

APPROVAL <i>Stw</i> <i>Ad</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE April 4, 2016
REPORTS & RECOMMENDATIONS	Resolution Authorizing the Issuance and Sale of \$5,935,000 General Obligation Refunding Bonds, Series 2016A	ITEM NUMBER <i>G.3.</i>

Analysis

The Common Council on March 1, 2016 approved going forward with a sale of \$5,935,000 in General Obligation Refunding Bonds, Series 2016A with the proceeds being to refund the 2007 Debt Issue.

The sale will be a competitive sale with a sale date of April 4, 2016.

Our Financial Advisor for this transaction is Dawn Gunderson of Ehlers & Associates, LLC.

Quarles and Brady prepared a sample Council resolution for review, and an updated resolution based on the results of the sale will be presented at the meeting for adoption. That sample resolution is attached.

Ms. Gunderson of Ehlers & Associates will present the results of the sale from bids opened earlier on April 4, 2016.

A copy of the preliminary Official Statement is enclosed for your information.

COUNCIL ACTION REQUESTED

Motion to adopt Resolution No. 2016 - _____ authorizing the issuance and sale of \$5,935,000 General Obligation Refunding Bonds, Series 2016A.

STATE OF WISCONSIN: CITY OF FRANKLIN: MILWAUKEE COUNTY

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
\$5,935,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016A

WHEREAS, on March 1, 2016, the Common Council of the City of Franklin, Milwaukee County, Wisconsin (the "City") adopted a resolution (the "Set Sale Resolution") authorizing the issuance of General Obligation Refunding Bonds, Series 2016A for the public purpose of paying the cost of refinancing certain outstanding obligations of the City, including interest on them, specifically, the General Obligation Refunding Bonds, dated January 3, 2007 (the "Refunded Obligations") (hereinafter the refinancing of the Refunded Obligations shall be referred to as the "Refunding");

WHEREAS, the Common Council deems it to be necessary, desirable and in the best interest of the City to refund the Refunded Obligations for the purpose of achieving debt service cost savings;

WHEREAS, cities are authorized by the provisions of Section 67.04, Wisconsin Statutes, to borrow money and issue general obligation refunding bonds (the "Bonds") to refinance their outstanding obligations;

WHEREAS, pursuant to the Set Sale Resolution, the City has directed Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell the Bonds;

WHEREAS, Ehlers, in consultation with the officials of the City, prepared a Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on April 4, 2016;

WHEREAS, the City Clerk (in consultation with Ehlers) caused a form of notice of the sale to be published and/or announced and caused the Notice of Sale to be distributed to potential bidders offering the Bonds for public sale on April 4, 2016;

WHEREAS, the City has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Notice of Sale and is deemed to be the most advantageous to the City. Ehlers has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1A. Ratification of the Notice of Sale and Offering Materials. The Common Council of the City hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Notice of Sale and any other offering materials prepared and circulated by Ehlers are hereby ratified and approved in all respects. All actions taken by officers of the City and Ehlers in connection with the preparation and distribution of the Notice of Sale, and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Award of the Bonds. The Proposal of the Purchaser offering to purchase the Bonds for the sum set forth on the Proposal, plus accrued interest to the date of delivery, resulting in a true interest cost as set forth on the Proposal is hereby accepted. The Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer until the closing of the bond issue, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Bonds shall bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Bonds. The Bonds shall be designated "General Obligation Refunding Bonds, Series 2016A"; shall be issued in the aggregate principal amount of \$5,935,000; shall be dated April 20, 2016; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on March 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest shall be payable semi-annually on March 1 and September 1 of each year commencing on September 1, 2016. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Bonds shall not be subject to optional redemption. [If the Proposal specifies that any of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in Exhibit MRP for such Bonds in such manner as the City shall direct.]

Section 4. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2016 through 2020 for the payments due in the years 2016 through 2021 in the amounts set forth on the Schedule. The amount of tax levied in the year 2016 shall be the total amount of debt service due on the Bonds in the years 2016 and 2017; provided that the amount of such tax carried onto the tax rolls shall be abated by any amounts appropriated pursuant to subsection (D) below which are applied to payment of principal of or interest on the Bonds in the year 2016.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, the City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Bonds, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Bonds when due, the requisite amounts shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

(D) Appropriation. The City hereby appropriates from amounts levied to pay debt service on the Refunded Obligations or other funds of the City on hand a sum sufficient to be irrevocably deposited in the segregated Debt Service Fund Account created below and used to pay the interest on the Bonds coming due on September 1, 2016 as set forth on the Schedule.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the City, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Refunding Bonds, Series 2016A, dated April 20, 2016" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. The City Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium not used for the Refunding which may be received by the City above the par value of

the Bonds and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Bonds until all such principal and interest has been paid in full and the Bonds canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Bonds have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the Common Council directs otherwise.

Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund. The proceeds of the Bonds (the "Bond Proceeds") (other than any premium not used for the Refunding and accrued interest which must be paid at the time of the delivery of the Bonds into the Debt Service Fund Account created above) shall be deposited into a special fund separate and distinct from all other funds of the City and disbursed solely for the purpose for which borrowed or for the payment of the principal of and the interest on the Bonds. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose for which the Bonds have been issued has been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bonds to the Purchaser which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and by the Refunded Obligations and the ownership, management and use of the projects will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

Section 10. Qualified Tax-Exempt Obligations. \$5,895,000 of the principal amount of the Bonds is deemed designated as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3)(D)(ii) of the Code and the balance of the principal amount of the Bonds is designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, and in support of such designation, the City Clerk or other officer of the City charged with the responsibility for issuing the Bonds, shall provide an appropriate certificate of the City, all as of the Closing.

Section 11. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and

contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 12. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by [_____, _____, _____], which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes] **OR** [the City Clerk or City Treasurer] (the "Fiscal Agent"). [The Fiscal Agency Agreement between the City and the Fiscal Agent shall be substantially in the form attached hereto as Exhibit F and incorporated herein by this reference.]

Section 13. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 14. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the City and on file in the City Clerk's office.

Section 16. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota at Closing for further distribution as directed by Ehlers.

Section 17. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda to be distributed to the Purchaser.

Section 18. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 19. Redemption of the Refunded Obligations. The Refunded Obligations are hereby called for prior payment and redemption on May 12, 2016 at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to work with Ehlers to cause timely notice of redemption, in substantially the form attached hereto as Exhibit [F/G] and incorporated herein by this reference (the "Notice"), to be provided at the times, to the parties and in the manner set forth on the Notice. All actions heretofore taken by the officers and agents of the City to effectuate the redemption of the Refunded Obligations are hereby ratified and approved.

Section 20. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 21. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 22. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Introduced at a regular meeting of the Common Council of the City of Franklin this 4th day of April, 2016.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this 4th day of April, 2016.

APPROVED

Stephen R. Olson, Mayor

ATTEST:

Sandra L. Wesolowski, City Clerk

(SEAL)

AYES _____ NOES _____ ABSENT _____

EXHIBIT A

Notice of Sale

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B

Bid Tabulation

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT C

Winning Bid

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-1

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

[EXHIBIT MRP

Mandatory Redemption Provision

The Bonds due on March 1, _____, _____, _____ and _____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on March 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on March 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____ (maturity)
_____	_____

For the Term Bonds Maturing on March 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____ (maturity)
_____	_____

For the Term Bonds Maturing on March 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____ (maturity)
_____	_____

For the Term Bonds Maturing on March 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____ (maturity)]
_____	_____

EXHIBIT E

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
MILWAUKEE COUNTY
NO. R- _____ CITY OF FRANKLIN \$ _____
GENERAL OBLIGATION REFUNDING BOND, SERIES 2016A

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
March 1, _____ April 20, 2016 _____ % _____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
(\$ _____)

FOR VALUE RECEIVED, the City of Franklin, Milwaukee County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on March 1 and September 1 of each year commencing on September 1, 2016 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by [_____, _____, _____] **OR** [the City Clerk or City Treasurer] (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Bond together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of \$5,935,000, all of which are of like tenor, except as to denomination, interest rate and maturity date, issued by the City pursuant to the provisions of Section 67.04, Wisconsin Statutes, for the purpose of paying the cost of refunding certain outstanding obligations of the City, all as authorized by resolutions of the Common Council duly adopted by said governing body at meetings held on March 1, 2016 and April 4, 2016. Said resolutions are recorded in the official minutes of the Common Council for said dates.

This Bond is not subject to optional redemption.

