

Economic Development Authority Meeting Agenda
August 28, 2019 | 7:10 p.m.
Council Chambers, Woodbury City Hall

Please note that all agenda times are estimates.

7:10 p.m. 1. Call to Order

7:11 p.m. 2. Roll Call

7:12 p.m. 3. Consent Agenda

All items listed under the consent agenda are considered to be routine by the EDA Board and will be enacted by one motion and an affirmative vote by roll call of a majority of the members present. There will be no separate discussion of these items unless a Commissioner or citizen so requests, in which event, the items will be removed from the consent agenda and considered a separate subject of discussion by the Board.

A. Approval of Minutes - January 23, 2019 EDA Meeting

B. Approval of 2018 Year-End HRA Financial Statements 19-03

C. Authorization of Predevelopment Finance Fund Grant Application 19-04

Staff recommends EDA adopt **EDA Resolution 19-02** authorizing staff to apply to the Washington County Community Development Agency for a \$50,000 grant to pay for a portion of the Gold Line Station Area Master Planning Process.

7:13 p.m. 4. Public Hearing

A. Goodwill conduit bond issuance 19-05

1. Open Hearing

2. Close Hearing

3. Staff recommends the EDA:

1. Adopt **EDA Resolution 19-03** authorizing the Issuance, Sale, and Delivery of Commercial Development Revenue Notes (Goodwill Project), Series 2019A and B and Authorizing the Execution of Documents Relating Thereto; and

2. Adopt **EDA Resolution 19-04** adopting EDA Directive 1.1: Post-Issuance Compliance Procedure and Policy for Tax-exempt Governmental Bonds.

7:25 p.m. 5. Adjournment

The City of Woodbury EDA is subject to Title II of the Americans with Disabilities Act which prohibits discrimination on the basis of disability by public entities. The EDA is committed to full implementation of the Act to our services, programs, and activities. Information regarding the provision of the Americans with Disabilities Act is available from the Executive Director's office at 651-714-3523. Auxiliary aids for disabled persons are available upon request at least 72 hours in advance of an event. Please call the ADA Coordinator, Clinton P. Gridley at 651-714-3523 (TDD 651-714-3568) to make arrangements.

Minutes

Woodbury Economic Development Authority

Wednesday, January 23, 2019

3A

Pursuant to the due call and notice thereof, a regular meeting was duly held at the Woodbury City Hall, 8301 Valley Creek Road, on the 23rd day of January 2019.

Call to Order

President Anne Burt called the meeting to order at 7:10 p.m.

Roll Call

Upon roll call the following were present: President Anne Burt, Andrea Date, Amy Scoggins, Steve Morris, Jennifer Santini. Absent: None

Others Present: Dwight Picha, EDA Secretary; Mary Tietjen, City Attorney; Mr. Clinton Gridley, EDA Executive Director; and Karl Batalden, Community Development Coordinator

Consent Agenda

All items listed under the consent agenda are considered to be routine by the EDA Board and will be enacted by one motion and an affirmative vote by roll call of a majority of the members present. There will be no separate discussion of these items unless a Commissioner or citizen so requests, in which event, the items will be removed from the consent agenda and considered a separate subject of discussion by the Board.

Item A Approval of Minutes – December 12, 2018 EDA Meeting

Item B To adopt the following resolution

Resolution 19-01

Resolution of the Economic Development Authority of the City of Woodbury, Washington County, Minnesota appointing EDA Officers and adopting 2019 Regular Meeting Schedule

Item C To designate CorTrust Bank as the EDA’s depository of public funds for the year 2019

Ms. Scoggins moved, seconded by Ms. Date, to approve the Consent Agenda items.

Voting via voice:

- Andrea Date – aye
- Amy Scoggins – aye
- Steve Morris – aye
- Jennifer Santini - aye
- President Anne Burt – aye

Absent: None

Adjournment

There being no further items to be brought before the EDA; President Burt adjourned the meeting at 7:11 p.m.

Anne Burt

Approved by the Woodbury Economic Development Authority on _____.

**City of Woodbury, Minnesota
Office of the EDA Executive Director**

EDA Letter 19-03

August 28, 2019

To: The Honorable Chair and Commissioners of the EDA
From: Clinton P. Gridley, EDA Executive Director
Subject: Approval of 2018 Year-End EDA Financial Statements

Summary

The final audited year-end financial statements of the Woodbury Economic Development Authority (EDA) dated December 31, 2018 are attached for the review of the EDA Board of Commissioners. Staff has no findings, concerns or reservations regarding the statements.

Recommendation

Staff recommends that the EDA approve via motion the attached final audited year-end financial statements of the EDA dated December 31, 2018.

Budget Impact

This item has no impact upon the EDA Budget.

