



CITY OF NEW RICHMOND  
THE CITY BEAUTIFUL

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**Community Development Authority Meeting  
City of New Richmond, Wisconsin  
Thursday, May 5, 2016  
8:00 a.m. at the Civic Center (South Conf Room)**

*If you are unable to attend the meeting, please notify Marie Bannink at 246-4268.*

AGENDA:

1. Call to Order
2. Roll Call
3. Adoption of Agenda
4. Approval of the Previous CDA Meeting Minutes – February 5, 2016
5. Public Hearing to consider financing for the ESR building
6. Consideration of ESR financing resolution
7. Announcements
8. Adjournment

cc: The News  
Northwest Community Communications  
City Website

**A majority of the members of the New Richmond City Council may be present at the above meeting. Pursuant to State ex rel. Badke v. Greendale Village Board., 173 Wis. 2d 553, 494 N.W. 2<sup>nd</sup> 408(1993) such attendance may be considered a meeting of the City Council and must be noticed as such, although the Council will not take action at this meeting.**

If you need a sign language interpreter or other special accommodations, please contact the City Clerk at 246-4268 or Telecommunications Device for the Deaf (TDD) at 243-0453 at least 48 hours prior to the meeting so arrangements can be made.

**Come Grow With Us!**

**CITY OF NEW RICHMOND  
COMMUNITY DEVELOPMENT AUTHORITY  
FRIDAY, FEBRUARY 5, 2016**

Pursuant to due call and notice thereof, a meeting of the Board of Commissioners of the Community Development Authority was called to order by Chair Jason Zahradka at 8:00 a.m. on February 5, 2016.

**Members Present:** Scottie Ard, MaryKay Rice, Jason Zahradka, James Jackson and Jessie Klopp

**Members Absent:** John Soderberg

**Others Present:** Wade Short, Mike Darrow, Beth Thompson, and Marie Bannink

Scottie Ard moved to approve the agenda, seconded by James Jackson, and carried.

Jessie Klopp moved to approve the minutes of the October 13, 2015 meeting, seconded by Scottie Ard, and carried.

Scottie Ard moved to go into Closed Session at 8:03 a.m., seconded by James Jackson, and carried.

**Action on Closed Session:**

The check list was reviewed and accepted. Scottie Ard moved to approve the faced loan application from Short Dance Studio for \$30,000.00, seconded by James Jackson, and carried.

**Announcements:**

No announcements.

Scottie Ard moved to adjourn the meeting, seconded by Jessie Klopp, and carried.

Meeting adjourned at 8:15 a.m.

Minutes by Marie Bannink

Extract of Minutes of a Meeting of the  
Board of Commissioners of the Community Development Authority  
of the City of New Richmond, Wisconsin

Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners of the Community Development Authority of the City of New Richmond, Wisconsin, was duly called and held at the New Richmond Civic Center, 156 East First Street, New Richmond, Wisconsin, on Thursday, the 5th day of May, 2016, at 8:00 a.m. The following members were present:

and the following were absent:

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING THE ISSUANCE OF A NON-PROFIT FACILITY  
REVENUE NOTE (ESR, INC. PROJECT), SERIES 2016A, IN THE  
APPROXIMATE PRINCIPAL AMOUNT OF \$832,300; APPROVING THE  
FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE  
NOTE AND CERTAIN RELATED DOCUMENTS THERETO; PROVIDING FOR  
THE SECURITY, RIGHTS, AND REMEDIES WITH RESPECT TO THE NOTE**

BE IT RESOLVED By the Board of Commissioners (the "Board") of the Community Development Authority of the City of New Richmond, Wisconsin (the "Authority"), as follows:

WHEREAS, the Authority is a public body and a body corporate and politic duly organized and existing under the Constitution and laws of the State of Wisconsin; and

WHEREAS, the law firm of Eckberg Lammers, P.C., bond counsel ("Bond Counsel"), has informed the Authority that Wisconsin Statutes, Section 66.1333, as amended (the "Act"), authorizes community development authorities to issue and sell revenue bonds in furtherance of the statutory purposes under the Act, including but not limited to carrying out development projects and urban renewal projects, encouraging well-planned, integrated, safe and healthful neighborhoods, the provision of a decent living environment, and adequate places for employment, and to lend the proceeds thereof to nonprofit corporations for the purpose of providing financing to remedy blighted and substandard conditions in community facilities, and to more fully meet the goals of the Act; and

