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October 21, 2009

Mayor Dave Cieslewicz and Members, Board of Estimates
210 Martin Luther King Jr. Boulevard
Madison, WI 53703

Dear Mayor Cieslewicz and Members of the Board of Estimates:

The Wisconsin Alumni Research Foundation in partnership with the University of Wisconsin and the State of Wisconsin is building the **Wisconsin Institute for Discovery and Morgridge Institute for Research**, a 300,000 square foot bio-medical research facility on the 1200 and 1300 blocks of University Avenue. Substantial completion is expected in October 2010 with building occupancy scheduled for December 2010.

WARF appreciates the actions taken in 2007 by the CDA and the City of Madison to create a redevelopment district on the two blocks. Those actions laid the groundwork for WARF to apply in February 2008 for up to \$185 million in tax-exempt redevelopment revenue bonds to assist with the construction and equipping of the facility. Between March and June of 2008, the CDA processed the application, adopted a Conditional Award Resolution and conducted the required TEFRA public hearing. Following those actions, but prior to WARF finalizing its Plan of Finance for the bond issue, the credit crisis and accompanying economic collapse occurred which caused the bond markets to seize up in the early fall of 2008. WARF was unwilling to take the final steps in the issuance process until the markets demonstrated more stability.

On September 25, 2009, the WARF Board authorized WARF management to complete the transaction, targeting the bond closing for mid December 2009. The Plan of Finance requires that the bonds will be 30-year fixed rate bonds. Due to WARF's financial position, no credit enhancements are required. The CDA financing will allow WARF to smooth out the cost of the project over a longer period of time, thereby reducing its short term impact on the WARF endowment; the WARF endowment is critical to WARF's ongoing support of scientific investigation and research at UW-Madison.

Your continued consideration of this application is greatly appreciated. We look forward to advancing it through the final steps of the approval process over the next two months. The Wisconsin Institute for Discovery and Morgridge Institute for Research represent a vitally important project for the campus and our community.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carl E. Gulbrandsen', is written over a faint, larger version of the same signature.

Carl E. Gulbrandsen, Managing Director
WISCONSIN ALUMNI RESEARCH FOUNDATION

c. Common Council