Written By: Karl Batalden, Community Development Coordinator
Approved Through: Dwight W. Picha, EDA Secretary
Tim Johnson, EDA Assistant Treasurer
Attachments: Final audited year-end financial statements of the Woodbury EDA dated December 31, 2018

**ECONOMIC DEVELOPMENT AUTHORITY
BALANCE SHEET
December 31, 2018**

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>Increase (Decrease)</u>
ASSETS			
Cash and Investments	\$ 1,112,946	\$ 1,123,768	\$ (10,822)
Prepaid Items	1,050	875	175
Total Assets	<u>\$ 1,113,996</u>	<u>\$ 1,124,643</u>	<u>\$ (10,647)</u>
LIABILITIES			
Accounts payable	\$ 5,449	\$ 3,809	\$ 1,640
Total Liabilities	<u>5,449</u>	<u>3,809</u>	<u>1,640</u>
FUND BALANCE			
Nonspendable:			
Prepaid Items	1,050	875	175
Committed:			
Use of Fund Balance for 2019 EDA Budget	\$ 58,500	\$ 60,800	\$ (2,300)
Available for EDA Activities	1,048,997	1,059,159	(10,162)
Total Fund Balance	<u>1,108,547</u>	<u>1,120,834</u>	<u>(12,287)</u>
Total Liabilities and Fund Balance	<u>\$ 1,113,996</u>	<u>\$ 1,124,643</u>	<u>\$ (10,647)</u>

ECONOMIC DEVELOPMENT AUTHORITY
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Period Ending December 31, 2018

	<u>Budget</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	2018 Comparison to Budget
Revenues:				
Investment Income	\$ 17,000	\$ 17,358	\$ 12,270	\$ 358
LMCIT Dividends	500	75	168	(425)
Total Revenues	<u>17,500</u>	<u>17,433</u>	<u>12,438</u>	<u>(67)</u>
Expenditures:				
Audit	500	500	500	-
Attorney	700	-	100	(700)
Consultants/Project Implementation	50,000	20,135	25,831	(29,865)
Marketing	25,000	7,185	7,043	(17,815)
Postage	200	-	-	(200)
Use of Personal Auto	-	-	66	-
Insurance	900	900	876	-
Dues/Subscriptions/Licenses	1,000	1,000	1,000	-
Travel & Training	-	-	8	-
Total Expenditures	<u>78,300</u>	<u>29,720</u>	<u>35,424</u>	<u>(48,580)</u>
Net increase(decrease) in fund balance	(60,800)	(12,287)	(22,986)	48,513
Fund Balance - January 1	<u>1,120,834</u>	<u>1,120,834</u>	<u>1,143,820</u>	
Fund Balance - December 31	<u>\$ 1,060,034</u>	<u>\$ 1,108,547</u>	<u>\$ 1,120,834</u>	

**City of Woodbury, Minnesota
Office of the EDA Executive Director**

EDA Letter 19-04

August 28, 2019

To: The Honorable Chair and Commissioners of the EDA

From: Clinton P. Gridley, HRA Executive Director

Subject: Authorization of Predevelopment Finance Fund Grant Application

Summary

In November 2016, the City of Woodbury approved Resolution 16-198, supporting a revised locally preferred alternative (LPA) for the METRO Gold Line. As part of the resolution, the City Council identified several areas of particular importance to the City of Woodbury. The City Council will be asked to consider adopting a resolution at its August 28, 2019 Council Meeting that reaffirms these areas of importance. One of these priorities is that “the City will lead the master planning efforts at the station areas. This work is slated to begin later this year and will include public review from both businesses and residents along the corridor.”

Building off of the priority language, initial station area planning occurred during the Project Development Phase of the Gold Line, which generated and ultimately memorialized the locations of the station areas for the Gold Line and increased the number of stations in Woodbury from two to three to increase opportunities for bus rapid transit oriented development (BRTOD). The 2040 Comprehensive Plan identifies the need for additional, local-level, master planning efforts at the Gold Line station areas. This more focused, local-level, BRTOD planning will build off the previous planning assumptions and will be used to implement the Gold Line Station Area Goals and Gold Line Station Area Policies as described in the Land Use Chapter of the 2040 Comprehensive Plan. The EDA is being asked to assist the City with this process to study and secure the appropriate combination of land uses for each station area based on each area’s unique development opportunities, market conditions and ridership potential. Master planning at the station areas will promote cohesive architectural identity using building materials, landscaping, and other architectural or streetscape features to create a unique sense of place.

Staff anticipates that a procurement process for Gold Line station area planning will commence shortly. Given that the procurement has not been completed, the EDA does not know the final budget amount. The Washington County Community Development Agency (WCCDA) offers grants through its Predevelopment Finance Fund that can help fund a portion of this work. A resolution attached to this EDA Letter authorizing the EDA to apply for \$50,000 of WCCDA funds for the Gold Line station area planning and the remaining costs would likely be borne by the EDA.

The attached resolution authorizes the EDA to request a \$50,000 grant from the WCCDA's Predevelopment Finance Fund and authorizes the EDA to begin a procurement process to select a consultant to assist with the Gold Line station area master planning.

Recommendation

Staff recommends the EDA adopt the attached EDA Resolution 19-02 giving authorization to apply for Predevelopment Finance Fund Grant Dollars from the Washington County Community Development Agency to pay for a portion of the Gold Line Station Area Master Planning Costs.

Budget Impact

In the event that a grant award is received from the WCCDA, a separate future EDA action will be requested amending the EDA Fund budget. Additionally, as a procurement decision is made regarding a consultant, a separate future EDA action will be requested that identifies the budget impact.

