

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN**

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Resolution No. 4042

Authorizing the Chair and Secretary to execute all documents necessary to facilitate the redemption of the 1996 CDA Redevelopment Lease Revenue Bonds for the Block 89 project and the conveyance of the first phase of the Block 89 parking ramp from the City and CDA to Block 89 Parking Limited Partnership.

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Presented October 10, 2013  
Referred \_\_\_\_\_  
Reported Back \_\_\_\_\_  
Adopted October 10, 2013  
Placed on File \_\_\_\_\_  
Moved By Daniel Guerra  
Seconded By Dean Brasser  
Yeas 6 Nays 0 Absent 1  
Rules Suspended \_\_\_\_\_

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***Preamble***

In 1996, the Community Development Authority (CDA) issued Redevelopment Lease Revenue Bonds in the principal amount of \$20,640,000 (the "Bonds") to partially finance the first phase of the Block 89 redevelopment project. As a part of that financing, the CDA acquired ownership of 579 subterranean parking stalls in the Block 89 parking facility and leased the stalls to the City, which then subleased the stalls to Block 89 Parking Limited Partnership ("Developer"). Under the lease between the City and Developer, Developer operates and manages the stalls, and retains all parking revenue from the facility. Rent under the lease is equal to the amount of debt service on the Bonds. Pursuant to the 1996 development agreement, the City has been providing Developer with payments of tax increment from TID 15 (now dissolved) and TID 25 as a credit towards debt service payments on the Bonds. The CDA executed a mortgage in the amount of the Bonds to the Bond Trustee as additional security.

The Bonds, which mature in 2018, may be redeemed in full on or after January 1, 2014. Developer desires to redeem the Bonds in full in January 2014, and the City and Developer have negotiated a TIF credit amount which the City shall pay to the Bond Trustee to be used, along with Developer's contribution, for the redemption of the outstanding Bonds. Developer has provided the CDA with its notice exercising the option to purchase the 579 parking stalls from the City and the CDA, contingent upon the amendment of the 1996 Option Agreement to allow for an earlier acquisition of the stalls by Developer. The purchase price shall be paid to the City over a ten year period.

Now therefore, be it resolved, that the Chair and Secretary are hereby authorized to execute an amendment to the 1996 Option Agreement to allow for Developer's 2014 acquisition of the first phase of the Block 89 parking facility, and to execute any other document deemed necessary to effectuate the redemption of the Bonds and Developer's acquisition of the facility, all in a form approved by the City Attorney.