[The Bonds maturing in the years _____, _____ and _____ are subject to mandatory redemption by lot as provided in the resolution awarding the sale of the Bonds at the redemption price of par plus accrued interest to the date of redemption and without premium.]

[In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.]

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Bond and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrevocable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond is a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds [(i)] after the Record Date, [(ii)] during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or [(iii)] with respect to any particular Bond, after such Bond has been called for redemption.] The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

[This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.]

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the City of Franklin, Milwaukee County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF FRANKLIN,
MILWAUKEE COUNTY, WISCONSIN

By: _____
Stephen R. Olson
Mayor

(SEAL)

By: _____
Sandra L. Wesolowski
City Clerk

DRAFT

[Date of Authentication: _____, _____]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue authorized by the within-mentioned resolutions of the City of Franklin, Wisconsin.

_____,

By _____
Authorized Signatory]

DRAFT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company
or Securities Firm)

(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)

[EXHIBIT F

Fiscal Agency Agreement

(See Attached)]

DRAFT

EXHIBIT [F/G]

NOTICE OF FULL CALL*

Regarding

CITY OF FRANKLIN
MILWAUKEE COUNTY, WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS
DATED JANUARY 3, 2007

NOTICE IS HEREBY GIVEN that the Bonds of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called by the City for prior payment on May 12, 2016 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
03/01/17	\$1,190,000	3.80%	355185LT4
03/01/18	1,180,000	3.80	355185LU1
03/01/19	1,200,000	3.80	355185LV9
03/01/20	1,140,000	3.80	355185LW7
03/01/21	1,185,000	3.80	355185LX5

The City shall deposit federal or other immediately available funds sufficient for such redemption at the office of The Depository Trust Company on or before May 12, 2016.

Said Bonds will cease to bear interest on May 12, 2016.

By Order of the
Common Council
City of Franklin
City Clerk

Dated _____

* To be provided by registered or certified mail, overnight express delivery, facsimile transmission or electronic transmission to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days nor more than sixty (60) days prior to May 12, 2016 and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org. Notice shall also be provided to MBIA Insurance Corporation, or any successor, the bond insurer of the Bonds.

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The Bonds will be "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

Rating Application Made: Moody's Investors Service

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 28, 2016

**CITY OF FRANKLIN, WISCONSIN
(Milwaukee County)**

\$5,935,000*GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016A

BID OPENING: April 4, 2016, 10:00 AM, C.T.

CONSIDERATION: April 4, 2016, 6:30 PM, C.T.

PURPOSE/AUTHORITY/SECURITY: The \$5,935,000* General Obligation Refunding Bonds, Series 2016A (the "Bonds") are authorized pursuant to Chapter 67, Wisconsin Statutes, by the City of Franklin, Wisconsin (the "City"), for the purpose of current refunding certain outstanding obligations of the City as more fully described herein. The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: April 20, 2016

MATURITY: March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2017	\$1,265,000	2019	\$1,205,000	2021	\$1,130,000
2018	1,220,000	2020	1,115,000		

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: September 1, 2016 and semiannually thereafter.

OPTIONAL REDEMPTION: The Bonds are being offered without option of prior optional redemption.

MINIMUM BID: \$5,905,325.

MAXIMUM BID: \$6,231,750.

GOOD FAITH DEPOSIT: A cashier's check in the amount of \$118,700 may be submitted contemporaneously with the bid or, alternatively, a good faith deposit shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: To be named by the City.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and Syndicate Manager and Syndicate Members, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as defined in S.E.C. Rule 15c2-12.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. *This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.*

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers & Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the City. Compensation of Ehlers & Associates, Inc., payable entirely by the City, is contingent upon the sale of the issue.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers & Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Upon award of sale of the Bonds, the Preliminary Official Statement together with any previous addendum of corrections or additions will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and Syndicate Manager and Syndicate Members, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as defined in the Rule. Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the Bonds are required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bond, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of the application Treasury Regulations.

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COMMON COUNCIL

		<u>Term Expires</u>
Stephen R. Olson	Mayor	April 2017
Kristen Wilhelm	Common Council President	April 2017
Mark A. Dandrea	Aldersperson	April 2016
Daniel Mayer	Aldersperson	April 2016
Steve F. Taylor	Aldersperson	April 2017
Doug Schmidt	Aldersperson	April 2016
Susanne Mayer	Aldersperson	April 2017

ADMINISTRATION

Mark Luberda, Director of Administration

Paul Rotzenberg, Director of Finance & Treasurer

Sandra L. Wesolowski, Director of Clerk Services/City Clerk

PROFESSIONAL SERVICES

Jesse Wesolowski, City Attorney, Franklin, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

Ehlers & Associates, Inc., Municipal Advisors, Pewaukee, Wisconsin
(Other offices located in Roseville, Minnesota, Chicago, Illinois and Denver, Colorado)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Franklin, Wisconsin (the "City") and the issuance of its \$5,935,000* General Obligation Refunding Bonds, Series 2016A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution awarding the sale of the Bonds (the "Award Resolution") to be adopted by the Common Council on April 4, 2016.

Inquiries may be directed to Ehlers & Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Pewaukee, Wisconsin, (262) 785-1520, the City's Municipal Advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the link to the Bond Sales and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of April 20, 2016. The Bonds will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing September 1, 2016, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City will select a bank or trust company or an officer of the City to act as paying agent (the "Paying Agent"). If the City selects a bank or trust company, the City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and appoint a successor.

OPTIONAL REDEMPTION

The Bonds are being offered without option of prior optional redemption.

AUTHORITY; PURPOSE

The Bonds are authorized pursuant to Chapter 67, Wisconsin Statutes, for the purpose of current refunding the City's outstanding General Obligation Refunding Bonds, dated January 3, 2007 (the "2007 Bonds"), as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Principal to be Refunded
2007 Bonds	01/03/07	05/12/16	Par	2017 2018 2019 2020 2021	\$1,190,000 1,180,000 1,200,000 1,140,000 <u>1,185,000</u>
Total 2007 Bonds Being Refunded					<u>\$5,895,000</u>

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	\$5,935,000	
Transfers from 2007 Bonds Debt Service Funds	90,084.33	
Total Sources		\$6,025,084.33

Uses

Refunding Costs	\$5,939,180	
Contingency	1,766	
Discount Allowance	29,675	
Finance Related Expenses	54,464	
Total Uses		\$6,025,084.33

*Preliminary, subject to change

SECURITY

For the prompt payment of the Bonds with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the City will be irrevocably pledged. The City will levy a direct, annual, irrevocable tax on all taxable property in the City sufficient to pay the interest on the Bonds when it becomes due and also to pay and discharge the principal on the Bonds at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

General obligation debt of the City is currently rated "Aa1" by Moody's Investor Service.

The City has requested a rating on this issue from Moody's Investors Service, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's Investors Service. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgement of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the Underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the City shall covenant to take certain actions pursuant to the Award Resolution adopted by the Common Council by entering into a Continuing Disclosure Certificate (the "Disclosure Undertaking") for the benefit of holders, including beneficial holders. The Disclosure Undertaking requires the City to provide electronically or in the manner otherwise prescribed certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule. The details and terms of the Disclosure Undertaking for this issue are set forth in Appendix D to be executed and delivered by the City at the time of delivery of the Bonds. Such Disclosure Undertaking will be in substantially the form attached hereto.

The current general fund budget summaries due on September 27, 2011 and September 27, 2012 were not filed until May 17, 2012 and May 30, 2013, respectively. Except to the extent the preceding is deemed to be material, in the past five years the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on this issue or any issue outstanding. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. Ehlers is currently engaged as disclosure dissemination agent for the City.

The City will file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system or any system that may be prescribed in the future. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding) (See "FORM OF LEGAL OPINION" found in the Appendix B).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Bonds under existing law substantially in the following form:

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Bonds is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds will be "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor can not participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a Municipal Advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin and Illinois to transact the business of a limited purpose Trust Company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2014 have been audited by CliftonLarsonAllen, LLP, Milwaukee, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to the Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of the Bonds may fall for purposes of resale. Noncompliance by the City with the covenants in the Award Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse affect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the first Monday in May. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in May.

