000
09/30/2017	175,000
03/31/2018	175,000
09/30/2018	175,000
03/31/2019	175,000
09/30/2019	175,000
03/31/2020	175,000
09/30/2020	175,000
03/31/2021	175,000
09/30/2021	175,000
03/31/2022	175,000
09/30/2022	175,000
03/31/2023	175,000
09/30/2023	175,000
03/31/2024	175,000
09/30/2024	175,000
03/31/2025	100,000
09/30/2025	100,000

EXHIBIT B

(Form of Taxable Tax Increment Project Revenue Bond)

UNITED STATES OF AMERICA  
STATE OF WISCONSIN  
COUNTY OF GRANT  
CITY OF PLATTEVILLE

TAXABLE TAX INCREMENT PROJECT REVENUE BOND (TID NO. 5)

<u>Number</u>	<u>Date of Original Issue</u>	<u>Principal Amount</u>
R-1	_____, 2014	\$3,700,000

FOR VALUE RECEIVED, the City of Platteville, Grant County, Wisconsin (the "City"), promises to pay to American Trust & Savings Bank, or registered assigns, but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided, the Principal Amount hereof and interest hereon at the rate set forth below in installments as described below.

This Bond is issued pursuant to Article XI, Section 3 of the Wisconsin Constitution and Section 66.0621, Wisconsin Statutes, and acts supplementary thereto, and is payable only from the income and revenues herein described, which income and revenues have been set aside as a special fund for that purpose and identified as the "Special Redemption Fund." This Bond is issued pursuant to a resolution adopted on January 28, 2014 by the Common Council of the City (the "Resolution") for the purpose of paying the cost of certain public improvements in Tax Incremental District No. 5 (the "TID"). This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision. The principal of and interest on this Bond shall be payable solely from Available Tax Increments (as defined below) received by the City with respect to the TID which are appropriated by the Common Council to the payment of this Bond (the "Revenues"). Reference is hereby made to the Resolution for a more complete statement of the revenues from which and conditions under which this Bond is payable, and the general covenants and provisions pursuant to which this Bond has been issued.

The Bond shall bear interest at a fixed rate of 2.75% per annum through September 30, 2018. On September 30, 2018 and September 30, 2023, the interest rate shall adjust to a fixed rate equal to the interest rate on five-year U.S. Treasury Notes as published by the Federal Reserve Bank for the business day prior to the adjustment date plus 2.00%. The adjusted interest rate on the Bond shall not be less than 3.25% or greater than 5.00% per annum.

An installment of interest only on the Bond shall be payable on September 30, 2014, and thereafter, principal of and interest on the Bond shall be payable in installments on March 31 and September 30 of each year commencing March 31, 2015 and continuing through and including September 30, 2025 (each, a "Bond Payment Date"). The amount of principal payable on each Bond Payment Date is set forth on the schedule attached hereto. The City's obligation to pay all or any portion of this Bond shall terminate with the final payment made on September 30, 2025. The amount of each semi-annual payment due on each Bond Payment Date shall be payable from the Available Tax Increment (as defined below) which is appropriated by the Common Council to payment of the Bond.

"Available Tax Increment" means an amount equal to the annual gross tax increment revenue actually received and retained by the City which is generated by the increment value of the Property (as defined in the Resolution).

If on any Bond Payment Date there shall be insufficient Revenues to pay the principal of and interest due on this Bond, the amount due but not paid shall accumulate, with interest at the rate payable on the Bond (as adjusted from time to time), and be payable on the next Bond Payment Date until the final Bond Payment Date.

If after making the payment due on the final Bond Payment Date, there remain amounts outstanding and unpaid on the Bond, then the remaining balance of principal of and interest on the Bond shall be deemed paid in full, it being understood that upon making the payment due on the final Bond Payment Date, the obligation of the City to make any further payments on the Bond shall terminate. The City shall have no obligation to pay any amount of principal or interest on this Bond which remains unpaid after the final Bond Payment Date and the owner of this Bond shall have no right to receive payment of such amounts.

If for any reason (other than voluntary resolution of the Common Council) the TID terminates prior to the final Bond Payment Date, and there remain amounts outstanding and unpaid on the Bond, then the remaining balance of principal of and interest on the Bond shall be deemed paid in full, it being understood that upon such termination of the TID, the obligation of the City to make any further payments on the Bond shall also terminate. The City shall have no obligation to pay any amount of principal or interest on the Bond which remains unpaid upon termination of the TID and the owner of the Bond shall have no right to receive payment of such amounts.

This Bond is subject to prepayment at any time at the option of the City. Installments of principal are prepayable as a whole or from time to time in part, as selected by the City, at the principal amount hereof plus accrued interest to the prepayment date.

**THE CITY MAKES NO REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, THAT THE AVAILABLE TAX INCREMENT OR REVENUES WILL BE SUFFICIENT TO PAY, IN WHOLE OR IN PART, THE AMOUNTS WHICH ARE OR MAY BECOME DUE AND PAYABLE HEREUNDER.**



**THE CITY'S PAYMENT OBLIGATIONS HEREUNDER ARE SUBJECT TO FUTURE ANNUAL APPROPRIATION BY THE COMMON COUNCIL OF THE AVAILABLE TAX INCREMENT OR OTHER AMOUNTS TO MAKE PAYMENTS DUE ON THIS BOND.**

**THIS BOND IS A SPECIAL, LIMITED REVENUE OBLIGATION AND NOT A GENERAL OBLIGATION OF THE CITY, AND IS PAYABLE BY THE CITY ONLY FROM THE SOURCES, TO THE EXTENT, AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS BOND IS NOT A GENERAL OBLIGATION OF THE CITY, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND, AND NO PROPERTY OR OTHER ASSET OF THE CITY, EXCEPT THE ABOVE-REFERENCED REVENUES, IS OR SHALL BE A SOURCE OF PAYMENT OF THE CITY'S OBLIGATIONS HEREUNDER.**

This Bond is issued by the City pursuant to and in full conformity with the Constitution and laws of the State of Wisconsin.

This Bond may be transferred or assigned, only with the consent of the City. In order to transfer or assign the Bond, the transferor or assignee shall surrender the same to the City either in exchange for a new fully registered bond or for transfer of this Bond on the registration records for the Bond maintained by the City. Each permitted transferee or assignee shall take this Bond subject to the foregoing conditions and subject to all provisions stated or referenced herein.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time.

IN WITNESS WHEREOF, the Common Council of the City of Platteville, Grant County, Wisconsin, has caused this Bond to be signed on behalf of said City by its duly qualified and acting City Manager and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF PLATTEVILLE,  
GRANT COUNTY, WISCONSIN

(SEAL)

By \_\_\_\_\_  
Lawrence F. Bierke  
City Manager

**COPY** By \_\_\_\_\_  
Jan Martin  
City Clerk

REGISTRATION PROVISIONS

This Bond shall be registered in registration records kept by the City Clerk of the City of Platteville, Grant County, Wisconsin, such registration to be noted in the registration blank below and upon said registration records, and this Bond may thereafter be transferred only upon presentation of this Bond together with a written instrument of transfer approved by the City and duly executed by the Registered Owner or his attorney, such transfer to be made on such records and endorsed hereon.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of City Clerk</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**COPY**