

AGENDA # _____

CITY OF MADISON, WISCONSIN

 REPORT OF: **City Attorney**

AUTHOR: Anne Zellhoefer
 Assistant City Attorney

DATED: October 16, 2012

PRESENTED October 30, 2012
 REFERRED _____

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 REPORTED BACK _____

 ADOPTED _____ POF _____
 RULES SUSPENDED _____
 ID NUMBER _____

TO THE MAYOR AND COMMON COUNCIL:

RE: Public Hearing on Issuance of Bonds by the Public Finance Authority for the Edgewater Hotel Project at 666 Wisconsin Avenue

Edgewater Hotel Company, LLC and/or one or more of its affiliates (“Developer”) has applied to the Public Finance Authority (“PFA”) to issue revenue bonds in an amount not to exceed \$66,150,000 to partially fund Developer’s construction, reconstruction, renovation and equipping of an approximately 189-room hotel and other related facilities and uses, including parking, located at 666 Wisconsin Avenue, Madison (the “Project”). Developer received conditional zoning and land use approvals for the Project from the Common Council in 2010 and 2011.

The PFA is a unique governmental entity established in 2009 by the Wisconsin legislature. It is authorized to issue taxable, tax exempt and tax credit conduit financing in all 50 states. The PFA uses no public subsidies or tax dollars to facilitate its operations. The PFA is unrelated to the City and the City has no powers, obligations or responsibilities as regards the PFA.

Pursuant to federal tax law, all proposed financings by the PFA for facilities to be located in Madison shall be approved by the Mayor after a public hearing has been held before the Common Council. The City has published a Notice of Public Hearing in the Wisconsin State Journal, inviting all interested persons to comment on the proposed financing and the Project.

The City will have no obligation for the debt service owed by Developer on the bonds. The bonds, if issued, will not constitute an indebtedness of the City and will not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers. The City is not a party to the financing transaction between the PFA and Developer.

Michael P. May
City Attorney

MPM:AZ:sob