MINUTES OF THE REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY

TUESDAY, OCTOBER 19, 2021, 5:30 PM
Virtual Meeting. Public may join via Zoom.

A. ZOOM MEETING INFORMATION.

1. This item contains documents which provide call in information and instructions for the Zoom meeting.

B. ROLL CALL.

1. Members: Gary Delveaux, Chair; Matt Schueller, Vice-Chair; Ald. Barbara Dorff, Deby Dehn, Kathy Hinkfuss, Melanie Parma, and Brighid Riordan.
Liaisons: Jeff Mirkes, Leah Weycker, and Brooke Hafs.

Members Present: Barbara Dorff, Kathy Hinkfuss, Gary J. Delveaux, Matt Schueller, Brighid Riordan, Deby Dehn, Excused: Melanie Parma
Liaisons Present: Leah Weycker
Others Present: Ald. Mark Steuer

C. APPROVAL OF THE AGENDA.

1. Approval of the agenda for the October 19, 2021, special meeting of the Redevelopment Authority.

Moved by Ald. Barbara Dorff, seconded by Matt Schueller to approve. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Kathy Hinkfuss, Matt Schueller, Deby Dehn, Brighid Riordan, No- None, Abstain- None.

D. REGULAR BUSINESS.

1. Consideration with possible action on a Resolution Authorizing the Sale and Issuance of $27,915,000* Taxable Lease Revenue Refunding Bonds, Series 2021 (KI Convention Center Expansion Project) Approving the Execution of Related Documents, and Other Details (**preliminary number expected to be updated on the 19th in connection with pricing*)

Moved by Ald. Barbara Dorff, seconded by Matt Schueller to open the floor. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Kathy Hinkfuss, Matt Schueller, Deby Dehn, Brighid Riordan, No- None, Abstain- None.

Moved by Matt Schueller, seconded by Ald. Barbara Dorff to close the floor. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Kathy Hinkfuss, Matt Schueller, Deby Dehn, Brighid Riordan, No- None, Abstain- None.

Moved by Ald. Barbara Dorff, seconded by Matt Schueller to approve the Resolution Authorizing the Sale and Issuance of $27,860,000 Taxable Lease Revenue Refunding Bonds, Series 2021 (KI Convention Center Expansion Project), Approving the Execution of Related Documents, and Other Details. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Kathy Hinkfuss, Matt Schueller, Deby Dehn, Brighid Riordan, No- None, Abstain- None.

2. Consideration with possible action regarding a development agreement regarding the future redevelopment and reuse of the property located at 216 S. Military Avenue.

Moved by Ald. Barbara Dorff, seconded by Kathy Hinkfuss to open the floor. Motion Passed.
Yes- Matt Schueller, Barbara Dorff, Deby Dehn, Gary J. Delveaux, Brighid Riordan, Kathy Hinkfuss, Matt Schueller, Debra Dehn, Brighid Riordan, No- None, Abstain- None.

Moved by Ald. Barbara Dorff, seconded by Kathy Hinkfuss to close the floor. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Kathy Hinkfuss, Matt Schueller, Deby Dehn, Brighid Riordan, No- None, Abstain- None.

Moved by Matt Schueller, seconded by Brighid Riordan to approve the development agreement regarding the future redevelopment and reuse of the property located at 216 S. Military Avenue, subject to final review by the City Attorney and the Developer, and forwarding it to the City Council for final approval on November 2, 2021. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Kathy Hinkfuss, Matt Schueller, Deby Dehn, Brighid Riordan, No- None, Abstain- None.

E. INFORMATIONAL.

1. Next Regular Meeting: November 9, 2021 1:30 pm

F. ADJOURNMENT.

Moved by Kathy Hinkfuss, seconded by Deby Dehn to adjourn. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Kathy Hinkfuss, Matt Schueller, Deby Dehn, Brighid Riordan, No- None, Abstain- None.

VERBATIM MINUTES

- Move to approve.

- Here we go.

- Move to approve.

- Alder Dorff.

- Second.

- Second by Matt. All those in favor, signify by saying Aye.

- Aye.

- Gary, can I back you up one just to do a quick role call, just to make it official?

- Went too fast, absolutely.

