MINUTES 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.

Members Present: Barbara Dorff, Deby Dehn, Gary Delveaux, Kathy Hinkfuss, Excused: James Blumreich, Matt Schueller, Melanie Parma
Liaisons Present: None

B. APPROVAL OF THE AGENDA.

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

Moved by Ald. Barbara Dorff, seconded by Kathy Hinkfuss to approve the agenda for the February 15, 2019, special meeting of the Redevelopment Authority. Motion carried.
Yes- Barbara Dorff, Gary Delveaux, Kathy Hinkfuss, Deby Dehn, No- None, Abstain- None

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.

Moved by Ald. Barbara Dorff, seconded by Kathy Hinkfuss to open the floor for discussion. Motion carried.
Yes- Barbara Dorff, Gary Delveaux, Kathy Hinkfuss, Deby Dehn, No- None, Abstain- None

Moved by Ald. Barbara Dorff, seconded by Kathy Hinkfuss to close floor for discussion. Motion carried.
Yes- Barbara Dorff, Gary Delveaux, Kathy Hinkfuss, Deby Dehn, No- None, Abstain- None

Moved by Ald. Barbara Dorff, seconded by Kathy Hinkfuss to approve Initial Resolution Regarding Redevelopment Exempt Facility Revenue Bond Financing for Green Bay Packaging, Inc. Project. Motion carried.
Yes- Barbara Dorff, Gary Delveaux, Kathy Hinkfuss, Deby Dehn, No- None, Abstain- None

D. ADJOURNMENT.

Moved by Deby Dehn, seconded by Kathy Hinkfuss to adjourn. Motion carried.
Yes- Barbara Dorff, Gary Delveaux, Kathy Hinkfuss, Deby Dehn, No- None, Abstain- None

VERBATIM MINUTES

- All right, Chair: Gary Delveaux,

-Here

- Mr. Matt Schuller asked to be excused. Barbara Dorff?

-Here

- Chief Luberick asked to be excused. Deby Dehn?

-Here

- Kathy Hinkfuss?

-Here

- And Melanie Parmann asked to be excused.

- Approval Agenda

- Move to approve

- Second

- Aye

- Were just gonna do regular business?

- Yeah Consideration possible action

- Of approval initial resolution regarding speaker opening exempt facility revenue bonds financing and amolto not to exceed one hundred and fifty million dollars reviewing packaging ink project

- Thank you

- I'm just going to get Linda on the phone here Hello, its Linda.

- Morning Linda this is Kevin Vonck with the city of Greenbay. Hi Kevin Hi, were in the middle of our redevelopment authority meeting and we just got to the new business to talk about the destro revenue bonds for Greenbay packaging I just wanted to phone in so you can listen to hear about the item and then just if your available for questions or summary you can chime in. okay. Great alright so Greenbay packaging as you know last spring we passed and annulment agreement for really the largest single biggest development project in history of the city and what were looking at today is a way to help finance that project we have some representatives here from Greenbay packaging who can talk a little bit about the industrial revenue bond and the process its been some time since we've done these interest rates have been kinda close between private public sector but it is a part There is some advantages to doing this so what we wanted to do is go through they need a conduit in which to basically run these bonds in viscal conjumate they're looking at using the re development authority as that conduit So with that I don't know if you want to open the floor I don't know if Linda? Or Rob? Or john if you want to talk a little bit more about what were after if Linda, if you want to talk a little bit about the process and then Rob and jack can talk about the project Sure,sure Happy to do it Goodmorning everybody! pardon? Okay well what were doing here is proposing that the re development authority act as a conduit issuer for what in order to exempt authority by exempt authority by there in a different category then we presented to Green bay in the past I know we've been there with small issue manufacturing bonds this resolution asks for preliminary approval of an amount not to exceed one hundred and fifty million that's because in the exempt authority category the projects can be much, much larger this initial revolution is important to the borrower because there's a rule that says we can't use this bond as a refinance and a way they preserve that rule they say that a company for choosing bonds can include eligible cost that were incurred by them for the project no more than sixty days incurred, no more than sixty days prior to the date they have an initial resolution so this initial resolution is kind of a stake in the ground that reserves the eligibility of project costs for the bond this resolution has got binding on the RDA, the city or the borrower unless or until further action is taken so we, if you approve this resolution today the company would proceed to pull together their financing team and identify the structure we would return to you will a time table that showed our expectations on a closing date we would be copying the RDA on the bond documents that would be prepared and at some point a public hearing would be held in consideration of a final approving resolution so at this point in time I will preserving eligibility without finding anyone to do it should be RDA issued the bond it is not a liability or any obligation of the RDA or the city we sent a summary that I hope was in your packets that went through those things saying identifying specifically that at no time will the city, or the authority be responsible for the payment of the bonds they have no ongoing responsibility with the expect of the bond they do not count against borrowing capacity and the city and the authority will be reimbursed for all municipal fees and costs that you incur this is a way that you can assist this company at no cost to you in providing them with a low interest rate on their borrowing so that's kind of a summary there ill take a breathe and see if someone has any questions one of the questions I had was what are bond interest rates these days? the interest rate is driven off SIFMA rob you probably know better than I know what that rate is right now when you calculate the buy rate you can look at the likely SIFMA rate plus the cost of the letter of credit plus some on going cost for remarketing agent and trustee so the all in rate likely would be less than three percent I would think on this bond yeah that's accurate I mean so SIFMA trade has a discount which I like a short term following rate one of the thing I should note the reason were asking the RDA to be the issuer of the bond rather than the city is that the RDA has exceptional powers under the statues and the RDA is able to issue the bonds as being exempt from both federal income tax and state income tax so when those bonds are sold provided that the bulk of them are sold to Wisconsin residents that will have the effect of further driving the interest rate down bonds issued by the city would not be exempt from state income tax