Background

One of the main public policy rationales for Woodbury's continued support of the METRO Gold Line is the potential for future development and/or redevelopment that would bring both additional jobs and commercial tax base to the community. Woodbury has long found that effective master planning helps secure high quality private investment in commercial spaces. As such, the EDA will likely be the primary municipal funding source for this master planning work as opposed to the City's General Fund.

Written By: Karl Batalden, Community Development Coordinator
Approved Through: Dwight W. Picha, EDA Secretary
Attachments: HRA Resolution 19-02

EDA Resolution 19-02

**Resolution of the Board of Commissioners of the Economic Development Authority
in and for the City of Woodbury, Washington County, Minnesota**

**Authorization to apply for Predevelopment Finance Fund Grant Dollars
From the Washington County Community Development Agency
To Pay for a Portion of the Gold Line Station Area Master Planning Costs**

WHEREAS, the 2040 Comprehensive Plan includes a goal to optimize bus rapid transit-oriented development through master planning at and around Gold Line station areas; and

WHEREAS, Woodbury has established through its 2040 Comprehensive Plan that Gold Line station area planning will likely lead to future development and/or redevelopment and the master planning process is a high priority of the Woodbury EDA; and

WHEREAS, the EDA is supportive of enhancing economic development opportunities that will serve to create jobs, enhance the tax base and improve the lives of Washington County residents; and

WHEREAS, this master planning process will require the procurement of a consultant to assist with the project; and

WHEREAS, the EDA has the legal authority to apply for financial assistance; and

WHEREAS, the proposed Gold Line station area master planning meets the Washington County Community Development Agency (WCCDA) Predevelopment Finance Fund's purposes and criteria; and

WHEREAS, the EDA supports the proposed master planning and hereby supports an application for a \$50,000 grant to the WCCDA's Predevelopment Finance Fund.

NOW, THEREFORE, BE IT RESOLVED that the EDA Board of Commissioners authorizes the submittal of an application to the WCCDA's Predevelopment Finance Fund; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that upon receipt of a WCCDA grant award, the President and Executive Director of the EDA are hereby authorized to execute such agreements as are necessary to receive and use the funding for the proposed project; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Executive Director is hereby authorized to begin a procurement process of a station area planning consultant.

This Resolution was declared duly passed and adopted and was signed by the President and attested to by the Executive Director this 28th day of August, 2019.

Attest:

Anne W. Burt, President

Clinton P. Gridley, Executive Director

(SEAL)

**City of Woodbury, Minnesota
Office of the EDA Executive Director**

EDA Letter 19-05

August 28, 2019

To: The Honorable Chair and Commissioners of the EDA

From: Clinton P. Gridley, EDA Executive Director

**Subject: Public Hearing
Goodwill Conduit Bond Issuance**

Summary

GW Restaurant Holdings, LLC, a Minnesota limited liability company (the “Borrower”), the sole member of which is Goodwill Industries, Inc. , a Minnesota nonprofit corporation (“Goodwill”), has requested that the Woodbury Economic Development Authority (the “EDA”) issue approximately \$7.3 million in conduit debt (the “Bonds”) to finance costs of the acquisition and renovation of a facility located at 9885 Hudson Place in Woodbury (formerly occupied by Staples), for use as a retail store by Goodwill, as well as refinance the acquisition of a Goodwill store located at 7320 153rd Street West in the City of Apple Valley. By issuing the Bonds for both stores, the Borrower can benefit from efficiencies of scale and realize reduced legal, financial and other overhead costs of issuance. Additional information about issuing bonds for a project in a different city may be seen in the Background section below.

The EDA is authorized by Minnesota Statutes, Sections 469.152 to 469.1655, to carry out the public purposes described therein by issuing revenue bonds for a variety of public purposes including but not limited to financing and refinancing of revenue producing enterprises, including projects such as those proposed by the Borrower. Said Bonds are structured as “qualified 501(c)(3) bonds” within the meaning of Section 145 of the Internal Revenue Code of 1986, as amended (the “Code”). Given that the City of Woodbury has previously issued bank qualified bonds in 2019 for street reconstruction purposes and given that the Woodbury HRA has issued conduit debt to benefit the St. Ambrose School, neither the City of Woodbury nor the Woodbury HRA can issue these Bonds and remain within the bank qualified cap of ten million dollars. As such, to comply with Section 265(b)(3)(C) of the Code, the EDA will issue the Bonds.

This bond issuance is conduit in nature and while the EDA will issue the Bonds, it is not responsible or liable for the debt service payments. The Bonds shall be a special limited obligation of the EDA payable solely from revenues of the Borrower, in the manner provided in the attached resolution and a loan agreement. The Bonds do not constitute a general or moral obligation of the City or its EDA, or a pledge of the faith and credit or any taxing power of the City, the State of Minnesota, or any political subdivision thereof. Staff is working with Kennedy and Graven, bond counsel, to achieve a summer issuance of these securities.

In addition to the proposed resolution attached to this letter, a full and complete set of documents related to the bond transaction is available for public review in the City Clerk’s office between the hours of 8:00 a.m. and 4:30 p.m. at Woodbury City Hall.

