

31.



City of West Allis Matter Summary

7525 W. Greenfield Ave.
West Allis, WI 53214

File Number	Title	Status
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R-2008-0118 Resolution In Committee

Resolution approving the Interest Cost Reimbursement Agreement by and between the City of West Allis and Rogers Memorial Hospital, Inc.

Introduced: 5/14/2008

Controlling Body: Safety & Development Committee

Sponsor(s): Safety & Development Committee

COMMITTEE RECOMMENDATION

Adopt

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
<u>5/20/08</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Barczak				
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Czaplewski	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Kopplin	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Lajsic	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Narlock	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Reinke				<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Roadt				
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sengstock				
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Vitale	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Weigel				
			TOTAL	<u>4</u>	<u>0</u>		<u>1</u>

SIGNATURE OF COMMITTEE MEMBER

Chair

Vice-Chair

Member

COMMON COUNCIL ACTION

adopt

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
<u>5/20/08</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Barczak	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Czaplewski	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Kopplin	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Lajsic	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Narlock	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Reinke <i>exc</i>				<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Roadt	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sengstock	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Vitale	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Weigel	<input checked="" type="checkbox"/>			
			TOTAL	<u>9</u>	<u>1</u>		<u>1</u>



City of West Allis

7525 W. Greenfield Ave.
West Allis, WI 53214

Resolution

File Number: R-2008-0118

Final Action:

Sponsor(s): Safety & Development Committee

MAY 20 2008

Resolution approving the Interest Cost Reimbursement Agreement by and between the City of West Allis and Rogers Memorial Hospital, Inc.

WHEREAS, the City of West Allis (the "City") and the Community Development Authority of the City of West Allis (the "Authority") have received a request from Rogers Memorial Hospital, Inc. to issue \$10,000,000 of redevelopment revenue bonds (the "Bonds") to finance improvements to its mental health hospital facility in the City; and,

WHEREAS, the inability of the City to designate the City Obligations as qualified tax exempt obligations would result in increased interest costs for the City; and

WHEREAS the City and the Authority would not issue the Bonds without an agreement by the Hospital to compensate the City for this increased interest cost; and,

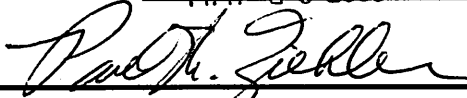
WHEREAS the hereby attached Interest Cost Reimbursement Agreements will keep the City whole regarding interest and all costs associated with the issuance of the Bonds.

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of West Allis that is hereby approves the Interest Cost Reimbursement Agreement by and between the City of West Allis and Rogers Memorial Hospital, Inc.

BE IT FURTHER RESOLVED that the City Attorney be and is hereby authorized to make such substantive changes, modifications, additions and deletions to and from the various provisions of the Amendment, including any and all attachments, exhibits, addendums and amendments, as may be necessary and proper to correct inconsistencies, eliminate ambiguity and otherwise clarify and supplement said provisions to preserve and maintain the general intent thereof, and to prepare and deliver such other and further documents as may be reasonably necessary to complete the transactions contemplated therein.

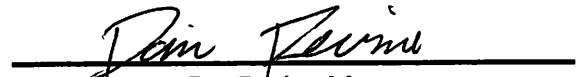
BE IT FURTHER RESOLVED that the City Clerk is hereby authorized to execute said Interest Cost Reimbursement Agreement on behalf of the City of West Allis.

ADOPTED MAY 20 2008



Paul M. Ziehler, City Admin. Officer, Clerk/Treas.

APPROVED 5/22/08



Dan Devine, Mayor

INTEREST COST REIMBURSEMENT AGREEMENT

THIS AGREEMENT ("Agreement") made and entered into as of May __, 2008, by and between the CITY OF WEST ALLIS, WISCONSIN, a municipality created and existing under the laws of the State of Wisconsin (the "City") and ROGERS MEMORIAL HOSPITAL INCORPORATED, a Wisconsin non-stock, nonprofit corporation (the "Hospital").