CURRENT PROPERTY VALUATIONS

2015 Equalized Value	\$3,649,185,900
2015 Equalized Value Reduced by Tax Increment Valuation	\$3,522,081,700
2015 Assessed Value with Tax Increment Valuation	\$3,396,543,100

2015 EQUALIZED VALUE BY CLASSIFICATION

	2015 Equalized Value	Percent of Total Equalized Value
Residential	\$ 2,628,835,800	72.039%
Commercial	759,864,000	20.823%
Manufacturing	145,556,400	3.989%
Agricultural	806,800	0.022%
Undeveloped	5,643,000	0.155%
Ag Forest	205,200	0.006%
Forest	486,000	0.013%
Other	16,690,000	0.457%
Personal Property	91,098,700	2.496%
Total	<u>\$ 3,649,185,900</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2011	\$ 3,645,710,088	\$ 3,676,379,700	0.16%
2012	3,653,210,788	3,524,105,900	-4.14%
2013	3,359,728,100	3,414,276,600	-3.12%
2014	3,364,592,800	3,589,694,100	5.14%
2015	3,396,543,100	3,649,185,900	1.66%

Source: Wisconsin Department of Revenue, Bureau of Equalization.

¹ Includes tax increment valuation ("TID IN")

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2015 Estimated Equalized Value¹	Percent of City's Total Equalized Value
Northwestern Mutual	Insurance services	\$ 129,495,312	3.55%
Wal-Mart	Retailer	29,880,531	0.82%
Wheaton Health Care Systems	Medical facilities	28,532,931	0.78%
VTLC Development	Packaging manufacturer	28,516,542	0.78%
Whitnall Pointe Apartments	Apartments	21,807,547	0.60%
Manchester Oaks	Apartments	20,878,094	0.57%
Baptista Bakery, Inc.	Manufacturing	15,832,088	0.43%
Menard Inc.	Retailer	14,489,556	0.40%
HTA - Wisconsin Mob 2 LLC	Medical facilities	13,888,215	0.38%
Franklin Wyndham, LLC	Land held for development	13,801,631	0.38%
Total		\$ 317,122,447	8.69%
City's Total 2015 Equalized Value (TID IN)		\$3,649,185,900	

Source: City of Franklin, Wisconsin

¹ Estimated by dividing the 2015 Assessed Values by the ratio of 2015 Assessed Value to 2015 Equalized Value for the City.

DEBT

DIRECT DEBT¹ (includes the Bonds)

General Obligation Debt (see schedules following)

Total General Obligation Debt*	<u>\$ 33,947,276</u>
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*Preliminary, subject to change

¹ Outstanding debt is as of the dated date of the Bonds and refunding of the 2007 Bonds.

City of Franklin, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt
(As of April 20, 2016)

Fiscal Year Ending	GO Sewerage System Promissory Notes, Series 2012		GO Notes, Series 2014A		GO Water System Bonds, Series 2014B		GO Refunding Bonds, Series 2016A		Total Principal*	Total Interest*	Principal & Interest*	Principal Outstanding*	Principal % Paid	Year
	Dated Amount	Maturity	12/18/2012 \$24,365,423	5/1	12/18/2014 \$5,320,000	3/1	12/18/2014 \$1,290,000	3/1						
2016	1,157,048		536,193		61,544		16,794		1,157,048	636,552	1,793,600	32,790,228	3.41%	2016
2017	1,185,535		507,356		95,988		33,038		4,325,535	690,928	5,016,463	28,464,683	16.15%	2017
2018	1,214,723		477,809		51,568		31,998		3,628,723	604,699	4,234,421	24,834,970	26.84%	2018
2019	1,244,629		447,534		32,838		30,838		2,669,629	543,059	3,212,688	22,165,341	34.71%	2019
2020	1,275,272		416,514		29,163		29,738		2,625,272	495,106	3,120,378	19,540,069	42.44%	2020
2021	1,305,669		384,730		25,113		28,288		2,676,669	444,910	3,121,579	16,863,400	50.32%	2021
2022	1,336,899		352,164		19,319		25,488		1,793,899	397,970	2,191,810	15,129,560	55.43%	2022
2023	1,371,802		318,796		11,838		24,688		1,761,802	355,321	2,117,123	13,367,759	60.62%	2023
2024	1,405,575		284,606		11,838		22,868		1,790,575	311,556	2,102,132	11,577,184	65.90%	2024
2025	1,440,181		249,575		4,063		21,013		1,505,181	270,588	1,775,768	10,072,003	70.33%	2025
2026	1,475,638		213,662				19,063		1,540,638	232,744	1,773,382	8,531,365	74.87%	2026
2027	1,511,968		176,904				17,113		1,576,968	194,017	1,770,985	6,954,397	79.51%	2027
2028	1,549,193		139,221				15,088		1,619,193	154,309	1,773,501	5,335,204	84.29%	2028
2029	1,587,334		100,611				12,988		1,667,334	113,598	1,770,932	3,677,870	89.17%	2029
2030	1,626,414		61,049				10,813		1,701,414	71,862	1,773,276	1,976,466	94.16%	2030
2031	1,666,466		20,514				8,516		1,741,466	29,030	1,770,486	235,000	99.31%	2031
2032							6,172		75,000	6,172	81,172	160,000	99.53%	2032
2033							3,750		80,000	3,750	83,750	80,000	99.76%	2033
2034							1,250		80,000	1,250	81,250	0	100.00%	2034
	22,357,276		4,687,257		331,550		360,457		33,947,276	5,557,420	39,504,696			

*Preliminary, subject to change

(1) Mandatory redemption amounts

DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$ 3,649,185,900
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 182,459,295
Less: General Obligation Debt*	<u>(33,947,276)</u>
Unused Debt Limit*	<u><u>\$ 148,512,019</u></u>

*Preliminary, subject to change

OVERLAPPING DEBT¹

Taxing District	2015 Equalized Value	% In City	Total G.O. Debt ²	City's Proportionate Share
Milwaukee County	\$ 58,553,179,100	6.23%	\$662,419,246	\$ 41,268,719
Milwaukee Area Technical College District	72,680,645,252	5.02%	113,325,000	5,688,915
Franklin Public School District	2,695,113,010	100.00%	31,360,000	31,360,000
Oak Creek/Franklin Joint School District	3,735,734,597	19.59%	95,215,000	18,652,619
Whitnall School District	1,614,569,712	13.77%	225,000	30,983
Milwaukee Metro Sewer District	57,445,674,300	6.35%	954,550,006	<u>60,613,925</u>
City's Share of Total Overlapping Debt				<u><u>\$ 157,615,161</u></u>

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

² Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

DEBT RATIOS*

	G.O. Debt	Debt/Equalized Value \$3,649,185,900	Debt/ Per Capita 35,655¹
Total General Obligation Debt*	\$ 33,947,276	0.93%	\$ 952.10
City's Share of Total Overlapping Debt*	<u>157,615,161</u>	<u>4.32%</u>	<u>4,420.56</u>
Total*	\$ 191,562,437	5.25%	\$ 5,372.67

*Preliminary, subject to change

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

In the next 12 months, the City plans to enter into an additional financing for approximately \$1,000,000 to finance 2016 budgeted capital projects and the City may enter into an additional financing to finance an economic development project.

¹ Estimated 2015 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only ¹	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2011/12	\$20,467,000	99.98%	\$5.74
2012/13	20,509,000	99.80%	5.99
2013/14	20,509,000	99.91%	6.19
2014/15	20,509,000	99.92%	5.90
2015/16	20,509,000	In Process	5.82

Property tax statements are distributed to taxpayers by the town, village, and city clerks in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. The City has adopted a payment plan which provides that real property taxes are to be paid in full on January 31 or in installments with one-half of the taxes due on January 31, twenty-five percent due on March 31 and the remainder due on May 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has

¹ Amounts shown are net of offsets in the City's levies for its General Obligation Sewerage System Promissory Notes, Series 2012, dated January 25, 2012 (the "2012 Notes") and General Obligation Water System Bonds, Series 2014B, dated December 18, 2014 (the "2014B Notes"). The City uses revenues under an intergovernmental agreement and revenues from the City's water utility offset the debt service for the 2012 Notes and 2014B Notes, respectively. The actual amount of these offsetting revenues is not guaranteed. Under State law, the City is required to levy an amount sufficient to meet the debt service on its outstanding general obligation debt, but such levy may be abated by the use of such offsetting revenues, if and to the extent available. If such revenues are not available in the future, the City would be required to levy for the full amount of such debt service, but such levies would be outside of the City's levy limits as general obligation debt. See "LEVY LIMITS" herein.

ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax incremental valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools ¹	County	Local	Other ²	Total Full Value Effective Rate ³
2011/12	\$12.87	\$4.72	\$5.74	\$1.64	\$23.94
2012/13	13.67	5.05	5.99	1.80	25.39
2013/14	14.27	5.13	6.19	1.88	26.35
2014/15	12.97	5.10	5.90	1.89	24.82
2015/16	13.06	5.13	5.82	1.92	24.73

Source: Property Tax Rates were extracted from Final Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the

¹ The Schools tax rate reflects the composite rate of all local school districts and the technical college district.

² Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included.

³ Property tax less state property tax credit (not including lottery credit).

maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Bonds were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Bonds.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1956 and is governed by a Mayor and a 6-member Common Council. The Mayor does not vote except in the case of a tie. All Council Members are elected to three-year terms. The appointed City Clerk is responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City has 199 full-time and 43 part-time employees. The City maintains three pension plans covering three separate groups of employees. Public safety employees are covered by the Wisconsin Retirement System, public works & utility employees are covered by a separate defined benefit plan and all other general government employees by a defined contribution plan.

All eligible public safety City employees participate in the Wisconsin Retirement System ("WRS"), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All Public Safety employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All Public Safety employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Prior to June 29, 2011, covered employees in the Protective Occupation were required by statute to contribute 5.8% of their salary, 5.8% for Protective Occupations with Social Security. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, and Executives and Elected Officials. Required contributions for protective employees are the same as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Employers may not make these contributions to the plan on behalf of the protective occupation employees unless provided for by an existing collective bargaining agreement. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Contribution rates for 2016 are as follows:

	<u>2016</u>	
	<u>Employee</u>	<u>Employer</u>
Protective with Social Security	6.60%	10.01%

The payroll for City employees covered by WRS for the year ended December 31, 2015 was \$8,459,850; the City's total payroll was \$15,083,189. The total required contribution for the year ended December 31, 2015 was \$1,516,851, or 17.93% of covered payroll. \$575,270 was paid by employees while \$941,581 was paid by the City.

Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing the base wages only by any increase in the previous year's consumer price index (unless the City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Police	December 31, 2015*
Fire	December 31, 2015*

*In negotiation

Other Pension Benefits

The City provides other pension benefits to public works employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer defined benefit plan. The amount of such benefits are based on years of service and average compensation. Membership of the plan consisted of 17 retirees receiving benefits, 5 terminated vested retirees and 32 active plan members as of January 1, 2015, the date of the latest actuarial valuation.

Pension benefit calculations are required to be updated every two years and prepared in accordance with Governmental Accounting Standards Board Statement No. 68 ("GASB 68"). An actuarial study for the plan was most recently completed by The Principal Financial Group with an actuarial valuation date of January 1, 2015 (the "Pension Actuarial Report").

Prior to the implementation of GASB 68, the City was required to expense the estimated yearly cost of providing post-retirement benefits and such annual accrual expense is referred to as the "annual required contribution" ("ARC"). As shown in the City's audited financial statements for the year ended December 31, 2014 ("Fiscal Year 2014"), the City's ARC for Fiscal Year 2014 was \$293,632. For Fiscal Year 2014, contributions to the plan totaled \$293,632, which was 100% of the ARC. Under GASB 68, an actuarially determined contribution ("ADC") is calculated in lieu of an ARC as a target or recommended contribution to the plan for the reporting period, determined in conformity with actuarial standards based on the most recent measurement available. As shown in the Pension Actuarial Report, the

City's ADC for the year ended December 31, 2015 has been calculated as \$339,927. The City's current funding practice has been to fully fund ARC, and the City's expects to fully fund the ADC going forward.

As shown in the Pension Actuarial Report, as of January 1, 2015, the actuarial accrued liability for benefits was \$8,013,087 and the actuarial value of assets was \$6,868,528, resulting in an unfunded actuarial accrued liability ("UAAL") of \$1,144,559 and a funded ratio of actuarial value of assets to actuarial accrued liability (the "Funded Ratio") of 85.7%.

For more information, see Note 4(A) in "Appendix A —Financial Statements." The Pension Actuarial Report is available upon request.

The City also provides a defined contribution pension plan benefit to eligible non-protective employees (other than public works employees). Eligibility begins after six months of employment with the City. Employees are required to make contributions of 5% of wages. For Fiscal Year 2015, the City contributed \$198,434 and employees contributed \$198,434 to the plan. For more information, see Note 4(B) in "Appendix A —Financial Statements."

OTHER POST EMPLOYMENT BENEFITS

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to former employees and their dependents through a single-employer defined benefit plan. Membership of the plan consisted of 24 retirees receiving benefits and 178 active plan members as of December 15, 2015. Eligible retirees may continue to participate in the City's group health plan. The City contributes a fixed portion of the premiums determined at retirement based on the employment category of retiree, and the retiree is responsible for paying the balance of the premiums.

OPEB calculations are required to be updated every two years and prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. An actuarial study was last completed for the plan by Actuarial & Health Care Solutions, LLC in December 2015 with an actuarial valuation date of January 1, 2016 (the "OPEB Actuarial Report").

As shown in the City's audited financial statements for Fiscal Year 2014, the City's ARC for Fiscal Year 2014 was \$551,716. For the year ended December 31, 2014, contributions to the plan totaled \$551,716, which was 100% of the ARC. The City's current funding practice is to fully fund the ARC.

The plan Funded Ratio as of the most recent actuarial valuation date, January 1, 2016, was 78.0%. As of January 1, 2016, the actuarial accrued liability was \$5,815,218 and the actuarial value of assets was \$4,537,189, resulting in an UAAL of \$1,278,029.

For more information, see Note 4(C) in "Appendix A —Financial Statements." The OPEB Actuarial Report is available upon request.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Bonds.

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Bonds would not occur.

FUNDS ON HAND (as of January 31, 2016)

Fund	Total Cash and Investments
General	\$ 10,964,030
Special Revenue	3,274,899
Debt Service	2,009,629
Capital Projects	16,921,316
Enterprise Funds	2,631,890
Internal Service Funds	2,577,073
Fiduciary Funds	4,403,926
Total Funds on Hand	<u>\$ 42,782,763</u>

ENTERPRISE FUNDS

Revenues available for debt service for the City's enterprise fund have been as follows as of December 31 each year:

	2012	2013	2014
Water			
Total Operating Revenues	\$ 5,361,646	\$ 5,403,994	\$ 5,421,719
Less: Operating Expenses	<u>(5,064,149)</u>	<u>(5,046,704)</u>	<u>(5,055,935)</u>
Operating Income	\$ 297,497	\$ 357,290	\$ 365,784
Plus: Depreciation	1,061,625	1,097,315	1,097,571
Interest Income/(Loss)	<u>(1,808)</u>	<u>(5,289)</u>	<u>(4,504)</u>
Revenues Available for Debt Service	<u>\$ 1,357,314</u>	<u>\$ 1,449,316</u>	<u>\$ 1,458,851</u>
Sanitary Sewer			
Total Operating Revenues	\$3,142,062	\$ 3,243,737	\$ 3,266,897
Less: Operating Expenses	<u>(3,343,149)</u>	<u>(3,550,443)</u>	<u>(3,593,796)</u>
Operating Income	\$ (201,087)	\$ (306,706)	\$ (326,899)
Plus: Depreciation	642,839	650,060	661,745
Interest Income	<u>320,477</u>	<u>574,733</u>	<u>646,731</u>
Revenues Available for Debt Service	<u>\$ 762,229</u>	<u>\$ 918,087</u>	<u>\$ 981,577</u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund for the fiscal years shown below. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete audited financial statements are available upon request. See Appendix A for the City's 2014 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2012 Audited	2013 Audited	2014 Audited	2015 Unaudited ¹	2016 Adopted Budget ²
Revenues					
Taxes	\$ 16,913,739	\$ 17,078,994	\$ 16,926,045	\$ 16,994,208	\$ 17,033,800
Intergovernmental revenue	2,802,048	2,571,374	2,536,187	2,775,350	2,321,200
Licenses and permits	755,027	912,357	808,302	669,366	843,550
Fines, forfeitures and penalties	457,499	411,795	421,976	483,346	440,000
Public charges for services	1,414,592	1,473,039	1,367,737	1,541,244	1,544,975
Intergovernmental charges for services	103,615	162,308	136,372	192,189	203,200
Investment earnings	213,200	(11,514)	290,132	242,208	205,200
Miscellaneous revenues	167,413	156,414	143,014	155,758	163,900
Total Revenues	\$ 22,827,133	\$ 22,754,767	\$ 22,629,765	\$ 23,053,669	\$ 22,755,825
Expenditures					
Current:					
General government	\$ 2,631,412	\$ 2,709,182	\$ 2,786,740	\$ 2,720,510	\$ 3,166,630 ³
Public safety	16,384,500	15,447,159	15,367,022	15,982,508	16,128,832
Public works	3,354,749	3,386,737	3,560,384	3,046,335	3,612,003
Health and human services	633,018	635,959	633,964	620,906	684,191
Culture, recreation and education	160,840	150,887	163,000	190,279	191,911
Conservation and development	377,644	360,649	355,354	568,380	579,858
Total Expenditures	\$ 23,542,163	\$ 22,690,573	\$ 22,866,464	\$ 23,128,918	\$ 24,363,425
Excess of revenues over (under) expenditures	\$ (715,031)	\$ 64,194	\$ (236,699)	\$ (75,249)	\$ (1,607,600)
Other Financing Sources (Uses)					
Operating transfers in	1,340,293	1,325,220	1,112,244	1,044,460	1,100,000
Operating transfers out	(244,000)	(109,982)	(24,000)	(574,000)	(1,200,000)
Total Other Financing Sources (Uses)	\$ 1,096,293	\$ 1,215,238	\$ 1,088,244	\$ 470,460	\$ (100,000)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 381,262	\$ 1,279,432	\$ 851,545	\$ 395,211	\$ (1,707,600)
General Fund Balance January 1	6,120,873	6,502,135	7,781,567	8,633,112	9,028,323
General Fund Balance December 31	\$ 6,502,135	\$ 7,781,567	\$ 8,633,112	\$ 9,028,323	\$ 7,320,723
DETAILS OF DECEMBER 31 FUND BALANCE					
Reserved	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved:					
Designated	0	0	0	0	0
Undesignated	0	0	0	0	0
Nonspendable	62,936	550,906	2,277,071	2,214,168	2,214,168
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	0	207,270	146,036	0
Unassigned	6,439,199	7,230,661	6,148,771	6,668,119	5,106,555
Total	\$ 6,502,135	\$ 7,781,567	\$ 8,633,112	\$ 9,028,323	\$ 7,320,723

