

Supervisor Aimée offered the following resolution and moved its adoption:

Baxter

RESOLUTION NO. 2024-0423A

RESOLUTION ALLOCATING USE OF PROCEEDS OF THE FERRY LINE SERVICE SYSTEM BONDS AND NOTES

BE IT RESOLVED, by the Town Board (the "Town Board") of the Town of La Pointe, Ashland County, Wisconsin (the "Town"), as follows:

Section 1. Background.

1.01 The Town on March 28, 2024, acquired the assets of Madeline Island Ferry Line, Inc. (the "Seller") including the Seller's vessels and real and personal property used in the operation of such ferry service (the "Ferry Line Facilities" or the "Project").

1.02 The Town issued the following obligations to finance the acquisition of the Ferry Line Facilities:

- A. \$5,374,000 General Obligation Promissory Note, Series 2024A dated March 21, 2024 (the "Series 2024A Note");
- B. \$5,432,000 Ferry Line Service System Revenue Bonds, Series 2024B dated March 28, 2024 (the "Series 2024B Bonds");
- C. \$3,000,000 Ferry Line Service System Note Anticipation Notes, Series 2024C dated March 21, 2024 (the "Series 2024C Notes"); and
- D. \$4,900,000 State Trust Fund Note, Series 2024D dated March 21, 2024 (the "2024D Loan").

(collectively, the "Obligations").

1.03 Pursuant to Section 1.148-6(d) of Treasury Regulations, the Town hereby makes the allocation of proceeds of the Obligations to the costs of the Project as hereinafter set forth.

1.04 The Series 2024A Note, the 2024B Bonds and the 2024C Notes have been issued as tax-exempt obligations under Section 103 of the Internal Revenue Code (the "Tax Exempt Obligations"). The 2024D Loan is issued with interest subject to federal taxation (the "Taxable Loan").

1.05 Attached as Exhibit A hereto is a list of properties, which are a portion of the Ferry Line Facilities which have private use issues and/or properties which may be sold in the future (collectively, the "Excluded Property"). The Town Board acknowledges that the Excluded Property is subject to Section 1.141-4(d) of Treasury Regulations, and is characterized as private

security, as that term is defined in Section 1.141-4(d) of Treasury Regulations, and thus is subject to the private use limitations while the property provides collateral for the Series 2024B Bonds.

Section 2. Allocation of Proceeds of the Obligations.

2.01 Allocation of Proceeds of the 2024A Note. The allocation of the proceeds of the 2024A Note is as follows:

A.	Acquisition of the Project, except for the Excluded Property	\$5,028,914.13
B.	Cost of Issuance, including Bank origination fee	95,374.00
C.	Capitalized Interest	<u>249,711.87</u>
	TOTAL	\$5,374,000.00

2.02 Allocation of Proceeds of the 2024B Bonds. The allocation of the proceeds of the 2024B Bonds is as follows:

A.	Acquisition of the Project, except for the Excluded Property	\$4,483,406.44
B.	Cost of Issuance, including Bank origination fee	157,160.00
C.	Debt Service Reserve Fund	525,000.00
D.	Capitalized Interest	<u>266,433.56</u>
	TOTAL	\$5,432,000.00

2.03 Allocation of Proceeds of the 2024C Notes. The allocation of the proceeds of the 2024C Notes is as follows:

A.	Acquisition of the Project, except for the Excluded Property	\$3,000,000.00
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2.04 Allocation of Proceeds of the 2024D Loan. The allocation of the proceeds of the 2024D Loan is as follows:

A.	Acquisition of the Project, except for the Excluded Property	\$4,147,204.43
B.	Acquisition of the Excluded Property (based on the appraised fair market value of the Excluded Property)	\$446,000.00
C.	Closing Costs, including title insurance	46,237.15
D.	Additional Costs of Project	<u>260,558.42</u>
	TOTAL	\$4,900,000.00

Section 3. Ratification of Town Agreements and Certificates. The Town Board hereby ratifies and confirms the Town's obligations as set forth in the acquisition and financing documents of the Ferry Line Facilities executed and delivered on or before March 28, 2024.

Adopted: April 23rd, 2024

Blen W. Carlson
Chair

Attest:

Alea Smith
Clerk

The motion for the adoption of the foregoing resolution was duly seconded by Supervisor Sue Brenna and, upon vote being taken thereon, the following voted in favor thereof:

all in favor

and the following voted against the same:

0

and the following were absent:

0

whereupon, the resolution was declared duly passed and adopted and was approved and signed by the Chairman, whose signature was attested by the Clerk.

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EXHIBIT A
Excluded Property

Parcel 1:

Lot Six (6), Block Twenty-six (26), Village of La Pointe, Ashland County, Wisconsin.

Tax ID Number: 014-00421-0000

Appraised Value: \$326,000

Parcel 2:

The Easterly 370 feet of the West Half of the Southeast Quarter (W1/2-SE1/4), Section Twenty-nine (29), Township Fifty (50) North, Range Three (3) West, Town of La Pointe, Ashland County, Wisconsin, lying South of Chebomnicon Road also known as County Trunk Highway "H".

Tax ID Number: 014-00195-0400

Appraised Value: \$120,000