# AGENDA OF THE REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY

## FRIDAY, FEBRUARY 15, 2019, 7:45 AM
## CITY HALL, ROOM 604 - THE HARRY MAIER ROOM

### A. Roll Call.

1. Members: Gary Delveaux, Chair; Matt Schueller, Vice-Chair; Ald. Barbara Dorff, James Blumreich, Deby Dehn, Kathy Hinkfuss, and Melanie Parma.
   Liaisons: Chelsea Kocken, Jeff Mirkes, and Leah Weycker.

### B. Approval of the Agenda.

1. Approval of the agenda for the February 15, 2019, special meeting of the Redevelopment Authority.

### C. Regular Business.

1. Consideration with possible action on approval of an Initial Resolution regarding Redevelopment Exempt Facility Revenue Bonds Financing in an amount not to exceed one hundred and fifty million dollars ($150,000,000.00) for a Green Bay Packaging, Inc. project.

### D. Adjournment.

1) THIS MEETING IS RECORDED: THE VIDEO OF THIS MEETING AND MINUTES ARE AVAILABLE ONLINE AT www.greenbaywi.gov
2) ACCESSIBILITY: Any person wishing to attend who requires special accommodation because of a disability, should contact the City Safety Manager at 920-448-3125 at least 48 hours before the scheduled meeting time so that arrangements can be made.
3) QUORUM: Please take notice that a majority or quorum of the Common Council will attend this Redevelopment Authority meeting and will constitute a meeting of the Common Council for purposes of discussion and information gathering relative to this agenda.
4) REPRESENTATION: The party requesting the communication, or their representative, should be present at this meeting.

Report to the
# Redevelopment Authority of the City of Green Bay

| MEETING DATE | PREPARED BY |
|---|---|
| February 15, 2019 | Kevin J. Vonck, CED Director, Stephanie Schmutzer, Staff |

## AGENDA ITEM # C.1.

Consideration with possible action on approval of an Initial Resolution regarding Redevelopment Exempt Facility Revenue Bonds Financing in an amount not to exceed one hundred and fifty million dollars ($150,000,000.00) for a Green Bay Packaging, Inc. project.

## BACKGROUND

In June 2018, the RDA and City approved a Development Agreement with Green Bay Packaging, Inc. to construct a mill at 1601 North Quincy St. that will convert recycled materials and mixed paper waste into a liner-board and corrugating medium.

The company is asking the RDA to consider an Initial Resolution for the conduit issuance of up to one hundred and fifty million dollars ($150,000,000.00) Redevelopment Exempt Facility Revenue Bonds to finance this project.

The RDA will act strictly as a conduit, which enables the company to borrow at a lower rate of interest. Neither the RDA or City will be liable for any payments or monitoring. The bonds do not count against the borrowing capacity of the City.

## RECOMMENDATION

Approve Initial Resolution Regarding Redevelopment Exempt Facility Revenue Bonds Financing for Green Bay Packaging, Inc. Project.

## FISCAL IMPACT

## ATTACHMENTS

1. GBP Exempt Facility Bond Summary
2. Initial Bond Resolution (RDA) - Green Bay Packaging
3. Distribution List - Green Bay Packaging

**Summary**
**Request for Redevelopment Authority of the City of Green Bay, Wisconsin to Serve as Conduit Issuer**
**for**
**Not to Exceed $150,000,000 Redevelopment Exempt Facility Revenue Bonds to Benefit Green Bay Packaging Inc. Project**

This will summarize the request of Green Bay Packaging Inc. a Wisconsin corporation (the "Company"), asking that the Redevelopment Authority of the City of Green Bay, Wisconsin (the "Authority") to consider an Initial Resolution to benefit the Company through the conduit issuance of Redevelopment Exempt Facility Revenue Bonds (the "Bonds") to finance a project consisting of the (i) construction of an approximately 451,980 square foot facility located at 1601 North Quincy Street in the City of Green Bay, Wisconsin (the "Facility") to be operated by Green Bay Packaging Inc. to convert recycled materials and mixed paper waste to produce liner-board and corrugating medium, (ii) acquisition and installation of related equipment at the Facility and (iii) payment of certain professional costs and costs of issuance.

Exempt Facility Bonds must comply with both Federal (Sections 141 and 142 of Internal Revenue Code) and State (66.1333(5) Wis. Stats.) laws. In such a bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, cities, villages and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds.

These Bonds are municipal bonds; however, they are <u>not</u> general obligations of the City <u>nor</u> do they constitute indebtedness of the Authority. If the Authority agrees to issue bonds to benefit the proposed Project:

1. Neither the City nor the Authority will be liable for payment of the principal and interest on the Bonds;

2. Neither the City nor the Authority will have ongoing responsibilities of monitoring or reporting with regard to the Bonds or the Project.