¹ Unaudited data is as of December 31, 2015.

² The 2016 budget was adopted on November 17, 2016.

³ 2016 Budget includes \$375,000 restricted contingency.

GENERAL INFORMATION

LOCATION

The City of Franklin, with a 2010 U.S. Census population of 35,451, and a current estimated population of 35,655, comprises an area of 34.5 square miles and is located in the southwest corner of Milwaukee County.

LARGER EMPLOYERS

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Northwestern Mutual	Insurance/investment services	3,230
Wheaton Franciscan Healthcare	Medical and surgical hospital	798
Franklin Public Schools	K-12 education	550
Krones, Inc.	High speed labeling/filler machines	509
Milwaukee County Corrections South	Government	361
Baptista's Bakery	Commercial bakery	388
General Automotive Mfg	Off-road engine components manufacturing	323
Wal-Mart	Retailer	272
Conway Trucking	Animal processing	256
Carlisle Interconnect Technologies	Wire harnesses	255

Source: *ReferenceUSA, written and telephone survey (February 2016), Franklin 2014 CAFR.*

BUILDING PERMITS

	2012	2013	2014	2015
<u>New Single Family Homes</u>				
No. of building permits	52	56	33	27
Valuation	\$12,472,659	\$16,718,795	\$10,688,902	\$10,899,139
<u>New Multiple Family Buildings</u>				
No. of building permits	1	8	9	7
Valuation	\$1,500,000	\$2,774,000	\$4,092,000	\$2,555,000
<u>New Commercial/Industrial</u>				
No. of building permits	3	13	51	32
Valuation	\$3,223,983	\$2,236,192	\$14,382,700	\$3,862,100
<u>All Building Permits</u> <i>(including additions and remodelings)</i>				
No. of building permits	2,617	2,775	2,905	2,930
Valuation	\$63,450,286	\$87,274,798	\$41,246,443	\$46,611,505

Source: the City

U.S. CENSUS DATA

Population Trend: City of Franklin

2000 U.S. Census	29,494
2010 U.S. Census	35,451
2015 Estimated Population	35,655
Percent of Change 2000 - 2010	+ 20.20%

Income and Age Statistics

	City of Franklin	Milwaukee County	State of Wisconsin	United States
2014 per capita income	\$34,377	\$24,622	\$27,907	\$28,555
2014 median household income	\$73,122	\$43,385	\$52,738	\$53,482
2014 median family income	\$91,721	\$55,213	\$67,232	\$65,443
2014 median gross rent	\$948	\$802	\$772	\$920
2014 median value owner occupied units	\$226,500	\$154,400	\$165,900	\$175,700
2014 median age	40.8 yrs.	34.0 yrs.	38.8 yrs.	37.4 yrs.

	State of Wisconsin	United States
City % of 2014 per capita income	123.18%	120.39%
City % of 2014 median family income	136.42%	140.15%

Housing Statistics

	<u>City of Franklin</u>		
	2010	2014	Percent of Change
All Housing Units	13,000	13,794	6.11%

Source: 2000 and 2010 Census of Population and Housing, and 2014 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (www.factfinder2.census.gov).

EMPLOYMENT/UNEMPLOYMENT DATA

Year	<u>Average Employment</u>		<u>Average Unemployment</u>		
	City	Milwaukee County	City	Milwaukee County	State of Wisconsin
2011	16,823	433,336	6.9%	9.3%	7.8%
2012	16,917	435,440	6.3%	8.6%	7.0%
2013	17,243	439,536	6.2%	8.4%	6.8%
2014	14,547	447,273	5.0%	7.0%	5.5%
2015,	17,707	451,371	4.0%	5.2%	4.2%

Source: Wisconsin Department of Workforce Development.

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the auditor, to the extent and for the periods indicated thereon. The City has not requested the auditor to perform any additional examination, assessments or evaluation with respect to such financial statements since the date thereof, nor has the City requested that the auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

SEE
2014
COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

FORM OF LEGAL OPINION

Quarles & Brady LLP
 411 East Wisconsin Avenue
 Milwaukee, WI 53202

April 20, 2016

Re: City of Franklin, Wisconsin ("Issuer")
 \$5,935,000 General Obligation Refunding Bonds, Series 2016A,
 dated April 20, 2016 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2017	\$1,265,000	____%
2018	1,220,000	____
2019	1,205,000	____
2020	1,115,000	____
2021	1,130,000	____

Interest is payable semi-annually on March 1 and September 1 of each year commencing on September 1, 2016.

The Bonds are not subject to optional redemption.

[The Bonds maturing in the years _____, _____ and _____ are subject to mandatory redemption by lot as provided in the resolution awarding the sale of the Bonds at the redemption price of par plus accrued interest to the date of redemption and without premium.]

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.

3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Bonds is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Franklin, Milwaukee County, Wisconsin (the "Issuer") in connection with the issuance of \$5,935,000 General Obligation Refunding Bonds, Series 2016A, dated April 20, 2016 (the "Securities"). The Securities are being issued pursuant to Resolutions adopted by the Governing Body of the Issuer on March 1, 2016 and April 4, 2016 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Preliminary Official Statement dated March 28, 2016 (as supplemented by an Addendum dated April 5, 2016) delivered in connection with the Securities, which is available from the MSRB.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of Franklin, Wisconsin which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Clerk of the Issuer who can be contacted at 9229 West Loomis Road, Franklin, Wisconsin 53132, phone (414) 425-7500, fax (414) 427-7627.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year that ended December 31, 2015, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 20th day of April, 2016.

Stephen R. Olson
Mayor

(SEAL)

Sandra L. Wesolowski
City Clerk

NOTICE OF SALE

**\$5,935,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016A
CITY OF FRANKLIN, WISCONSIN**

Bids for the purchase of \$5,935,000* General Obligation Refunding Bonds, Series 2016A (the "Bonds") of the City of Franklin, Wisconsin (the "City") will be received at the offices of Ehlers & Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Municipal Advisors to the City, until 10:00 AM, Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 AM Central Time, on April 4, 2016, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 6:30 PM, Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are authorized pursuant to Chapter 67, Wisconsin Statutes, by the City of Franklin, Wisconsin (the "City"), for the purpose of financing a current refunding of certain outstanding general obligations of the City as more fully described herein. The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated April 20, 2016, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2017	\$1,265,000	2019	\$1,205,000	2021	\$1,130,000
2018	1,220,000	2020	1,115,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on March 1 and September 1 of each year, commencing September 1, 2016, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City will select a bank or trust company or an officer of the City to act as paying agent (the "Paying Agent"). If the City selects a bank or trust company, the City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and appoint a successor.

OPTIONAL REDEMPTION

The Bonds are being offered without option of prior optional redemption.