WHEREAS, the Authority desires to encourage the high-quality development of economically sound business and industry and to assist the residents of the City of New Richmond, Wisconsin (the "City") achieve the aforementioned statutory objectives; and

WHEREAS, the Authority has received a request from ESR, Inc., a Minnesota nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Borrower"), that the Authority issue the following obligation, and loan the proceeds from the obligation to the Borrower (the "Loan"): Non-Profit Facility Revenue Note (ESR, Inc. Project), Series 2016A, in the approximate principal amount of \$832,300 (the "Note"), the proceeds of which will be loaned to the Borrower to acquire an approximately 1.96-acre parcel of land located in the City's industrial park (the corner of St. Croix Avenue and Wisconsin Drive), and the construction and equipping of a new facility to serve the Borrower's consumers (the "Facility"). Specifically, the Borrower will use the proposed new facility to assist its mission of supporting adults with developmental disabilities and other special needs by helping them integrate into the larger community and gain meaningful employment; and

WHEREAS, the activities proposed to be financed by the Note are collectively referred to herein as the "Project"; and

WHEREAS, a Notice of Public Hearing (in which a general, functional description of the Project was provided, as well as the maximum aggregate face amount of the obligations to be issued with respect to the Project, the identity of the initial owner, operator, or manager of the Project, and the location of the Project by street address) was published on April 21, 2016 in the *New Richmond News*, the official newspaper of the Authority and the City, not less than 14 days before the date hereof; and

WHEREAS, on the date hereof, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Board of Commissioners of the Authority conducted a public hearing at which a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing, on the proposed issuance of the Note and the location and nature of the Project; and

WHEREAS, MidWestOne Bank, Stillwater, Minnesota (the "Lender") has agreed to purchase the Note; and

WHEREAS, the proceeds derived from the sale of the Note are proposed to be loaned to the Borrower under the terms of a Loan Agreement (the "Loan Agreement"), between the Authority and the Borrower and acknowledged by the Lender, and applied by the Borrower, together with other funds of the Borrower, to finance the Project and to pay a portion of the costs of issuing the Note; and

WHEREAS, the loan repayments required to be made by the Borrower under the terms of the Loan Agreement will be assigned from the Authority to the Lender under the terms of an Assignment of Loan Agreement (the "Assignment"), among the Authority, the Borrower, and the Lender; and

WHEREAS, under the terms of Section 147(f) of the Code and U.S. Treasury Regulations promulgated thereunder, the Note may only be issued upon approval of an "applicable elected representative" of a governmental unit; and

WHEREAS, this Board is not an "applicable elected representative" of a governmental unit pursuant to Section 147(f) of the Code and U.S. Treasury Regulations promulgated thereunder, so the issuance of the Note must be approved by the next higher governmental unit with an applicable elected representative from which the Authority derives its authority; and

WHEREAS, the City Council of the City is the next higher governmental unit with an applicable elected representative, and is the governmental unit from which the Authority derives its authority, as the City created the Authority and appoints members of this Board; and

WHEREAS, the City Council of the City, as the “applicable elected representative,” need not conduct or otherwise be present at the public hearing on the issuance of the Note, but will consider approving the issuance of the Note at its regularly scheduled meeting on May 9, 2016.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF NEW RICHMOND, WISCONSIN, AS FOLLOWS:

1. Authorization of Note. For the purpose of financing the Project and paying a portion of the costs of issuing the Note, there is authorized the issuance of the Note in the principal amount described above. The Note shall bear interest at such variable rates, be in such denominations, be numbered, dated, mature, and subject to redemption prior to maturity, in such forms, and have such other details and provisions as are prescribed by the form of the Note on file with the Authority on the date hereof.

2. Special, Limited Obligation. The Note shall be a special, limited obligation of the Authority payable solely from revenues of the Project, in the manner provided in this Resolution and the Loan Agreement. The Note does not constitute a general or moral obligation of the Authority or the City, or a pledge of the full faith and credit or any taxing powers of the Authority, the City, the State of Wisconsin, or any political subdivision thereof.

Specifically, the Note and the interest on the Note: (i) shall not constitute a general or moral obligation of the Authority and shall be payable solely from the revenues pledged therefor; (ii) shall not constitute a debt of the Authority within the meaning of any constitutional or statutory limitation; (iii) shall not constitute or give rise to pecuniary liabilities of the Authority nor charges against its general credit or taxing powers; and (iv) shall not constitute charges, liens, or encumbrances, legal or equitable, upon any property of the Authority other than the Authority’s interests in the Project and the Loan Agreement, which will be assigned to the Lender under the Assignment.