3. The Bonds <u>do not count</u> against the City's borrowing capacity. The City will not levy a tax for payment of the Bonds.

4. The City and the Authority will be reimbursed for all reasonable fees and costs incurred because of the Bonds.

The Authority acts strictly as a conduit, which enables the Company to borrow at a lower rate of interest.

Because the Bonds are issued by a governmental entity, the holders of the Bonds may exclude the interest on the Bonds from gross income for federal tax purposes. Because the Bonds are being issued by the Authority, the holders (Wisconsin residents) of the Bonds may also exclude interest on the Bonds from gross income for Wisconsin tax purposes.

**Inducement/Reimbursement**

Companies considering bond financing must obtain an Initial Resolution, also sometimes referred to as an "inducement resolution" or "qualified reimbursement resolution" from the municipality in which the Project being financed is located in order to preserve the option to use Bonds. The Initial Resolution is preliminary approval only and is non-binding as to the Authority or the Company but is required by Federal tax law and State law. If the Initial Resolution is adopted by the Authority, this will assure that when and if Bonds are issued, all eligible project costs incurred no more than 60 days prior to the date of the Initial Resolution (including reimbursement of equity contributions or refunding of conventional financing), may be included in the ultimate bond financing. Failure to have a qualified resolution may result in disqualifying certain costs.

By acting as the conduit issuer, the Authority can grant the Company a significant monetary benefit, at no cost to the Authority or the City, because the Company will enjoy a lower interest rate as a result of using a bond structure. A lending institution will either directly purchase the Bonds or issue its letter of credit providing for the timely payment of principal and interest on the Bonds. The lender for the Bonds will look solely to the Company for repayment and reimbursement. Bondholders will not look to the Authority or the City for payment. The Authority will assign all of its rights, liability and responsibilities under the Bonds to the lender as the bondholder or to an independent third party Trustee for the benefit of bondholders. The Company will be fully responsible for repaying the loan and must make the arrangements with the lender for the payment on the Bonds. If the Company is not able to meet its payment obligations, the lender will realize on its collateral and enforce its rights against the Company. Neither the Authority nor the City will be liable for payment.

The foregoing is just a brief discussion of tax-exempt financing. By issuing the Bonds, the Authority will give the Company an interest rate benefit, because the tax-exempt Bonds will be tax-exempt in the hands of the bondholders and, therefore, the cost savings will be passed along to the Company. It must be emphasized that neither the Authority nor the City will be liable in any way for repayment of the Bonds; the Bonds are special, limited obligations of the Authority.

The Company respectfully asks that the Authority Board consider the Initial Resolution on February 12, 2019. For agenda purposes, the Authority should please describe the Initial Resolution as follows:

> "*Consideration of Initial Resolution Regarding Redevelopment Exempt Facility Revenue Bond Financing for Green Bay Packaging Inc. Project*"

A representative of the Company will attend the Authority Board meeting on February 12, 2019 to answer any questions regarding the proposed Project.

REDEVELOPMENT AUTHORITY OF THE
CITY OF GREEN BAY, WISCONSIN

RESOLUTION NO. 648

**INITIAL RESOLUTION REGARDING
REDEVELOPMENT EXEMPT FACILITY
REVENUE BOND FINANCING FOR
GREEN BAY PACKAGING INC. PROJECT**

WHEREAS, the Redevelopment Authority of the City of Green Bay, Wisconsin (the "Authority"), is a public body corporate and politic duly organized and existing under and pursuant to Section 66.1333 of the Wisconsin Statutes, as amended (the "Act"); and

WHEREAS, the City of Green Bay, Wisconsin (the "City") adopted a resolution on September 25, 2018 to approve the creation of "Tax Incremental District Twenty-One (TID 21): Green Bay Packaging" (herein "TID 21") and adopt the project plan for TID 21 (the "Project Plan") for the purpose of rehabilitation and blight elimination of property located within TID 21; and

WHEREAS, the property located at 1601 North Quincy Street in the City of Green Bay, Wisconsin (the "Project Site") owned by Green Bay Packaging Inc., a Wisconsin corporation ("Green Bay Packaging") is within TID 21, and such property is in need of rehabilitation and blight elimination in accordance with the Act and the Project Plan; and

WHEREAS, the Authority is authorized and empowered pursuant to Section 66.1333(5) of the Wisconsin Statutes, as amended, within the City to:

(a) acquire or assist private acquisition, improvement and development of blighted property for the purpose of eliminating its status as blighted property; and

(b) issue bonds or other indebtedness for such purposes; and

WHEREAS, bonds issued pursuant to the Act are to be payable solely from the income, proceeds, revenues and funds of the Authority derived from projects under the Act; and