- So the bonds that are being issued it says they do not count against the city borrowing capacity but do they go against the expense side? In budget or?

- No

- So it won't show up anywhere there? one of the things we also did is worked with allors to have just kind of a external review just right verify everything that goes so our finance director saying it but having someone else saying the same thing just to verify I think that's the other reason this is gonna get reported to counsil just to make sure there's no miss-assumptions in terms of what were doing cause its a substantially large number no there's no impact anyway of the RDA or city

- So its not gonna show up in budget its not gonna show up

- A critical project be devastating this is so so important but just to give an idea as the finance director in additional tax base were talking about half a billion dollar project you do you have an idea of additional tax base is? Give an example of how important this project is

- Sure I can answer that I can see the information we confirmed but their tax base is eighteen million one is what at the time when they put the development agreement and their expecting to go about sixty four million five so its an increase of almost one point one million dollars on tax

- Excellent,excellent thank you

- Any questions?

- Very well behaved well explained right now

- I would like to close the court

- Second

- Second by kathy to get back to regular business all in favor say aye aye any questions, comments? so just as Mrs Templen had said this is the preliminary resolution and I appreciate again the timeliness of this as she said this project is on the fast track so in terms of incurring expenses and things like that that want to kind of put that proverbial stake in the ground as soon as possible but this will then come back for final approvals

- Move to approve

- Jack is there a motion to approve?

- I just moved to approve I mean just as you were saying that I said move to approve and Kathy second it

- Okay

- So we have a motion

- A second to approve we will move

- I vote yes

- So rob, john, Kevin where are we at in the process? As far as financing as well as the construction just curious yeah so on the construction we broke ground last year, you know pretty much the initial work that we've done so were getting the land ready for construction were pretty much on target as you can imagine during the winter we didn't think we were gonna do a lot of stuff so were focusing on engineering stuff like that once we get into the spring I think we will actually see a structure go up you know we are on track to complete the project early twenty twenty one so its a significantly long project you know everything that we intended to do in terms of the spend, you know the number of vendors and floaties on site its pretty much exactly what we anticipated and hoped so everythings on track and were really excited you know I want to thank the committee for holding this emergency meeting it really means a lot to us and were definitely grateful for it

- Thanks for being here

- Motion to adjourn are there anything else? Anything else?

- No said we will have a meeting again on the 26th so this can go to counsel in march fifth so I appreciate for coming in

- Motion to adjourn

- Second

- Aye

- Thanks for coming