The Note shall contain recitals that it is issued pursuant to the Act, and such recitals shall be conclusive evidence of the validity of the Note and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Wisconsin relating to the adoption of this Resolution, to the issuance of the Note, and to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

All of the provisions of the Note, when executed as authorized in this Resolution, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Note shall be substantially in the form on file with the Authority, which form is hereby approved, with such necessary and appropriate variations, omissions and insertions (including changes to the final principal amount of the Note, the determination of the initial interest rate on the Note, and changes to the terms of redemption of the Note) as the Board Chair and Authority staff, in consultation with Eckberg Lammers, P.C. (“Bond Counsel”), shall determine. The execution of the Note with the manual or facsimile signatures of the Board Chair and Board Secretary and the delivery of the Note by the Authority shall be conclusive evidence of such determination.

3. Loan Documents. The proceeds derived from the sale of the Note shall be loaned by the Authority to the Borrower pursuant to the Loan Agreement. The Loan repayments to be made by the Borrower under the Loan Agreement are to be fixed so as to produce revenues sufficient to pay the principal of and interest on the Note when due. The Loan and the Authority’s rights to the Loan repayments and certain other rights under the Loan Agreement shall be assigned to the Lender as security for payment of the Note pursuant to the terms of the Assignment. The Note, the Loan Agreement, and the

Assignment shall be substantially in the forms on file with the Authority on the date hereof, and are hereby approved, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Board Chair and the Board Secretary, in consultation with Bond Counsel, shall determine, and the execution and delivery thereof by the Board Chair and the Board Secretary shall be conclusive evidence of such determination. The Note, the Loan Agreement, and the Assignment are directed to be executed in the name and on behalf of the Authority by the Board Chair and the Board Secretary.

4. Disclosure. The Authority has not participated in the preparation of any disclosure documents relating to the offer and sale of the Note and has made no independent investigation with respect to the information contained in any such disclosure documents. The Authority assumes no responsibility for the sufficiency, accuracy, or completeness of any information set forth in any such disclosure documents. Further, the Authority assumes no responsibility for undertaking any additional reporting requirements related to the Borrower, the Note, or the Project, as may be required by any current or future local, state or federal laws or regulations.

5. Borrower Representations. The Authority has been advised by the Borrower that (i) conventional financing to pay for the Project is available only on a limited basis and at higher costs of borrowing, such that the economic feasibility of the Borrower's operations would be significantly reduced, (ii) on the basis of information submitted to the Borrower and its discussions with representatives of area financial institutions and potential buyers of tax-exempt bonds, the Note could be issued and sold upon favorable rates and terms to finance the Project, and (iii) the Project would not be undertaken in its present form but for the availability of tax-exempt financing. The Borrower has additionally informed the Authority that it will pay any and all out-of-pocket costs incurred by the Authority in connection with the issuance of the Note, whether or not such issuance is carried to completion, and the Borrower is not aware after due investigation of any public official of the Authority having a direct or indirect financial interest or benefit in the Project or from the issuance of the Note.

6. Project Findings. On the basis of information made available to the Authority and the City by the Borrower it appears, and this Board finds, the following:

- (i) the Project furthers the purposes stated in this Resolution and the Act; and
- (ii) the effect of the Project will be to encourage the development of economically sound industry and commerce, assist in the prevention of the emergence of blighted and marginal land, help prevent chronic unemployment, provide the range of services and employment opportunities required by the City, and help provide employment opportunities to individuals who are unemployed or economically disadvantaged.

7. Note Proceedings. The Board Chair, the Board Secretary, and other officers of the Authority are authorized and directed to prepare and furnish to the Lender and Bond Counsel certified copies of all proceedings and records of the Authority relating to the Note, and such other affidavits and certificates as may be required to show the facts relating to the legality of the Note as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Authority as to the truth of all statements contained therein.

8. Additional Documents. The approval given to the various documents referred to above includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom, and additions thereto as may be necessary and appropriate and approved by the officials authorized herein to execute said documents, which approval shall be conclusively evidenced by the execution thereof. The Board Chair, the Board Secretary, and other

officers of the Authority are authorized to execute and deliver, on behalf of the Authority, all other certificates, instruments, and other written documents that may be requested by Bond Counsel, the Lender, or other persons or entities in conjunction with the issuance of the Note and the expenditure of the proceeds of the Note. Without imposing any limitations on the scope of the preceding sentence, such officers are specifically authorized to execute and deliver a general certificate of the Authority and an *Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038* (Rev. April 2011), relating to the Note.