WHEREAS, Green Bay Packaging and/or a related entity (collectively, the "Borrower") desires to finance a project consisting of the (i) construction of an approximately 451,980 square foot facility located at the Project Site (the "Facility") to be operated by Green Bay Packaging to convert recycled materials and mixed paper waste to produce liner-board and corrugating medium, (ii) acquisition and installation of related equipment at the Facility and (iii) payment of certain professional costs and costs of issuance (collectively, the "Project"), all of which would contribute to the well-being of the City; and

WHEREAS, the Borrower intends to make capital expenditures for the Project (the "Expenditures") and expects to reimburse the Expenditures with proceeds of the Bonds (as defined below); and

WHEREAS, the cost of the Project is presently estimated to be approximately $628,000,000, and the amount proposed to be financed with redevelopment exempt facility revenue bonds does not exceed $150,000,000; and

WHEREAS, the Authority wishes to promote the development of the Project proposed by the Borrower and is willing to exercise its power to this end.

NOW, THEREFORE, BE IT RESOLVED by the Authority as follows:

1. Based upon representations of the Borrower, it is the finding and determination of the Authority that the Project is eligible for financing under the Act and that the purpose of the Authority's financing costs of the Project is and the effect thereof will be to promote the public purposes set forth in the Act. The Authority shall pursue a financing plan ("Financing") under which it will:

(a) Finance the Project in an aggregate amount not to exceed $150,000,000; and

(b) Issue redevelopment exempt facility revenue bonds in an amount not to exceed $150,000,000 (the "Bonds") in order to finance certain eligible costs of the Project; and

(c) Enter into one or more agreements (the "Revenue Agreements") with the Borrower providing the Authority with revenue sufficient to pay the principal of, premium, if any, and interest on the Bonds when due; and

(d) Assign any Revenue Agreements to the owners of the Bonds or to a trustee for their benefit, and enter into any other appropriate arrangements to secure the payment of the Bonds.

2. The aforesaid plan of Financing contemplates and is conditioned upon the following:

(a) The Bonds shall not constitute an indebtedness of the Authority or the City within the meaning of the State constitutional provision or statutory limitation.

(b) The Bonds shall not constitute or give rise to a pecuniary liability of the Authority or the City or a charge against the City's or Authority's general credit or the City's taxing powers. The Authority will issue the Bonds solely acting as a conduit, and the Borrower is solely responsible for payment of principal and interest on the Bonds.

(c) The Borrower shall be responsible for finding a purchaser or purchasers for all of the Bonds.

(d) A notice of public hearing required by federal law for purposes of Section 147(f) of the Internal Revenue Code, as amended, shall be published in a newspaper of general circulation in the City and a public hearing shall be held to provide interested individuals or parties the opportunity to testify as to the Project and the issuance of the Bonds. The appropriate officers of the Authority are hereby authorized and directed to publish or cause to be published in the official newspaper of the City, a Notice of Public Hearing substantially similar to that attached to this Resolution as Exhibit A.

(e) The Bonds shall be issued pursuant to the Act, and the delivery of the Bonds shall be accompanied by the unqualified approving legal opinion of a nationally recognized firm of bond attorneys as shall be acceptable to the Authority and the Borrower.

(f) All reasonable out-of-pocket costs of the Authority and City, including attorneys' fees, in connection with the issuance and sale of the Bonds shall be paid either from the proceeds of the Bonds or by the Borrower.

(g) All documents in connection with the issuance of the Bonds shall have been duly executed and delivered by the parties.

3. The appropriate officers of the Authority are authorized to negotiate the terms of the Financing and all related documents will be subject to this Resolution and the Act and said plan of Financing shall not be legally binding upon the Authority nor be finally implemented unless and until:

(a) The details and mechanics of the Financing are authorized and approved by a further resolution of the Authority;

(b) A public hearing required by federal law for purposes of Section 147(f) of the Internal Revenue Code, as amended, has been held;

(c) An unqualified approving legal opinion of bond counsel, Husch Blackwell LLP, or such other tax counsel, and an opinion of counsel to the Authority are executed and delivered; and

(d) All documents required to consummate the Financing have been duly authorized and delivered.

4. Based upon representations by the Borrower, the Authority reasonably expects to reimburse the Expenditures with proceeds of the Bonds issued by the Authority in a principal amount which will not exceed $150,000,000.

5. No Bonds shall be issued until the terms and conditions of any guidelines or resolutions governing the issuance of revenue bonds which may be adopted by the Authority have been complied with.

6. This Resolution shall be effective immediately upon its passage and approval.

Adopted and approved this 12th day of February, 2019.