- That's okay. That's all right. Delveaux?

- Yes.

- Schueller?

- Yes.

- Dorff?

- Here.

- Dean?

- Here.

- Hinkfiss?

- Yes.

- Parma? Not here. And Riordan?

- Yes.

- Okay, so, all right. We're good, sir.

- Regular business, number one. Consideration, with possible action and resolution authorizing the sale of issuance, of $27,915,000 of taxing revenue refunding bonds. Series 2021 KI Convention

Center Expansion Project. Approving the execution of related documents and other details. All right, this is.

- Absolutely, Mr. Chair. Turn that over to Mr. Todd Taves for a brief report from Ehlers, if I could.

- Thank you, Neil, and with your permission, I'd like to share my screen?

- Excellent. Do we need to make a motion to open up the meeting? We really haven't done that, officially.

- I can, I move to open the floor.

- Okay.

- Second.

- Second by Matt, Alder Dorff, Second and Matt. Motion by Alder Dorff. Second by Matt. All those in favor, signify by saying Aye.

- Aye.

- Motion, we are, the floor is open. Thank you, sorry about that.

- Thank You

- So, in August we were before you and you authorized us to move forward with offering bonds, for the refinancing of the 2013 RDA bonds that were originally issued for the KI Center Expansion. We sold those bonds this morning, and a very quick summary, and then I'll dive just into a little bit of detail on a couple of aspects. The final par amount of the bonds that was sold today as 27,860,000 and that corresponds to the updated resolution you received. The bonds were purchased by Baird, and I would mention that we have John Meehan on the call as well, representing Baird, and he can certainly chime in with any additional comments he may have or field any questions. The final interest rate is 2.837, and just as, by means of comparison, the interest rate on the original bonds was just a shade under 6%. So, we're cutting that more than in half. The final future value savings was close to $8.8 million. So, just to cover a little bit why that bond size changed? So, whenever we go to market, it's always initially an estimate. We had a couple of dynamics. First of all, the interest rates were better than we had forecasted. That resulted in the debt service reserve requirement dropping. We also received favorable bids for the securities that funded the defeasance escrow. So that, similarly, all reduce the requirement. And there was also, you know, whenever we plan, we are conservative. So, in terms of final costs of issuance, those were significantly lower than the estimate as well. So on that is all taken into consideration, along with the fact that we had an additional expense in the way of bond insurance. Which we decided to purchase in order to gain more favorable pricing. It all ends up resulting in an ability to reduce the bond size by $55,000. However, you still end up with all the proceeds that are needed to execute the refinancing. In terms of the final savings, on the left is the existing debt service, prior to the refinancing. This issue completely defeases all of the remaining 2013 bonds. So, after closing all that will exist are the new bonds. Not the estimate, but the final savings is in the far right column. And the total, it was actually about 9.1 million. However, what we're doing is, we're taking the existing monies in the debt service reserve, that you have on hand. And associate it, we apply those to the transaction and the new debt service requirement, as I mentioned, is smaller by 321,000. So, we don't really treat that as a savings because it's really your own money in the existing account that is being applied to reduce the issue size. So, when we factor that out, we're back then to that 8.7 million, that I had mentioned at the beginning. That is about $1.7 million higher than we had estimated back in August. And there are a couple reasons for that. Firstly, we did make the decision as a finance team to go to Standard and Poor's, instead of Moody's. The existing bonds were rated A2 by Moody's. The reason we decided to go to Standard and Poor's is they take a little bit a different approach in their methodology. And what Moody's does is this type of a security, they will always benchmark it two notches below the city's GO rating. Standard and Poor's does not take that approach. In this particular case, they determined that the credit could be at the same level as what the city will be. So, we had double A minus, a Standard and Poor's rating, which substantially improved the pricing, and we also, as I mentioned, made the decision to purchase bond insurance. And that's simply an analysis of whether we think the pricing advantage with insurance, outweighs the cost of the premium that is paid. And in this case, it made sense to do that. One other thing I would mention is, as we had discussed in August, included within the proceeds of this bond are the monies needed to make the December 1st, 2021 interest payment. As we know, there will not be sufficient funds in the room tax stabilization fund, to make that payment. So, we included as part of a refinancing, so the city will not need to appropriate those monies from any other source to make the lease payment to the RDA. So, I'm happy to answer any questions. I had also, just as a side note, would mention that, you know, this was an interesting pricing this morning, in the sense that it's somewhat of a unique security and you never know where the investor appetite is going to be. And so we went through a couple of iterations, but Baird did end up, stepping up and taking about $3 million of unsold bonds into inventory, which allowed us to finalize the sale today. So, I appreciate that. And I would also just give John an opportunity to add anything he might like to mention.