WHEREAS, the Hospital has requested the City's Community Development Authority to issue \$10,000,000 of redevelopment revenue bonds (the "Bonds") to finance improvements to its mental health hospital facility in the City; and

WHEREAS, the City reasonably anticipates that if it did not issue the Bonds, the amount of bonds, notes or other obligations issued by the City or any subordinate entities including the CDA ("City Obligations") during calendar year 2008 would not exceed \$10,000,000 and therefore could have been designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the inability of the City to designate the City Obligations as qualified tax-exempt obligations will result in increased interest costs for the City; and

WHEREAS, the CDA would not issue the Bonds, nor would the CDA approve the issuance of the Bonds without an agreement by the Hospital to compensate the City for this increased interest cost;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the adequacy of which is hereby acknowledged, the parties hereto agrees as follows:

1. Reimbursement of Excess Interest Cost. Unless the CDA chooses to not issue the Bonds through no fault of the Hospital, the Hospital agrees to pay the City an amount equal to the present value of that portion of interest that the City and its subordinate entities will pay on the City Obligations issued in the calendar year 2008 attributable to the ineligibility of such City Obligations for designation by the City as "qualified tax-exempt obligations" for purposes of Section 265 of the Code. The amount required to be paid to the City pursuant to this Section is termed "Excess Interest Cost".

2. Determination of Excess Interest Cost Amount. The Excess Interest Cost shall be determined by Stifel, Nicholas & Company, Incorporated, or by another investment banking firm retained for that purpose by the City and reasonably acceptable to the Hospital (the "Investment Banker"). The Investment Banker shall deliver a written report reasonably detailing the method, assumptions and reasons for its determinations. Such determination made by the Investment Banker shall be binding upon the parties.

3. Manner of Payment. Within 30 days after the issuance of City Obligations for which reimbursement will be made under this Agreement, the City shall deliver a written request

for reimbursement to the Hospital, together with the Investment Banker's written report. If such written request is received prior to the CDA issuing the Bonds, then assuming that the CDA has not chosen to not issue the Bonds through no fault of the Hospital, the Hospital shall pay the City the Excess Interest Cost upon the earlier of the date the Hospital determines it will not further pursue having the CDA issue the Bonds, or the date of the closing of the issuance of the Bonds. If such written request is received after the CDA issues the Bonds, then the Hospital shall pay the City the Excess Interest Cost within 30 days.

4. Limitation on Non-Private Activity Bonds. The City agrees that any request for reimbursement of the Excess Interest Cost made to the Hospital pursuant to this Agreement may only be made with respect to (1) Non-Private Activity Bonds (defined below) issued by the City and its subordinate entities in calendar year 2008 and (2) not exceeding an aggregate principal amount of \$10,000,000. For purposes of this Agreement, "Non-Private Activity Bonds" shall mean bonds, notes or other obligations the interest on which will be exempt from federal income taxation under Section 103 of the Code.

5. Payment of Associated Costs. Upon issuance of the Bonds by the CDA, the Hospital agrees to pay all costs and expenses arising out of or related to the retention of the Investment Banker in an amount estimated at \$3,500.

6. Amendment. This Agreement may be amended or altered only by a written agreement signed by all of the parties hereto.

7. Successors. The provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

8. Governing Law. The laws of the State of Wisconsin shall govern this Agreement.

9. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any of the provisions of this Agreement.

10. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were on the same instrument.

11. Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or when mailed by certified or registered mail, postage prepaid, as follows: if to the Hospital, at the following address, Rogers Memorial Hospital Incorporated, 34700 Valley Road, Oconomowoc, Wisconsin 53066, Attention: Vice President Finance; and if to the City, at the following address, City of West Allis, 7525 West Greenfield Avenue, West Allis, Wisconsin 53214, Attention: Finance Director.