DELIVERY

On or about April 20, 2016, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of

the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

SUBMISSION OF BIDS

Bids must not be for less than \$5,905,325 nor more than \$6,231,750 plus accrued interest on the principal sum of \$5,935,000 from date of original issue of the Bonds to date of delivery. A signed bid form must be submitted to Ehlers prior to the time established above for the opening of bids as follows:

- 1) In a sealed envelope as described herein; or
- 2) A facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or
- 3) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 AM Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A cashier's check in the amount of \$118,700 may be submitted contemporaneously with the bid or, alternatively, a good faith deposit in the amount of \$118,700 shall be made by the winning bidder by wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. Such good faith deposit ("Deposit") shall be received by Ehlers no later than two hours after the bid opening time. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. The Deposit will be returned to the Purchaser at the closing for the Bonds.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

<p style="text-align: center;">APPROVAL</p> <p style="text-align: center;"><i>Slw</i></p>	<p style="text-align: center;">REQUEST FOR COUNCIL ACTION</p>	<p style="text-align: center;">MEETING DATE</p> <p style="text-align: center;">04/04/16</p>
<p style="text-align: center;">REPORTS & RECOMMENDATIONS</p>	<p style="text-align: center;">ORDINANCE TO AMEND SECTION 15-3.0418 OF THE UNIFIED DEVELOPMENT ORDINANCE PLANNED DEVELOPMENT DISTRICT NO. 13 (WAL-MART/SAM'S WHOLESALE CLUB) TO ALLOW FOR ZERO FOOT INTERIOR PROPERTY LINES SETBACKS FOR BUILDING AND PARKING LOT SETBACKS (6803, 6805 AND 6807 SOUTH 27TH STREET) (WS FRANKLIN LLC, APPLICANT)</p>	<p style="text-align: center;">ITEM NUMBER</p> <p style="text-align: center;"><i>G.4.</i></p>

At their meeting on March 17, 2016, the Plan Commission recommended approval of an ordinance to amend Section 15-3.0418 of the Unified Development Ordinance Planned Development District No. 13 (Wal-Mart/Sam's Wholesale Club) to allow for zero foot interior property lines setbacks for building and parking lot setbacks, with a revision to the draft ordinance that the requirement for the cross-access easement to be obtained be replaced with a provision that cross-access must be maintained between and among the properties within PDD No. 13 (6803, 6805 and 6807 South 27th Street) (WS Franklin LLC, Applicant).

The attached ordinance has been revised per the Plan Commission motion. Furthermore, the condition below was removed from the draft Certified Survey Map resolution.

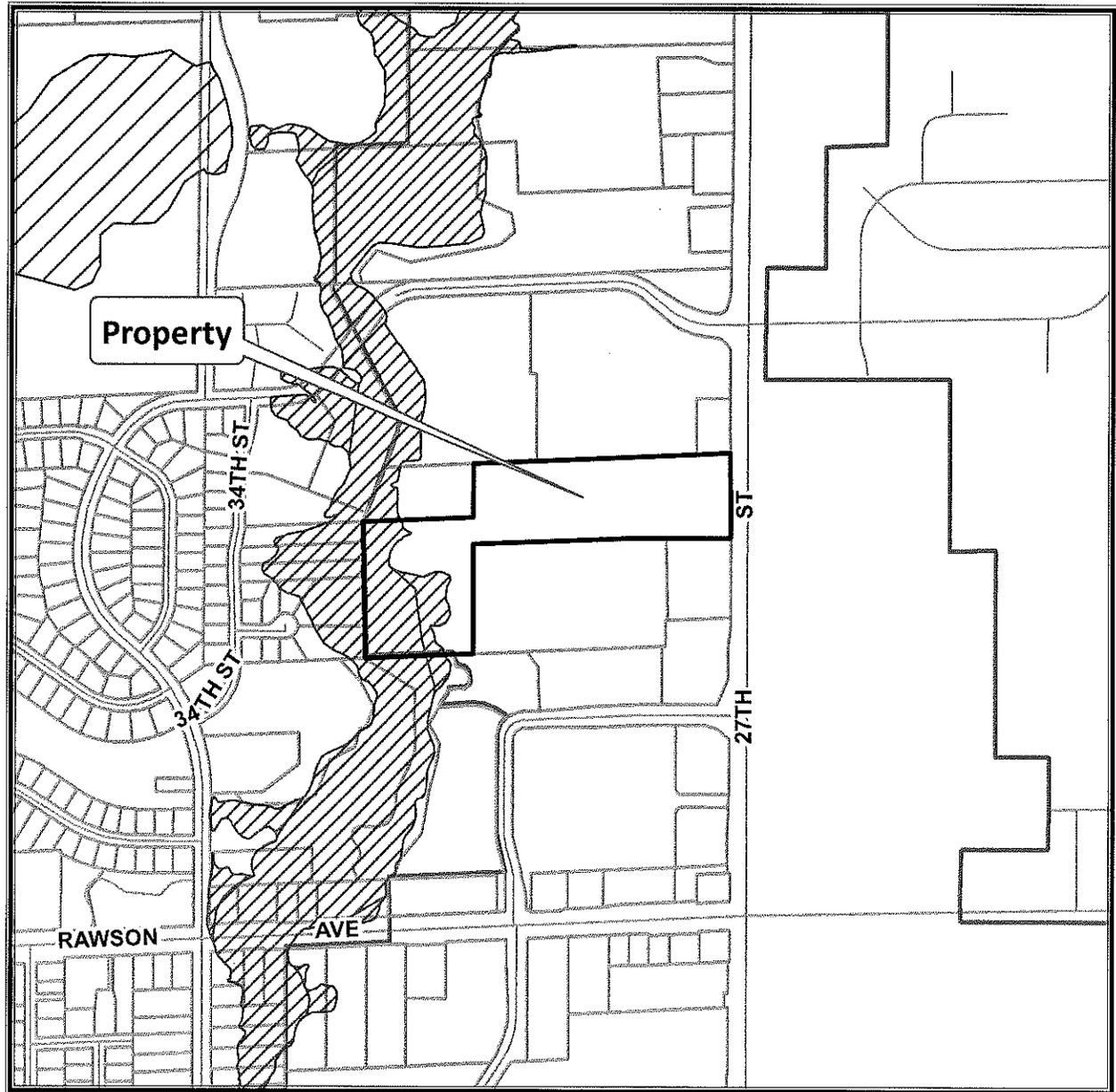
The applicant shall record a Cross-Access Easement Agreement allowing access from the Wal-Mart property to the north to enter upon their property.

COUNCIL ACTION REQUESTED

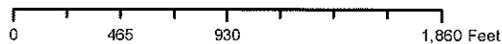
A motion to approve Ordinance No. 2016-_____, an ordinance to amend Section 15-3.0418 of the Unified Development Ordinance Planned Development District No. 13 (Wal-Mart/Sam's Wholesale Club) to require that cross-access shall be maintained between and among properties zoned Planned Development District No. 13 and to allow for zero foot interior property lines setbacks for building and parking lot setbacks (6803, 6805 and 6807 South 27th Street) (WS Franklin LLC, Applicant).



6803-6805-6807 South 27th Street
TKN 738-9974-006



Planning Department
(414) 425-4024



This map shows the approximate relative location of property boundaries but was not prepared by a professional land surveyor. This map is provided for informational purposes only and may not be sufficient or appropriate for legal, engineering, or surveying purposes.





CITY OF FRANKLIN

REPORT TO THE PLAN COMMISSION

Meeting of March 17, 2016

Condominium Plat, Certified Survey Map, Land Division Variance and Planned Development District Amendment

RECOMMENDATION: City Development Staff recommends approval of the proposed Condominium Plat, Certified Survey Map, Land Division Variance and Planned Development District Amendment, subject to the conditions in the draft resolutions.

Project Name: 6803, 6805 & 6807 S. 27th Street Condominium Plat, Certified Survey Map, Land Division Variance and Planned Development District Amendment

Project Address: 6803, 6805 & 6807 S. 27th Street

Applicant: Victor Michel, WS Franklin LLC

Owners (property): GENEVA ASHX I LLC (22.46%) ET AL and GENEVA EXCHANGE FUND XI LLC (7.73574%)

Current Zoning: Planned Development District No. 13 and FW Floodway District

2025 Future Land Use: Commercial and Areas of Natural Resource Features

Use of Surrounding Properties: Commercial to the north, south, and east and residential to the west

Applicant Action Requested: Approval of the Condominium Plat, Certified Survey Map, Land Division Variance and PDD Amendment

INTRODUCTION

Please note:

- Staff recommendations are underlined, in italics and are included in the draft ordinance.
- Staff suggestions are only underlined and are not included in the draft resolution.