- Yeah, thank you. Good evening, everyone. Todd, thank you. I think you've covered everything, everything so well. Just a couple of comments. One, is that the standard cores rating, not only did it achieve a better level, but by getting into the double A's is supposed to be A2, the cost of the bond Insurance dropped in half. They dropped dramatically. So that was significant in the math. Knowing that room taxes are really the primary source of revenue to pay this. You could see how investors were, you know, a little bit reticent. They were saying, well, you know, what's going on with the room taxes, where they're going to go into the future. So as a team, the finance team worked very hard to lay out the history of the room tax for the past good years and bad years for 2020. And how things were rebounding so nicely. So that was attractive to be able to share that with the investors. But at the end of the day, we have about 13 plus different investors. We're talking about mutual funds, money market funds, insurance companies, who actually get banks, who actually came in with auditors for different maturities. The first 10 years weren't as difficult. The farther you go out, let's face it, who's buying bonds and with a 3% maturity, 20 years from now, taxable bonds. So I mean that made it somewhat of a challenge to uh, to get people to step up and buy it. So the combination of things. But I think, you know, let's not forget. The name of Green Bay is a great name. It's a strong name. You know, they beat the Bears, that goes a long way. All those kinds of things. So all in all, I would say he was a really good, it was a great finance team. People worked hard. I think, you know, credit to Todd, his folks. We were scheduled to really bring this to market about a month from now, in the laying out the calendar and the team all, you know, pulled up their pants, and worked hard at it to get it to market now. Why? Because I don't know where rates are going to be from a month now. So we locked them in today. Okay. Thank you for the opportunity.

- Good idea, I would have been the person there, I'm not going to be going down, I'm just saying. Um, Very Good, Questions, comments.

- Just curious. Will you be here for the city council meeting? Are you going to be staying for the people from Ehlers? Are they going to be staying?

- Yes I will

- Okay, that's good cause we have two of us are in the room, two council members and in the room, but others might would, would love to hear this delightful news. I think directly from you. So this is really great news. Thank you.

- Certainly.

- And if I read that graph right, the end date for the final payment really hasn't changed. Is that correct?

- That's correct.

- Okay, good. We just improved the rate immensely. Thank you. Others, questions, comments.

- I think it's outstanding that we can refinance and you know, ultimately in the long run, save millions of dollars. So it's a big win and thank you very much.

- Good strategy. Um, If there are no questions for our guest, I'll make a motion, entertain a motion to go back to regular order of business, but please do gather questions, or comments and please make them. Matt, got any thoughts?

- Uh no, I would certainly make that motion, that we go back to regular order of business Gary.

- Thank you.

- Second.

- Second by Alder Dorff. All those in favor signify by saying Aye.

- Aye.

- All right were back to regular order business. Now, is there any questions or comments, in regard to staff or anybody else?

- I would move to approve this resolution. Authorizing the safe, the sale and issuance of $27,915,000 for the tax bill lease revenue refunding bonds Series 2021 KI Convention Center Expansion Project.

- Second.

- Okay. There's a motion by Alder Dorff, second by Matt. Questions and comments with regard to motion.

- Mr. Chair just want to make sure that the motion reflects the current and updated sale number as presented so.

- Great. Yes, you're right. Let's compare with what the agenda said. It's a little bit different, right? Good point.

- I'll add that to my motion, that the, the current and updated cell number is included in this motion.

- Thank you Alder.

- Where's the second, I need the second?

- Oh Matt, Matt second.

- Okay.

- Second.

- Okay.

- Second.

- Deby, did you have a question or comment?

- I do not.

- Okay. If not. All of those in favor of the motion, signify by saying Aye.

- Aye.