Recommendation

Following the close of the public hearing, staff recommends the EDA:

1. Adopt the attached **EDA Resolution 19-03** authorizing the Issuance, Sale, and Delivery of Commercial Development Revenue Notes (Goodwill Project), Series 2019A and B and Authorizing the Execution of Documents Relating Thereto; and
2. Adopt the attached **EDA Resolution 19-04** adopting EDA Directive 1.1: Post-Issuance Compliance Procedure and Policy for Tax-exempt Governmental Bonds.

Public Process

1. August 14, 2019 public hearing notice published in *The Bulletin*.
2. August 28, 2019 City approval of conduit debt issuance by the EDA.

Budget Impact

Specific to this issuance, the legal and issuance costs are bundled into the cost of the bond issuance and in any event do not represent a cost to the EDA. In compliance with Woodbury's fee ordinance, the fee received by the EDA for the issuance of the Bonds will be 1% of the aggregate principal amount of Bonds issued, or approximately \$73,000 if the Bonds are issued in the principal amount of \$7,300,000.

Background

A municipal issuance of conduit bonds is a common financing mechanism that allows a project to use tax-exempt bonds as its funding mechanism. By using the municipality's ability to issue conduit bonds, organizations can sell tax exempt bonds rather than taxable bonds. This saves projects millions of dollars in debt service payments over the life of the bonds because tax exempt bonds are typically sold at a lower interest rate than taxable bonds. The City, HRA and EDA have a long history of issuing conduit bonds to help facilitate housing and economic development projects in the community. Some recent examples of these conduit bond issuances include, but are not limited to:

<u>Issuance Year</u>	<u>Project</u>	<u>Amount</u>
2019	St. Ambrose Private School Refunding	\$6,650,500
2017	Legends of Woodbury	\$27,219,678
2017	Stonecrest of Woodbury Refinancing	\$18,180,000
2016	St. Therese Redwoods	\$16,687,500
2015	St. Ambrose Private School Refinancing	\$4,800,000
2014	St. Therese of Woodbury	\$53,245,000
2013	New Life Academy Refinancing	\$3,855,000
2012	Math and Science Academy Gymnasium	\$9,765,000
2012	Stonecrest of Woodbury Refinancing	\$7,725,000

Issuing conduit bonds such as these is one way in which Woodbury can facilitate housing and economic development projects without granting a municipal subsidy.

The proceeds of the Bonds will benefit projects in both Woodbury and Apple Valley. The EDA is allowed to issue securities that benefit another community upon the condition that the other community adopts via resolution host approval of the issuance of the Bonds by the EDA. Several times in the past, the City of Woodbury has previously granted host approval both to Minneapolis as well as St. Paul when they coordinated multi-community bond issuances benefitting health care organizations including Allina, HealthEast and HealthPartners. Similar to the proposed Bonds that benefit Goodwill, those past scenarios allowed a different community to issue bonds that benefitted Woodbury because the financing led to remodeling of facilities in Woodbury. The proposed action benefitting Goodwill will mark the first time in Woodbury's history that Woodbury has been the issuer and received host approval. The City of Apple Valley held a public hearing to consider and grant host approval to this process on August 22, 2019.

Lastly, the proposed EDA Directive mirrors the language of the post-issuance compliance policies of the City and of the HRA and has been drafted by bond counsel.

Written By: Karl Batalden, Community Development Coordinator
Approved Through: Dwight W. Picha, EDA Secretary
Attachments:

1. EDA Resolution 19-03
2. EDA Resolution 19-04
3. Post-Issuance Compliance Procedure and Policy for Tax-exempt Governmental Bonds Directive

EDA Resolution 19-03

**Resolution of the Board of Commissioners of the
Woodbury Economic Development Authority, Washington County, Minnesota**

**Authorizing the Issuance, Sale, and Delivery of Commercial Development
Revenue Notes (Goodwill Industries Project), Series 2019 and
Authorizing the Execution of Documents Relating Thereto**

WHEREAS, the Woodbury Economic Development Authority (the “Authority”) is an economic development authority and a public body corporate and politic and a political subdivision duly organized and existing under the laws of the State of Minnesota; and

WHEREAS, pursuant to the Constitution and laws of the State of Minnesota, particularly Minnesota Statutes, Sections 469.152 to 469.1655 (the “Act”), the Authority is authorized to carry out the public purposes described therein and contemplated thereby by issuing its revenue bonds or other obligations to make a loan to finance any properties used or useful in connection with a revenue producing enterprise; and

WHEREAS, pursuant to Section 469.154, subdivision 3 of the Act, the Authority may not undertake any project authorized by the Act unless its Board of Commissioners (the “Board”) finds that the project furthers the purposes stated in Section 469.152 of the Act, nor until the commissioner (the “Commissioner”) of the Minnesota Department of Employment and Economic Development (“DEED”) has approved the project on the basis of preliminary information the Commissioner requires as tending to further the purposes and policies of the Act; and

WHEREAS, pursuant to Section 469.154, subdivision 4 of the Act, prior to submitting an application to DEED for approval of the Project hereinafter described, the Board must conduct a public hearing, preceded by published notice at least once not less than 14 days nor more than 30 days prior to the date fixed for the hearing, in the official newspaper of the Authority and a newspaper of general circulation in the City of Woodbury, Minnesota (the “City” or the “City of Woodbury”), on the proposal to undertake and finance the Project.