9. Representations of Authority; No Liability. All covenants, stipulations, obligations, representations, and agreements of the Authority contained in this Resolution or contained in the Loan Agreement, Assignment, or other documents referred to above shall be deemed to be the covenants, stipulations, obligations, representatives, and agreements of the Authority to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations, representations, and agreements shall be binding upon the Authority. Except as otherwise provided in this Resolution, all rights, powers, and privileges conferred, and duties and liabilities imposed, upon the Authority by the provisions of this Resolution or of the respective Loan Agreement, Assignment, or other documents referred to above shall be exercised or performed by the Authority, or by such officers, board, body, or agency as may be required or authorized by law to exercise such powers and to perform such duties. No covenant, stipulation, obligation, representation, or agreement herein contained or contained in the Loan Agreement, Assignment, or other documents referred to above shall be deemed to be a covenant, stipulation, obligation, representation, or agreement of any elected official, officer, agent, or employee of the Authority in that person's individual capacity, and neither the members of this Board nor any officer or employee executing the Note shall be liable personally on the Note or be subject to any personal liability or accountability by reason of the issuance thereof.

10. No Other Rights or Remedies. Except as herein otherwise expressly provided, nothing in this Resolution or in the Loan Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm, or corporation other than the Authority and the registered and beneficial owners of the Note, any right, remedy, or claim, legal or equitable, under and by reason of this Resolution or any provision hereof or of the Loan Agreement or any provision thereof; this Resolution, the Loan Agreement and all of their provisions being intended to be, and being for the sole and exclusive benefit of, the Authority and the registered and beneficial owners of the Note issued under the provisions of this Resolution and the Loan Agreement, and the Borrower to the extent expressly provided in the Loan Agreement.

11. Illegality. In case any one or more of the provisions of this Resolution, or of the documents mentioned herein, or of the Note issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, or of the aforementioned documents, or of the Note, but this Resolution, the aforementioned documents, and the Note shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

12. Qualified Tax-Exempt Obligation. In order to qualify the Note as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the Authority makes the following factual statements and representations:

- (i) the Note is not treated as a "private activity bond" under Section 265(b)(3)(B)(ii)(I) of the Code;
- (ii) the Authority hereby designates the Note as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Code;

- (iii) the reasonably anticipated amount of tax-exempt obligations (other than obligations described in clause (ii) of Section 265(b)(3)(C) of the Code) which will be issued by the Authority (and all entities whose obligations will be aggregated with those of the Authority) during calendar year 2016 will not exceed \$10,000,000; and
- (iv) not more than \$10,000,000 of obligations issued by the Authority during calendar year 2016 have been designated for purposes of Section 265(b)(3) of the Code.

13. Performance of Acts and Conditions. All acts, conditions, and things required by the laws of the State of Wisconsin, relating to the adoption of this Resolution, to the issuance of the Note, and to the execution of the Loan Agreement, the Assignment, and the other documents referred to above to happen, exist, and be performed precedent to and in the enactment of this Resolution, and precedent to the issuance of the Note, and precedent to the execution of the Loan Agreement, the Assignment, and the other documents referred to above, have happened, exist, and have been performed as so required by law.

14. Further Authorizations. The members of this Board, officers of the Authority, and attorneys and other agents or employees of the Authority are authorized to do all acts and things required by them by or in connection with this Resolution and the Loan Agreement and the other documents referred to above for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Note, the Loan Agreement, the Assignment, and the other documents referred to above, and this Resolution.

15. Authority Designees. If for any reason the Board Chair is unable to execute and deliver those documents referred to in this Resolution, any other member of this Board, or any officer of the Authority duly delegated to act on behalf of the Board Chair, may execute and deliver such documents with the same force and effect as if such documents were executed by the Board Chair. If for any reason the Board Secretary is unable to execute and deliver the documents referred to in this Resolution, such documents may be executed and delivered by any officer of the Authority duly delegated to act on behalf of the Board Secretary, with the same force and effect as if such documents were executed and delivered by the Board Secretary.

This Resolution is hereby adopted by the Board of Commissioners of the Community Development Authority of the City of New Richmond, Wisconsin, on this 5th day of May, 2016.

\_\_\_\_\_  
Board Chair

ATTEST:

\_\_\_\_\_  
Board Secretary

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner \_\_\_\_\_, and after full discussion thereof and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

\_\_\_\_\_