- Opposed, motion carried, excellent job. Thanks for everyone's efforts. Very much appreciated. Very good. All right. The other thing on the agenda, Consideration with possible action regarding a development agreement, regarding the future redevelopment, and reuse of the property located at 216 South Military Avenue. Neil.

- Thank you, Mr. Chair Obviously folks are called, we presented a general terms sheet to the RDA here, back in September. I believe we've had several conversations with the Martin's, and in terms of their plans for the site. Went back and forth a couple of times, you know, I thought we were going to proceed with the development agreement. Then we thought maybe for a while we weren't. But now we are again, which is great. It's hopefully this is what the intention was, and what was previously presented and discussed with the RDA. So a draft of that agreement has been attached for your review and discussion at this point, essentially, I kind of mentioned a little bit beforehand. We mentioned that we're bringing this forward, certainly in terms of out of respect, certainly from the Martin's and their schedule. But also to make sure that we make the first council meeting in November as there wasn't a regular, going to be a regularly scheduled meeting later in November. So, we wanted to make sure that this was far enough along to present to RDA here on this. It does, you know, so the draft has been presented. It's been reviewed a very preliminary end by our team.

It's been forwarded to the Martin's. We know that there's probably going to be a few changes that will need to be made to the agreement, prior to it going to council on the second. So we're aware of that, but we at least wanted to see if there was any other further feedback and suggestions, as long as there wasn't a major change to what was presented, we would, you know, felt comfortable enough bringing it forward and asking for authorization essentially to proceed to the city council then on November 2nd. So essentially just to recap very briefly, the main tenant of the agreement is granting the, the temporary use of, we have defined, as defined in the agreement in exchange for a kind of conceptual redevelopment plan moving forward for the rest of the site. So that's, that's the nickel version, essentially, what the agreement states. So, certainly available to answer any questions.

- That's correct. That's correct. Neil, on that this afternoon, I believe Ted, signed an offer to purchase for ah, and Terry for the rental housing.

- Okay

- Which is great news. We satisfied all those conditions, that he has to go through the due diligence. So that's one option, the second option.

- Hey wait, should I make a motion to open the floor.

- Yeah please.

- We need to do that. Sorry. I move to open the floor.

- Motion by Alder Dorff to open the floor.

- Second

- Second by Kathy.

- All in favor, signify by saying Aye.

- Aye.

- Opposed, motion carried.

- Go ahead Ed.

- Remember Todd, we talked and sat over the phone today and we worked out a, we signed an offer to purchase that basically well, he can, he can bring it forward and do his due diligence, and see if it would make it work, and it'd be a great opportunity for that corner. So, so, we do have an offer to purchase from Ted, to do his due diligence. In addition to that, we're also, if that doesn't work out, we're also looking for retail sites, retail plots in front of the, the next military avenue to shield the store for the next five years until something else comes up.

- Excellent, we weren't sure that was gonna be ready for prime time or not Ed. So I'm glad you said that. Just the folks though, this is when he first had said that's Mr. Ted Bacam of the Gorman company, looking at, has a nice project that they're considering locating on the front edge between the existing building and military avenue and kind of one of the corners of the site. So staff is aware of it, and has seen that it was certainly where there was going on regarding that project. So as Mr. Martin said, that would be kind of, I guess, option one, in terms of the redevelopment plan for the site that would go.

- I'm their first option, and I think it's your first option, and hopefully it will be the option. And otherwise if it not, we'll figure out something else.

- I'd very much would like to hear the Martin's in regard to their comments in regard to the development agreement. Are you in sync with everything in the development agreement? Please.

- Uh, Yeah. This is a Ryan Comrade. I'm the attorney for the Martin's here. We've reviewed the development agreement. We have some revisions they're mostly minor. I think the development agreement contemplates what was approved by the staff, the general plan, despite the fact that we have an offer that we're pursuing, it doesn't really change the status of where we're at at tonight's meeting, because that transaction isn't going to close. I mean, if it does close, it won't close until well into 2022 all, and it may not close. Because the developer has a lot of work to do before they would be able to actually bring that project to fruition. So in what we're asking for and what the staff has approved is this development agreement really to allow for those temporary uses while we explore this option, as well as, other potential options. So despite the fact that when you have a little bit of action going on in the background. We really need in front of parallel paths with both the development agreement, and the development opportunities.