WHEREAS, the Board has received a request from by GW Restaurant Holdings, LLC, a Minnesota limited liability company (the “Borrower”), the sole member of which is Goodwill Industries, Inc., a Minnesota nonprofit corporation (the “Sole Member”), whose mission and purpose is to eliminate barriers to work and independence by providing a broad spectrum of programming designed to address and fight the multiple barriers to work through employment training and education programs, including for construction, automotive, banking and finance, and healthcare sectors, that the Authority issue its Commercial Development Revenue Notes (Goodwill Industries Project), Series 2019 (the “Notes”), in an original aggregate principal amount not to exceed \$7,300,000, and loan the proceeds derived from the sale of the Notes to the Borrower; and

WHEREAS, Bremer Bank, National Association, a national banking association (the “Lender”), has agreed to purchase the Notes in a manner consistent with the policies of the Authority and the City relating to the issuance and sale of non-rated conduit revenue bonds; and

WHEREAS, the proceeds derived from the sale of the Notes are proposed to be applied to make a loan to the Borrower (the "Loan") under the terms of a Loan Agreement, dated on or after September 1, 2019 (the "Loan Agreement"), between the Authority and the Borrower, and applied by the Borrower, together with other funds of the Borrower, to the following purposes (collectively, the "Project"): (i) to finance the acquisition and renovation of an approximately 20,000 square foot facility located at 9885 Hudson Place in the City (the "Woodbury Facility"), to be used and operated by the Sole Member as a retail store for the purpose of funding employment training and education programs; (ii) to finance the acquisition of an existing facility located at 7320 153rd Street W. (the "Apple Valley Facility") in the City of Apple Valley, Minnesota (the "City of Apple Valley"), used and operated by the Sole Member as a retail store for the purpose of funding employment training and education programs; (iii) the funding of one or more reserve funds to secure the timely payment of the Notes; (iv) the payment of a portion of the interest on the Notes; and (v) the payment of a portion of the costs of issuing the Notes; and

WHEREAS, the Woodbury Facility and the Apple Valley Facility will be owned by the Borrower and leased to and operated by the Sole Member; and

WHEREAS, the loan repayments required to be made by the Borrower under the terms of the Loan Agreement will be assigned to the Lender under the terms of an Assignment of Loan Agreement, dated on or after September 1, 2019 (the "Assignment"), between the Authority and the Lender; and

WHEREAS, the obligations of the Borrower under the terms of the Loan Agreement and the Assignment will be secured by (i) one or more mortgages, assignments of mortgage or security agreements granting a mortgage lien or security interest with respect to the Project or any portion thereof to the Lender; (ii) one or more collateral assignments of the contracts between the Borrower and the architect and contractor with respect to the Project; (iii) one or more indemnity agreements; (iv) one or more disbursing agreements, between the Borrower, the Lender, and a disbursing agent to be selected by the Borrower to provide for the disbursement of the proceeds of the Notes and the Loan; and (v) assignments of rents, guarantees, and other security instruments and documents that are intended to ensure timely payment of the Loan and the Notes; and

WHEREAS, the Board conducted a public hearing on the date hereof, with respect to the proposed issuance of the Notes to finance the Project and the public hearing was conducted at least fourteen (14) days after the publication in the official newspaper of the Authority and a newspaper of general circulation in the City of a notice of such public hearing; and

WHEREAS, the Notes and the interest on the Notes: (i) shall be special, limited obligations of the Authority; (ii) shall not constitute a general or moral obligation of the Authority or the City and shall be payable solely from the revenues pledged therefor; (iii) shall not constitute a debt of the Authority or the City within the meaning of any constitutional or statutory limitation; (iv) shall not constitute nor give rise to a pecuniary liability of the Authority or the City or a charge against their general credit or taxing powers; and (v) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Authority or the City other than the Authority's interest in the Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE WOODBURY ECONOMIC DEVELOPMENT AUTHORITY, AS FOLLOWS:

1. The Authority acknowledges, finds, determines, and declares that the issuance of the Notes is authorized by the Act and is desirable, feasible, and consistent with the purposes of the Act and that the issuance of the Notes, and the other actions of the Authority under the Loan Agreement, the Assignment, and this resolution constitute a public purpose and are in the interests of the Authority. The Project constitutes a "project" within the meaning of Section 469.153, subdivision 2(b) of the Act and furthers the purposes stated in Section 469.152 of the Act. In authorizing the issuance of the Notes for the financing of the Project and the related costs, the Authority's purpose is and the effect thereof will be to promote the public welfare of the residents of the City of Woodbury and the City of Apple Valley by providing retail stores that fund employment training and education programs and otherwise furthering the purposes and policies of the Act.

2. In accordance with Section 469.154 of the Act, the actions of Authority staff and other officers, employees, attorneys, and agents of the Authority in the preparation of a DEED application for submission to DEED is hereby ratified and confirmed. Authority staff and other officers, employees, attorneys, and agents of the Authority are hereby authorized to provide DEED with any information needed for its review and approval of the Project, and the Community Development Coordinator is authorized to initiate and assist in the preparation of such documents as may be deemed appropriate by Kennedy & Graven, Chartered, in its capacity as bond counsel to the City ("Bond Counsel").