**REDEVELOPMENT AUTHORITY**
**OF THE CITY OF GREEN BAY, WISCONSIN**

By:______________________________

Gary Delveaux, Chairperson

By:________________________________________

Kevin J. Vonck, Executive Director

## CERTIFICATION BY EXECUTIVE DIRECTOR

I, Kevin J. Vonck, being first duly sworn, hereby certify that I am the duly qualified and acting Executive Director of the Redevelopment Authority of the City of Green Bay, Wisconsin (the "Authority"), and as such I have in my possession, or have access to, the complete corporate records of the Authority; that I have carefully compared the transcript attached hereto with the aforesaid records; and that said transcript attached hereto is a true, correct and complete copy of all the records in relation to the adoption of Resolution No. ______ entitled:

INITIAL RESOLUTION
REGARDING REDEVELOPMENT EXEMPT FACILITY REVENUE BOND FINANCING
FOR GREEN BAY PACKAGING INC. PROJECT

I hereby further certify as follows:

1. Said Resolution was considered for adoption by the Authority at a meeting held at City Hall, 100 North Jefferson Street, Green Bay, Wisconsin, at ______ p.m. on February 12, 2019. Said meeting was a _________ *(insert regular or special)* meeting of the Authority and was held in open session.

2. Said Resolution was on the agenda for said meeting and public notice thereof was given not less than twenty-four (24) hours prior to the commencement of said meeting in compliance with Section 19.84 of the Wisconsin Statutes, including, without limitation, by posting on the bulletin board in the City Hall, by notice to those news media who have filed a written request for notice of meetings, and by notice to the official newspaper of the City of Green Bay.

3. Said meeting was called to order by _______________, who chaired the meeting. Upon roll, I noted and recorded that the following commissioners were present:

| | |
|---|---|
| ________________________________ | ________________________________ |
| ________________________________ | ________________________________ |
| ________________________________ | ________________________________ |

and that the following commissioners were absent:

| | |
|---|---|
| ________________________________ | ________________________________ |
| ________________________________ | ________________________________ |

I noted and recorded that a quorum was present. Various matters and business were taken up during the course of the meeting without intervention of any closed session. One of the matters taken up was said Resolution, which was introduced, and its adoption was moved by ______________________ and seconded by ______________________. Following discussion and after all commissioners who desired to do so had expressed their views for or against said Resolution, the question was called, and upon roll being called and the continued presence of a quorum being noted, the recorded vote was as follows:

AYE:

____________________ ____________________

____________________ ____________________

____________________ ____________________

NAY:

____________________ ____________________

____________________ ____________________

ABSTAIN:

____________________ ____________________

____________________ ____________________

WHEREUPON, the meeting chair declared said Resolution adopted, and I so recorded it.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the Authority hereto on this 12th day of February, 2019.

**REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY, WISCONSIN**

[SEAL]

By:______________________________
Kevin J. Vonck, Executive Director

## EXHIBIT A

## NOTICE OF PUBLIC HEARING

The Redevelopment Authority of the City of Green Bay, Wisconsin (the "Authority"), will hold a public hearing at ______ p.m. on ___________________, 2019 at City Hall, 100 North Jefferson Street, Green Bay, Wisconsin, regarding the proposed issuance of the Redevelopment Authority of the City of Green Bay, Wisconsin Redevelopment Exempt Facility Revenue Bonds, Series 2019 (Green Bay Packaging Inc. Project), in an aggregate amount not to exceed $150,000,000, pursuant to Section 66.1333 of the Wisconsin Statutes, to finance a project to be owned by Green Bay Packaging Inc., a Wisconsin corporation, and/or a related entity (collectively, the "Borrower").

The project consists of the (i) construction of an approximately 451,980 square foot facility located at 1601 North Quincy Street in the City of Green Bay, Wisconsin (the "Facility") to be operated by Green Bay Packaging Inc. to convert recycled materials and mixed paper waste to produce liner-board and corrugating medium, (ii) acquisition and installation of related equipment at the Facility and (iii) payment of certain professional costs and costs of issuance (collectively, the "Project"). The bonds will be special, limited obligations of the Authority and will not constitute an indebtedness of the Authority within the meaning of any state constitutional provision or statutory limitation or a charge against its general credit or the City's taxing powers. The Authority will issue the bonds solely acting as a conduit, and the Borrower is solely responsible for payment of principal and interest on the bonds.

At the hearing, all persons will be afforded a reasonable opportunity to express their views, both orally and in writing, on the proposed bonds and the location and nature of the Project proposed to be financed.

Published: ____________, 2019

Executive Director
Redevelopment Authority of the
City of Green Bay, Wisconsin

**$150,000,000**
**Redevelopment Authority of the City of Green Bay, Wisconsin**
**Redevelopment Exempt Facility Revenue Bonds, Series 2019**
**(Green Bay Packaging Inc. Project)**

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## DISTRIBUTION LIST

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