

REQUEST FOR COUNTY BOARD ACTION

YEAR <u>2018</u>	X	Resolution Request
		Ordinance Request
		Report Request

Requestor/Originator: Finance Department - Alexandra Tillmann

Committee/Individual Sponsoring: Finance & Human Resources Committee

Date Considered by Committee: 3/27/2018                      Date of County Board Meeting to be Introduced: \_\_\_\_\_

1st Reading:                       1st & 2nd Reading:  \*

\* Include a paragraph in the memo regarding why 1st & 2nd reading is required.

Signature of Committee Chairperson/Designee: \_\_\_\_\_

**TITLE OF RESOLUTION/ORDINANCE/REPORT:**

Authorizing Preparations for Issuance of Debt Obligations Related to the Foxconn Project

**SUBJECT MATTER:**

The attached memo describes in detail the nature of resolution /ordinance /report and any specific facts which you want included in resolution/ordinance/report must be attached.

Any request which requires the expenditure or transfer of funds must be accompanied by the specific amount being transferred and the account number from which these funds will be taken and to which they will be transferred.

THIS FORM MUST BE FILLED OUT COMPLETELY PRIOR TO YOUR APPEARANCE BEFORE A COMMITTEE.

**The Committee believes that this action furthers the following goals:**

- Make Racine County the most accessible county in Wisconsin for business to grow, develop and create family supporting jobs.
- Develop a system that encourages employees, elected officials and citizens to suggest ideas for service enhancement and productivity improvements including a measurement of customer satisfaction.
- Foster an environment where intergovernmental cooperation is encouraged to produce better services and efficiencies.
- Reduce or limit the growth of the tax levy as set forth in Resolution No. 2002-59S.
- To make Racine County a healthy, safe, clean, crime-free community and environment.

# Memo

**To:** Racine County Board  
Mount Pleasant Village Board

**From:** Underwriter Selection Committee

**Date:** March 19, 2018

**Subject:** Recommend Underwriting Syndicate for Foxconn Project Bonds

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With work progressing on the Foxconn Project, the County and Village will need to issue various debt obligations over the next two years to fund remaining land acquisition, installation of public improvements, and other related costs as set forth in the development agreement. With the next set of debt issues planned to occur over the next several months, it is necessary to begin the process of preparing to bring these issues to market.

In January, the County and Village issued a joint Request for Proposals (RFP) for Underwriting Services for the purposes of selecting a team of investment banking firms to assist with this process and to purchase certain of the obligations.

The RFP was sent to 21 firms, with 17 responses received. A selection committee was formed, which interviewed eight of the responding firms. The committee included County Finance Director Alex Tillmann, Mount Pleasant Project Director Claude Lois, State of Wisconsin Capital Finance Director Dave Erdman, and Dave Anderson from PFM and Todd Taves from Ehlers as the respective Financial Advisors to the County and Village.

Based on the interviews, the committee is recommending that the County and Village designate the following firms as the syndicate for purchase and distribution of Foxconn project related bonds issued by the County and Village and not otherwise sold at a competitive public sale:

Morgan Stanley & Co. LLC ( Senior Manager/Bookrunner)

Bank of America Merrill Lynch

J.P. Morgan Securities LLC

Robert W. Baird & Co. Incorporated

Stifel, Nicolaus & Company, Incorporated

All the RFP respondents provided useful insights and ideas that will help inform our strategy as we refine and execute the plan of finance for the project.

The resolution accompanying this memo authorizes the appropriate officials and staff to work with the investment banking team to begin the debt planning and issuance process. As noted in the resolution, all debt issuances as well as the terms of engagement and compensation of the underwriting syndicate members are subject to further approval of the County Board or Village Board as applicable. The resolution is intended to provide the necessary direction and authority to appropriate County and Village officials, staff and the consultant team needed to keep the project on schedule.

**RESOLUTION AUTHORIZING PREPARATIONS FOR ISSUANCE OF  
DEBT OBLIGATIONS RELATED TO THE FOXCONN PROJECT**

**WHEREAS**, Racine County and the Village of Mount Pleasant have previously entered into a Development Agreement (Agreement) for the Foxconn Project (Project); and

**WHEREAS**, the Agreement requires the County and Village to finance the cost of land acquisition, installation of public improvements, and other costs related to the Project; and

**WHEREAS**, the County and Village have conducted a process for selection of underwriters to provide investment banking services and to purchase bonds to be issued by the County or Village related to the Project; and

**WHEREAS**, the County Board has determined it is necessary and desirable to authorize its officers, staff and consultants to prepare for the issuance and sale of bonds for such purpose.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

Section 1. Preparations for Issuance of Bonds. The County Executive, Finance Director, along with the County's Municipal Advisor, PFM Financial Advisors, LLC, are hereby authorized and directed to prepare one or more issues of bonds to finance the Project for consideration by the County Board at a subsequent meeting or meetings. The County Board shall retain the final authority as to whether to authorize the issuance of bonds.

The County Executive, Finance Director and County's Municipal Advisor are hereby authorized and directed to work with disclosure counsel to prepare a Preliminary Official Statement or Statements and other offering materials relating to such bond issues and to distribute copies of the same to prospective purchasers. The Preliminary Official Statements and other offering materials distributed in connection with the proposed financings shall provide on the face thereof that the terms of any financing described therein are subject to final approval by the County in the manner prescribed by the County Board, and that such financings are subject to revision or withdrawal.

The County Executive and Finance Director are hereby authorized to take any action, execute any document or give any consent which may be required to effectuate and enhance the marketing, and otherwise assist in the financings, and which may be required from time to time under this Resolution. Any such action taken, document executed or consent given by the County Executive or Finance Director shall be deemed to be an act of the County.

Section 2. Underwriting Syndicate. Based on the selection process undertaken by the County and Village, the following investment banking firms will form the syndicate for purchase and distribution of Project related bonds issued by the County and not otherwise sold at a competitive public sale:

Morgan Stanley & Co. LLC (Senior Manager/Bookrunner)

Bank of America Merrill Lynch

J.P. Morgan Securities LLC

Robert W. Baird & Co. Incorporated

Stifel, Nicolaus & Company, Incorporated

Section 3. Procurement of Services. In connection with the financings, the County Executive and Finance Director are authorized to enter into agreements with one or more firms engaged in financial services, including but not limited to rating agencies, investment bankers, bond purchasers, bond counsel, disclosure counsel, issuer's counsel, investment information service providers, bond insurers, financial market reporting providers, feasibility consultants, investment providers, trustee, escrow agent, escrow verification agent, and arbitrage consultant, to the extent determined necessary for the issuance of the bonds.

Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption.

ADD STANDARD COUNTY RESOLUTION SIGNATURE LINES