- Alder Dorff, do you have a question?

- The only question I had was, but I realized this is a draft. So there was that part that was in yellow, about um, I've got to find it. I think we need to also address training facility uses, but then I looked and saw that it was a draft. So I thought, well, you'll bring something else to council probably. Right.

- Yeah, we'll just similar to what has been done for the description that has been for the section right above that Alder, was simply be adding a section for that description for that particular building, would be also.

- So, yeah.

- We'd be asking that for the developer to provide that for us. So that's not something staff would write, we'd be asking them to provide us a list.

- Okay

- Either questions or comments in regard to the Martin's.

- Well our intention is to follow through with the staff's recommendation from Ted. So we're very excited about that and we want to work closer with the city, and we feel that, activity equals activity, and uh, and if we can get some activity there, I think, I think you'll very happy with, with what that could look like.

- Good. Very good.

- Okay, I'm going to make a motion to close the floor.

- Go ahead, Alder

- Hi. Thank you. I just wanted to make a point that I, I met with Mr. Martin, and also with Alder VanderLeest, then, Supervisor Evans. And we talked about this project, and we felt pretty good about it at the time. So we're just looking forward to working. The Martin's have been fabulous. And it's along military avenue. It's great for business. So, I look forward to more of that. Thank you.

- Absolutely. Great comments. Thank you.

- Um, Well, Alder Dorff. You wanna make a motion to go back to regular business?

- Yes, I'll make.

- I'll Second.

- Second by Kathy. All those in favor, signify by saying Aye.

- Aye.

- Motion carried, we are back to regular order of business. Matt, got some thoughts?

- Uh, no, just incredibly supportive Gary in this, you know, my hats off to the Martin's. We had a meeting, I don't know what was it? Six weeks ago, and they were talking about, you know, this three-year term and intended use, and we try to find someone and you know. Here we are before the development agreement, the ink isn't even dry and you're talking about now, you know, write a signed offer to purchase. I just really appreciate, you know, the effort that your team has been putting forward, to move this thing forward and generate, you know, a really positive activity. So I'm just really impressed and, you know, ready to make a motion.

- Kathy, Deby, thoughts?

- I'm impressed also, and I think we need to move forward on it. It's a lot of activity down there, and it's good use of the building, and the Martin's have a track record in Green Bay. So it'll all work out.

- Oh, Bridget. Any thoughts?

- I'm on board as well, a huge fan of the Martin's, and I know that they are good for their word. So, thank you for all your work.

- All right. Not a lot of comments. Ready for the motion

- I'd make the motion then Gary, that we approve the development agreement, subject to final review by the city attorney, and developer and forwarding to the city council, for final approval on November 2nd, 2021.

- I'll Second.

- Okay. Motion made by Matt. Second by Bridget. Aaron, questions or comments?

- This is David.

- We want Aaron, who's not here obviously, and Neil for all their work, because they actually made the connection between Ted, from Gorman & Company and us. So they should get the credit.

- All right.

- I wanna thank Neil, thank you very much.

- Motion in second, all those in favor, signify saying Aye.

- Aye.

- Opposed. Very good. Thank you. The Martin's. Excellent job. You've been great corporate citizens, and great business people, we look forward to working with you in the future. Fantastic job. Ah, I think, I think that's it for today. Any other final comments, or questions for staff or Neil or anybody?

- None here, sir.

- Great.

- No, I think its been a great meeting. I mean, too big, the bonds, and also very effective.

- Kudos to you and the Mayor, for getting through this quickly in a short time frame. Cause I know, I saw you in the hall the other day and you were definitely scrambling.

- We had to hustle, but that's okay. It's what we're here for. So yeah.

- Good luck.

- Yeah. Your Welcome, good luck. You guys will do great.

- Thank You

- I guess, we'll motion to adjourn.

- Second.

- Motion by Kathy, second by Deby. All those in favor signify by saying Aye.

- Aye.

- Opposed? You've got your mask on already Barb. All right. We are out of here. Thank you. Nice meeting.

- Thank you guys.

- Have a good night everyone.

- Very Productive.

- Thanks everybody.