3. For the purpose of financing the Project, there is hereby authorized the issuance of the Notes in the original aggregate principal amount not to exceed \$7,300,000, in one or more series as the President and the Executive Director of the Authority (the "President" and the "Executive Director"), in their discretion, shall determine. The Notes shall bear interest at such rates, shall be in such denomination, shall be numbered, shall be dated, shall mature, shall be subject to redemption prior to maturity, shall be in such form, and shall have such other details and provisions as are prescribed by the forms of the Notes on file with the Authority on the date hereof.

The Notes shall be special, limited obligations of the Authority payable solely from revenues of the Project, in the manner provided in this resolution and the Loan Agreement. The Notes do not constitute general or moral obligations of the Authority or the City, or a pledge of the faith and credit or any taxing power of the Authority or the City, the State of Minnesota, or any political subdivision thereof. The Authority hereby authorizes and directs the President and the Executive Director to execute the Notes, and to deliver the Notes to the Lender, and hereby authorizes and directs the execution of the Notes in accordance with their terms and the terms of this resolution. The President is hereby authorized to approve the interest rate or rates on the Notes, approve changes to the maturity schedules, optional and mandatory redemption terms, and other terms and provisions of the Notes; provided that the maturity date for each of the Notes shall not be later than the date set forth in the forms of the Notes on file with the Authority on the date hereof.

The Notes shall contain a recital that it is issued pursuant to the Act, and such recital shall be conclusive evidence of the validity of the Notes and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Notes, and to the execution of

the aforementioned documents have happened, exist, and have been performed as so required by law.

The Notes are authorized to be issued as “qualified 501(c)(3) bonds,” within the meaning of Section 145 of the Internal Revenue Code of 1986, as amended, the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel is hereby authorized to provide a legal opinion as to the validity and the tax-exempt status of the Notes.

4. The proceeds derived from the sale of the Notes 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 will produce revenues sufficient to pay the principal of, premium, if any, and interest on the Notes when due. The Loan made pursuant to the Loan Agreement, 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 Notes pursuant to the terms of the Assignment. The Notes, 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 President and Executive Director, in their discretion, shall determine, and the execution and delivery thereof by the President and Executive Director shall be conclusive evidence of such determination. The Notes, the Loan Agreement, and the Assignment are directed to be executed in the name and on behalf of the Authority by the President and Executive Director.

5. The offer of the Lender to purchase each of the Notes at a price of par is hereby accepted.

6. The Authority has not participated in the preparation of any disclosure documents relating to the offer and sale of the Notes 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.

7. The President, the Executive Director, and other officers of the Authority and the City are authorized and directed to prepare and furnish to the Lender and to Bond Counsel certified copies of all proceedings and records of the Authority and the City relating to the Notes, and such other affidavits and certificates as may be required to show the facts relating to the legality of the Notes 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 and the City, as applicable, as to the truth of all statements contained therein.

8. The Authority and the Borrower hereby acknowledge and confirm that the maintenance of the tax-exempt status of interest on the Notes is dependent, among other things, on compliance with the arbitrage and rebate requirements set forth in Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder. To that end, the Borrower will agree under the terms of the Loan Agreement to cause to be made such periodic arbitrage and rebate computations, and will agree to make any necessary rebate payments to the United States, as and when required by applicable provisions of the Code and Treasury Regulations. Further, if necessary to comply with the arbitrage and rebate requirements, the Borrower will agree under the terms of the Loan

Agreement to retain a firm or person experienced in arbitrage and rebate matters to prepare any necessary computations during the terms of the Notes and to furnish the Authority with a copy of such computations along with corresponding accounting and investment records. The Authority may require that an independent third party be retained to assist with record-keeping for the Notes and that such third party be responsible for all or some portion of the arbitrage and rebate compliance responsibilities with respect to the Notes.

9. The approval hereby 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 President, the Executive Director, and other officers and employees of the Authority are hereby 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 Notes and the expenditure of the proceeds of the Notes. Without imposing any limitations on the scope of the preceding sentence, such officers and employees are specifically authorized to execute and deliver a certificate relating to federal tax matters including matters relating to arbitrage and arbitrage rebate, a receipt for the proceeds derived from the sale of the Notes, a general certificate of the Authority, and an Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038 (Rev. September 2018).

10. 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, representations, 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 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 the Board nor any officer or employee executing the Notes shall be liable personally on the Notes or be subject to any personal liability or accountability by reason of the issuance thereof.

11. 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 Notes, 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 Notes issued under the provisions of this resolution and the Loan Agreement, and the Borrower to the extent expressly provided in the Loan Agreement.

12. In case any one or more of the provisions of this resolution, or of the documents mentioned herein, or of the Notes 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 Notes, but this resolution, the aforementioned documents, and the Notes shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

13. All acts, conditions, and things required by the laws of the State of Minnesota, relating to the adoption of this resolution, to the issuance of the Notes, 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 Notes, 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. The members of the Board, officers of the Authority, and attorneys and other agents or employees of the Authority are hereby 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 Notes, the Loan Agreement, the Assignment, and the other documents referred to above, and this resolution. On any date subsequent to the date of issuance of the Notes, the President and the Executive Director are hereby authorized to execute and deliver any amendments or supplements to any of the documents referred to in this resolution on behalf of the Authority if, after review by counsel to the Authority or Bond Counsel, the President and the Executive Director determine that the execution and delivery of such amendment or supplement is in the interests of the Authority. The President and the Executive Director may impose any terms or conditions on the execution and delivery of any such amendment or supplement as the President and the Executive Director deem appropriate.