IN WITNESS WHEREOF, the City and the Hospital have each caused this instrument to be executed by their duly authorized representatives all as of the year and date first above written.

CITY OF WEST ALLIS, WISCONSIN

By: *Dan Devine*
Mayor

[SEAL]

Attest: *Paul H. Zeller*
City Clerk

ROGERS MEMORIAL HOSPITAL
INCORPORATED

By: *Arnold A. Noll*
Its: *Chief Financial Officer*

[CORPORATE SEAL]

Attest: _____
Its: _____

CERTIFICATION BY CITY CLERK

I, Paul M. Ziehler, hereby certify that I am the duly qualified and acting City Clerk of the City of West Allis, Wisconsin (the "City"), and as such I have in my possession, or have access to, the complete corporate records of the City and of its Common Council; that I have carefully compared the transcript attached hereto with the aforesaid records; and that said transcript attached hereto is a true, correct and complete copy of the all the records in relation to the adoption of Resolution No. R-2008-0115 entitled: "Resolution preliminarily determining project site to be blighted and declaring intent regarding the issuance of revenue bonds by the Community Development Authority to finance Rogers Memorial Hospital project."

I hereby further certify as follows:

1. Said Resolution was considered for adoption by the Common Council at a regular meeting held at City Hall, 7525 W. Greenfield Avenue, West Allis, Wisconsin, at 7:00 p.m. on May 20, 2008. Said meeting was a regular meeting of the Common Council and was held in open session.

2. Said Resolution was on the agenda for said meeting and public notice thereof was given not less than twenty-four (24) hours prior to the commencement of said meeting in compliance with Section 19.84 of the Wisconsin Statutes, including, without limitation, by posting on the bulletin board in the City Hall, by notice to those news media who have filed a written request for notice of meetings, and by notice to the official newspaper of the City.

3. Said meeting was called to order by Mayor Dan Devine, who chaired the meeting. Upon roll, I noted and recorded that the following alderpersons were present:

Aldersperson Barczak
Aldersperson Kopplin
Aldersperson Narlock
Aldersperson Sengstock
Aldersperson Weigel

Aldersperson Czaplewski
Aldersperson Lajsic
Aldersperson Roadt
Aldersperson Vitale

and that the following alderperson were absent:

Aldersperson Reinke

I noted and recorded that a quorum was present. 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 said Resolution, which was introduced, and its adoption was moved by Aldersperson Barczak and seconded by Aldersperson Lajsic. Following discussion and after all alderpersons who desired to do so had expressed their views for or against said Resolution, the question was called, and upon roll being called and the continued presence of a quorum being noted, the recorded vote was as follows:

AYE:

Aldersperson Barczak
Aldersperson Kopplin
Aldersperson Narlock
Aldersperson Sengstock
Aldersperson Weigel

Aldersperson Czaplewski
Aldersperson Lajsic
Aldersperson Roadt
Aldersperson Vitale

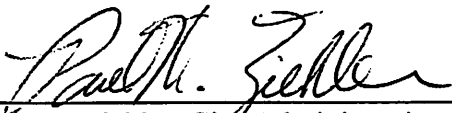
NAY: None.

ABSTAINED: None.

Whereupon the Mayor declared said Resolution adopted, and I so recorded it.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the City hereto on this 20th day of May, 2008.

[SEAL]



Paul M. Ziehler, City Administrative Officer
Clerk/Treasurer

cc: Development Department

DEV-R-503-Certify-5-6-08

INTEREST COST REIMBURSEMENT AGREEMENT

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CITY OF WEST ALLIS, WISCONSIN

By: Tom Devine
Mayor

[SEAL]

Attest: Patricia Zeller
City Clerk

ROGERS MEMORIAL HOSPITAL
INCORPORATED

By: Gerold A. Noll
Its: Chief Financial Officer

[CORPORATE SEAL]

Attest: _____
Its: _____