On December 14, 2015, the applicant filed a Certified Survey Map (CSM), Land Division Variance and Planned Development District Amendment Applications requesting to subdivide the property at 6803, 6805 and 6807 South 27th Street. Following staff review and revisions to the CSM, the applicant subsequently submitted a Condominium Plat Application on March 3, 2016 to divide the existing building into two separate units.

The existing building consists of Hobby Lobby and vacant tenant space. Hobby Lobby occupies the easternmost approximately 53,126 square feet of space closest to S. 27th Street. The remaining approximately 62,915 square feet of space directly behind or west of the Hobby Lobby is vacant and was formerly utilized for Ashley's Furniture's warehouse and distribution operations.

PROJECT DESCRIPTION/ANALYSIS

Condominium Plat:

The applicant is proposing a Condominium Plat to create two separate condominium units for the existing building located at 6803, 6805 and 6807 S. 27th Street. Unit 1 of the proposed Condominium Plat consists of the Hobby Lobby portion of the existing building. Unit 2 is the remaining back portion of the building consisting of warehouse space.

The Condominium Plat was submitted on March 3, 2016. Staff has conducted a preliminary review; however, recommend that the applicant resolve all staff comments related to the Condominium Plat following a detailed staff review, prior to recording with the Milwaukee County Register of Deeds.

Certified Survey Map (CSM):

The proposed Certified Survey Map (CSM) will divide the existing approximately 823,908 square foot (19.67-acre) property into two separate lots. Lot 1 has an area of 767,326 square feet and consists of the existing building, adjacent parking and the westernmost greenspace portion of the property primarily consisting of protected natural resource features. Lot 2 has an area of 56,582 square feet and is currently utilized for parking.

Associated with the requested land division, the applicant has provided a Conservation Easement, Reciprocal Easement Agreement and a Watermain Easement. The Conservation Easement protects approximately 388,424 square feet (8.92-acres) of property and is discussed further below in this report. The Reciprocal Easement Agreement addresses shared uses and services between the two properties, such as shared vehicular access and parking and utilities. The Watermain Easement is required for the watermain lateral extension for the proposed Lot 2.

Staff recommends that the applicant shall record the Reciprocal Easement Agreement with the Milwaukee County Register of Deeds at the time the Certified Survey Map is recorded.

Staff further recommends that the Watermain Easement and Conservation Easement be recorded with the Milwaukee County Register of Deeds following Common Council approval and at the time the Certified Survey Map is recorded.

Staff also recommends that the applicant record a Cross-Access Easement Agreement allowing access from the Wal-Mart property to the north to enter upon their property. Staff encourages the applicant and can provide assistance in contacting Wal-Mart, so the agreement may be a reciprocal agreement between the two property owners.

The applicant has not indicated a proposed user for Lot 2. Once identified, that development will likely be subject to either a Site Plan Application or Special Use Application dependent upon the specific business use. PDD No. 13 allows permitted and special uses of the former B-3 Business District (from the 1987 Zoning Ordinance). The site would then have to be developed in accordance with PDD No. 13 development standards.

Land Division Variance:

The Land Division Variance Application has been submitted to allow the resulting flag lot of the proposed Lot 1. The flag lot, Lot 1, has 145.73 feet of frontage along S. 27th Street. As the property extends west, the width of the property increases to approximately 415 feet creating a flag-shaped lot; thus meeting the Unified Development Ordinance (UDO) definition and prohibition of flag lots (below). Note that PDD No. 13 does not contain a minimum lot width requirement.

Lot, Flag. A lot, typically not meeting minimum frontage requirements and where access to a public street is by a narrow, private access easement, strip of land, or driveway.

Flag Lots Prohibited. Flag-shaped lots, or lots not meeting the minimum frontage requirements of this Ordinance or where access to a public street right-of-way to such lots is by a narrow strip of land, shall not be permitted. Flag lots are where the rear of the lot is disproportionate in width to the front of the lot width without a gradual widening of the lot as the lot increase in depth (shaped like a flag with the pole being the lot frontage).

Per Section 15-9.0310 of the UDO, the Plan Commission may waive or modify land division requirements of Divisions 15-5.0100, 15-8.0100, and 15-8.0200 of this ordinance upon application. This Section states, "Where, in the judgment of the Plan Commission, it would be inappropriate to apply literally the provisions of Divisions 15-5.0100, 15-8.0100, and 15-5.0200 of this Ordinance because exceptional or undue hardship would result, the Plan Commission may waive or modify any requirement to the extent deemed just and proper."

Section 15-9.0310B. of the UDO indicates the findings of fact and conditions that should be considered in granting a land division variance and states, "No variance to the provisions of Divisions 15-5.0100, 15-8.0100, and 15-8.0200 of this Ordinance shall be granted unless the Plan Commission finds by the greater weight of the evidence that all the following facts and conditions exist and so indicates in the minutes of its proceedings." The facts and conditions to be considered and addressed by the Plan Commission are contained within the draft Land Division Variance resolution.

Please note that a majority vote is required by the Plan Commission to approve a land division variance.

Planned Development District Amendment:

The proposed PDD Amendment is to allow for zero foot interior building and parking setbacks between Lot 1 and Lot 2.

Natural Resource Protection Plan:

The applicant has provided a Wetland Delineation Report, dated October 26, 2015, from R.A. Smith National, Inc. The report includes a study area encompassing the westernmost greenspace portion of the property, starting from the edge of the existing pavement. The vast majority of the study area is wetland. The study area also contains floodplain. *Staff recommends that the applicant update the Certified Survey Map and Natural Resource Protection Plan map to show current floodplain information, prior to recording the Certified Survey Map.* The applicant has drawn the conservation easement boundary slightly beyond the farthest edge of the wetland buffer line; thus fully protecting the natural resources onsite.

As the entire area surrounding the wetlands and wetland buffers are being protected, staff is not recommending that a wetland concurrence be done.

There are two areas of wetland setback that are not proposed to be included within the conservation easement; therefore, staff is recommending that a note on Sheet 3 of the CSM and Conservation Easement Exhibit stating that 50-foot Wetland Setbacks, as defined in Division 15-11.0100 of the Unified Development Ordinance, exist onsite outside of the conservation easement boundary and Wetland Setbacks shall be protected per 15-4.0102I. of the Unified Development Ordinance.

As previously stated, the Conservation Easement will be recorded with the Milwaukee County Register of Deeds.

Consistency with the Comprehensive Master Plan

The proposed applications are consistent with the City of Franklin Comprehensive Master Plan. It can be noted that the Plan's Future Land Use Map identifies the subject area's future land use as Commercial and Areas of Natural Resource Features.

STAFF RECOMMENDATION

City Development Staff recommends approval of the proposed Condominium Plat, Certified Survey Map, Land Division Variance and Planned Development District Amendment, subject to the conditions in the draft resolutions.

ORDINANCE NO. 2016-_____

AN ORDINANCE TO AMEND SECTION 15-3.0418 OF THE
UNIFIED DEVELOPMENT ORDINANCE PLANNED DEVELOPMENT
DISTRICT NO. 13 (WAL-MART/SAM'S WHOLESALE CLUB) TO ALLOW
FOR ZERO FOOT INTERIOR PROPERTY LINES SETBACKS FOR BUILDING
AND PARKING LOT SETBACKS
(6803, 6805 AND 6807 SOUTH 27TH STREET)
(WS FRANKLIN LLC, APPLICANT)

WHEREAS, §15-3.0418 of the Unified Development Ordinance provides for and regulates Planned Development District No. 13 (Wal-Mart/Sam's Wholesale Club), same having been created by Ordinance No. 1989-1071 and later amended by Ordinance Nos. 1994-1313, 1995-1342, 2001-1645, 2002-1705, 2004-1814, 2008-1940, 2010-1995 and 2013-2123, with such District primarily being located at the 6700 Block of South 27th Street; and

WHEREAS, Planned Development District No. 13 (Wal-Mart/Sam's Wholesale Club) includes those lands legally described as follows:

Lot 1 of Certified Survey Map No. 6543, recorded on August 7, 1998, Reel 43667, Images 1756 to 1758 inclusive, as Document No. 7578744, as corrected by Affidavit of Correction recorded as Document No. 7724864, part of the Northeast 1/4 and Northwest 1/4 of the Southeast 1/4 of Section 1, Township 5 North, Range 21 East, City of Franklin, Milwaukee County, Wisconsin, bounded and described as follows:

Commencing at the northeast corner of the Southeast 1/4 of said Section 1; thence South 00°06'34" West along the east line of said Southeast 1/4, 401.22 feet; thence South 87°35'33" West, 84.53 feet to the west right of way line of South 27th Street - State Trunk Highway "241" and the northeast corner of Lot 1 of CSM 6543 and the point of beginning;

Thence South 00°52'38" East along the west right of way line of South 27th Street and the east line of said Lot I of CSM No. 6543, 258.33 feet; thence South 00°06'34" West along said east line of CSM No. 6543, 157.41 feet to the southeast corner of Lot 1 of said CSM No. 6543; the following 8 courses follow the boundary of said Lot 1; thence South 89°59'55" West, 503.59 feet; thence South 87°51'06" West, 755.75 feet; thence South 00°07'09" West, 531.71 feet; thence South 87°31'24" West, 531.35 feet; thence North 01°18'51" West, 661.78 feet; thence North 87°32'56" East, 548.08 feet; thence North 00°06'58" East, 260.22 feet; thence North 87°33'33" East, 1255.32 feet to the aforesaid west right of way line of South 27th Street- State Trunk Highway "241" and the point of beginning.