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

16. The Borrower has agreed and it is hereby determined that any and all costs incurred by the Authority in connection with the financing of the Project will be paid by the Borrower. The Borrower shall pay the administrative fees of the Authority set forth in the Loan Agreement on the date of issuance of the Notes in accordance with in Section 2-3(b)(IV)(z) of the Woodbury City Code. It is understood and agreed that the Borrower shall indemnify the Authority against all liabilities, losses, damages, costs, and expenses (including attorney's fees and expenses incurred by the Authority) arising with respect to the Project or the Notes, as provided for and agreed to by and between the Borrower and the Authority in the Loan Agreement.

17. The Authority's obligation to proceed with the issuance of the Notes to finance the costs of the Project is conditioned upon the consideration and adoption by the City Council of the City of a resolution granting all necessary approvals with respect to the Notes and the Project, and any additional approvals including but not limited to an agreement by the Borrower or the Sole Member to make payments in lieu of property taxes with respect to the Woodbury Facility, to the extent determined necessary and desirable by the City.

18. In order to qualify the Notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the Authority hereby makes the following factual statements and representations;

(a) the Notes will be issued after August 7, 1986;

(b) the Notes are not treated as a "private activity bond" under Section 265(b)(3) of the Code;

(c) the Authority hereby designates the Notes as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code;

(d) 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 subordinate entities of the Authority) during the calendar year 2019 will not exceed \$10,000,000; and

(e) not more than \$10,000,000 of obligations issued by the Authority during the calendar year 2019 have been designated as qualified tax-exempt obligations by the Authority for purposes of Section 265(b)(3) of the Code.

19. This resolution shall be in full force and effect from and after its passage.

This resolution was declared duly passed and adopted and was signed by the President and attested to by the Executive Director on the 28th day of August, 2019.

Anne W. Burt, President

Attest:

Clinton P. Gridley, Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

I, the undersigned, being the duly qualified and acting Secretary of the Woodbury Economic Development Authority (the "Authority"), do hereby certify that attached hereto is a compared, true, and correct copy of a resolution authorizing the issuance, sale, and delivery of Commercial Development Revenue Notes (Goodwill Industries Project), Series 2019 and authorizing the execution and delivery of related documents duly adopted by the Board of Commissioners of the Authority on August 28, 2019, at a regular meeting thereof duly called and held, as on file and of record in my office, which resolution has not been amended, modified, or rescinded since the date thereof, and is in full force and effect as of the date hereof.

WITNESS My hand this ____ day of _____, 2019.

Secretary

EDA Resolution 19-04

**Resolution of the Board of Commissioners of the
Woodbury Economic Development Authority, Washington County, Minnesota**

**Adopting EDA Directive 1.1: Post-Issuance Compliance Procedure and Policy for Tax-
exempt Governmental Bonds.**

WHEREAS, the Woodbury Economic Development Authority (the “EDA”) issues tax-exempt governmental bonds (“TEBs”) to finance capital improvements; and

WHEREAS, as an issuer of TEBs, the EDA is required by the terms of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder (the “Treasury Regulations”), to take certain actions after the issuance of TEBs to ensure the continuing tax-exempt status of such bonds; and

WHEREAS, Section 6001 of the Code and Section 1.6001-1(a) of the Treasury Regulations impose record retention requirements on the EDA with respect to its TEBs.

NOW, THEREFORE, BE IT RESOLVED that the EDA Board of Commissioners authorizes the adoption of EDA Directive 1.1: Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds to ensure that the EDA complies with its post-issuance compliance obligations under applicable provisions of the Code and Treasury Regulations.


This Resolution was declared duly passed and adopted and was signed by the President and attested to by the Executive Director this 28th day of August, 2019.

Attest:

Anne W. Burt, President

Clinton P. Gridley, Executive Director

(SEAL)

 ECONOMIC DEVELOPMENT AUTHORITY DIRECTIVE	Adopted: 8-28-19 Revised:	Number: EDAD 1.1
	President:	Executive Director:
	For: Economic Development Authority Board	
	Subject: Post-Issuance Compliance Procedure and Policy for Tax-exempt Governmental Bonds	

PURPOSE

The Woodbury Economic Development Authority (the “Issuer”) issues tax-exempt governmental bonds (“TEBs”) to finance capital improvements. As an issuer of TEBs, the Issuer is required by the terms of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder (the “Treasury Regulations”), to take certain actions after the issuance of TEBs to ensure the continuing tax-exempt status of such bonds. In addition, Section 6001 of the Code and Section 1.6001-1(a) of the Treasury Regulations impose record retention requirements on the Issuer with respect to its TEBs. This Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds (the “Policy”) has been approved and adopted by the Issuer to ensure that the Issuer complies with its post-issuance compliance obligations under applicable provisions of the Code and Treasury Regulations.

POLICY

1. Effective Date and Term. The effective date of this Policy is the date of approval by the Board of Commissioners of the Issuer (August 28, 2019) and this Policy shall remain in effect until superseded or terminated by action of the Board of Commissioners of the Issuer.