Containing in all 856,806 square feet (19.6695 acres) of land, more or less.
Tax Key No. 738-9974-006; and

WHEREAS, WS Franklin LLC having petitioned for further amendments to Planned Development District No. 13 (Wal-Mart/Sam's Wholesale Club), to allow for zero foot lot line setbacks from interior property lines for buildings and parking setbacks between Parcels 1 and 2 of Certified Survey Map No. _____, which is the subject of a 2 Lot Certified Survey Map approval granted upon even-date herewith; and

WHEREAS, the City of Franklin Plan Commission determined that the amendment to Planned Development District No. 13 (Wal-Mart/Sam's Wholesale Club) was not a substantial change to the Plan, thus not requiring a public hearing upon the aforesaid petition, and the Plan Commission thereafter having determined that the proposed amendment would promote the health, safety and welfare of the City and having recommended approval thereof to the Common Council; and

WHEREAS, the Common Council having considered the petition and having concurred with the recommendation of the Plan Commission and having determined that the proposed amendment would promote the health, safety and welfare of the Community.

NOW, THEREFORE, the Mayor and Common Council of the City of Franklin, Wisconsin, do ordain as follows:

SECTION 1: §15-3.0418 Planned Development District No. 13 (Wal-Mart/Sam's Wholesale Club), of the Unified Development Ordinance of the City of Franklin, Wisconsin, as previously amended, is hereby amended to require that cross-access shall be maintained between and among properties zoned Planned Development District No. 13 and to allow for zero foot lot line setbacks from interior property lines for buildings and parking setbacks between Parcels 1 and 2 of Certified Survey Map No. _____, which is the subject of a 2 Lot Certified Survey Map approval granted upon even-date herewith, pursuant to those plans City file-stamped _____.

SECTION 2: All other applicable terms and provisions of §15-3.0418 shall apply to the property described in SECTION 1 of this Ordinance of Planned Development District No. 13 (Wal-Mart/Sam's Wholesale Club), and all terms and provisions of §15-3.0418 as existing immediately prior to the adoption of this Ordinance shall remain in full force and effect.

SECTION 3: The terms and provisions of this ordinance are severable. Should any term or provision of this ordinance be found to be invalid by a court of

competent jurisdiction, the remaining terms and provisions shall remain in full force and effect.

SECTION 4: All ordinances and parts of ordinances in contravention to this ordinance are hereby repealed.

SECTION 5: This ordinance shall take effect and be in force from and after its passage and publication.

Introduced at a regular meeting of the Common Council of the City of Franklin this _____ day of _____, 2016, by Alderman _____.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this _____ day of _____, 2016.

APPROVED:

Stephen R. Olson, Mayor

ATTEST:

Sandra L. Wesolowski, City Clerk

AYES _____ NOES _____ ABSENT _____

March 3, 2016

Mr. Nick Fuchs
City of Franklin
9229 West Loomis Road
Franklin, WI 53132

Subject: Hobby Lobby CSM
Franklin, WI

Dear Mr. Fuchs,

Please accept the attached application for a proposed Certified Survey Map, Condominium Plat and PDD Amendment at the existing Hobby Lobby property located at 6803 South 27th Street, Franklin, Wisconsin. The purpose of the proposal is to divide the subject property into smaller, more desirable pieces, and that by doing so we can enhance the marketability of the property. At this time there is no defined end user for the new outlot or the warehouse space, but we believe that the separated parcels will help to draw desirable users to the site and create vibrant new development for the South 27th Street corridor.

Project Description

The subject parcel has historically been used for retail purposes. Originally, Menards was located at the site, later it was converted to an Ashley Furniture Store, and most recently, Hobby Lobby has occupied the building. Over time, building modifications have occurred in order to serve the primary business. One of those modifications involved the construction of a warehouse space at the back of the main building. This warehouse space has been difficult to re-purpose, and there have been concerns raised by residents to the west regarding noise generated by those users. With that in mind, it is our hope that creating a commercial condominium over that portion of the site will give us the ability to draw a more stable, low-impact user to that space. Likewise, the front parking lot of the site is underutilized, and could easily support an outparcel that could draw customer traffic to the property. Our proposal requests approval of a 1.30 acre lot at the southeast corner of the property, abutting South 27th Street, which would be marketed to retail or fast-casual restaurant users.

The proposed land division is not without complexities. Most notably, the shape and existing use of the property make it difficult to meet standard building and parking setbacks relative to the new outlot. To address that issue, and to provide the maximum flexibility for an end user on the outlot, we request that zero-foot building and parking setbacks be allowed for all lots on the subject site. Furthermore, we request open space ratio requirements for the proposed outlot be waived in consideration of the large expanse of open space being provided and protected in perpetuity by conservation easement at the westerly portion of the development site. In the case of the outlot, numerous existing easements are present in that location which impact where a building could be placed. The reduced building setbacks will allow for appropriate building placement and provide a user the maximum amount of flexibility in bringing forward a great new development for that piece of land.

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Hobby Lobby CSM
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As part of this land division, all wetlands, wetland buffers and floodplain existing at the westerly end of the site will be placed in conservation easement. Said Conservation Easement and other existing access and utility easements throughout the property will be maintained through a Reciprocal Easement Agreement to which all parcels within the property will be subject. At the present time, there are no stormwater implications created by the land division. At such time as development is proposed for the new outparcel, detailed stormwater calculations will be performed and a formal Major PDD Amendment application submitted for approval.

Thanks again for your consideration of this proposal. We look forward to your review and approval. Please feel free to give me a call with any questions or comments.

Sincerely,
JSD PROFESSIONAL SERVICES, INC.

Justin L. Johnson, P.E.
Associate

Legal Description

Part of a re-division of Lot 1 of Certified Survey Map No. 6543, recorded on August 7, 1998, Reel 43667, Images 1756 to 1758 inclusive, as Document No. 7578744, as corrected by Affidavit of Correction recorded as Document No. 7724864, part of the Northeast 1/4 and Northwest 1/4 of the Southeast 1/4 of Section 1, Township 5 North, Range 21 East, City of Franklin, Milwaukee County, Wisconsin, bounded and described as follows:

Commencing at the northeast corner of the Southeast 1/4 of said Section 1; thence South 00°06'34" West along the east line of said Southeast 1/4, 401.22 feet; thence South 87°33'33" West, 84.53 feet to the west right of way line of South 27th Street - State Trunk Highway "241" and the northeast corner of Lot 1 of CSM 6543 and the point of beginning;

Thence South 00°52'38" East along the west right of way line of South 27th Street and the east line of said Lot 1 of CSM No. 6543, 258.33 feet; thence South 00°06'34" West along said east line of CSM No. 6543, 157.41 feet to the southeast corner of Lot 1 of said CSM No. 6543; the following 8 courses follow the boundary of said Lot 1; thence South 89°59'55" West, 503.59 feet; thence South 87°51'06" West, 755.75 feet; thence South 00°07'09" West, 531.71 feet; thence South 87°31'24" West, 531.35 feet; thence North 01°18'51" West, 661.78 feet; thence North 87°32'56" East, 548.08 feet; thence North 00°06'58" East, 260.22 feet; thence North 87°33'33" East, 1255.32 feet to the aforesaid west right of way line of South 27th Street - State Trunk Highway "241" and the point of beginning.

Containing in all 856,806 square feet (19.6695 acres) of land, more or less.