2. Responsible Parties. The Treasurer of the Issuer (the “Compliance Officer”) shall be the party primarily responsible for ensuring that the Issuer successfully carries out its post-issuance compliance requirements under applicable provisions of the Code and Treasury Regulations. The Compliance Officer will be assisted by the Executive Director of the Issuer and other Issuer staff and officials when appropriate. The Compliance Officer of the Issuer will also be assisted in carrying out post-issuance compliance requirements by the following organizations:

(a) Bond Counsel (the attorney or law firm primarily responsible for the legal and procedural guidance regarding the issuance of bonds);

(b) Financial Advisor (the person or organization primarily responsible for providing financial advisory services to the Issuer);

(c) Paying Agent (the person, organization, or officer of the Issuer primarily responsible for providing paying agent services for the Issuer); and

(d) Rebate Analyst (the organization primarily responsible for providing rebate analyst services for the Issuer).

The Compliance Officer shall be responsible for assigning post-issuance compliance responsibilities to other staff of the Issuer, Bond Counsel, Paying Agent, and Rebate Analyst. The Compliance Officer shall utilize such other professional service organizations as are necessary to ensure compliance with the post-issuance compliance requirements of the Issuer. The Compliance Officer shall provide training and educational resources to Issuer staff responsible for ensuring compliance with any portion of the post-issuance compliance requirements of this Policy.

3. Post-Issuance Compliance Actions. The Compliance Officer shall take the following post-issuance compliance actions or shall verify that the following post-issuance compliance actions have been taken on behalf of the Issuer with respect to each issue of TEBs:

(a) The Compliance Officer shall prepare a transcript of principal documents (this action will primarily be the responsibility of Bond Counsel or the Financial Advisor).

(b) The Compliance Officer shall file with the Internal Revenue Service (the "IRS"), within the time limit imposed by Section 149(e) of the Code and applicable Treasury Regulations, an Information Return for Tax-Exempt Governmental Obligations, Form 8038-G (this action will be the primary responsibility of Bond Counsel).

(c) The Compliance Officer (in consultation with the Financial Advisor and Bond Counsel) shall prepare an "allocation memorandum" for each issue of TEBs in accordance with the provisions of Treasury Regulations, Section 1.148-6(d)(1), that accounts for the allocation of the proceeds of the tax-exempt bonds to expenditures not later than the earlier of:

(i) 18 months after the later of (A) the date the expenditure is paid, or (B) the date the project, if any, that is financed by the tax-exempt bond issue is placed in service; or

(ii) 60 days after the earlier of (A) the fifth anniversary of the issue date of the tax-exempt bond issue, or (B) the date 60 days after the retirement of the tax-exempt bond issue.

(d) The Compliance Officer, in consultation with Bond Counsel, shall identify proceeds of TEBs that must be yield-restricted and shall monitor the investments of any yield-restricted funds to ensure that the yield on such investments does not exceed the yield to which such investments are restricted.

(e) In consultation with Bond Counsel, the Compliance Officer shall determine whether the Issuer is subject to the rebate requirements of Section 148(f) of the Code with respect to each issue of TEBs. In consultation with Bond Counsel, the Compliance Officer shall determine, with respect to each issue of TEBs of the Issuer, whether the Issuer is eligible for any

of the temporary periods for unrestricted investments and is eligible for any of the spending exceptions to the rebate requirements. The Compliance Officer shall contact the Rebate Analyst (and, if appropriate, Bond Counsel) prior to the fifth anniversary of the date of issuance of each issue of TEBs of the Issuer which are subject to such rebate requirements, and each fifth anniversary thereafter, to arrange for calculations of the rebate requirements with respect to such TEBs. If a rebate payment is required to be paid by the Issuer, the Compliance Officer shall prepare or cause to be prepared the Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, Form 8038-T, and submit such Form 8038-T to the IRS with the required rebate payment. If the Issuer is authorized to recover a rebate payment previously paid, the Compliance Officer shall prepare or cause to be prepared the Request for Recovery of Overpayments Under Arbitrage Rebate Provisions, Form 8038-R, with respect to such rebate recovery, and submit such Form 8038-R to the IRS.

4. Procedures for Monitoring, Verification, and Inspections. The Compliance Officer shall institute such procedures as the Compliance Officer shall deem necessary and appropriate to monitor the use of the proceeds of TEBs issued by the Issuer, to verify that certain post-issuance compliance actions have been taken by the Issuer, and to provide for the inspection of the facilities financed with the proceeds of such bonds. At a minimum, the Compliance Officer shall establish the following procedures:

(a) The Compliance Officer shall monitor the use of the proceeds of TEBs to: (i) ensure compliance with the expenditure and investment requirements under the temporary period provisions set forth in Treasury Regulations, Section 1.148-2(e); (ii) ensure compliance with the safe harbor restrictions on the acquisition of investments set forth in Treasury Regulations, Section 1.148-5(d); (iii) ensure that the investments of any yield-restricted funds do not exceed the yield to which such investments are restricted; and (iv) determine whether there has been compliance with the spend-down requirements under the spending exceptions to the rebate requirements set forth in Treasury Regulations, Section 1.148-7.

(b) The Compliance Officer shall monitor the use of all bond-financed facilities in order to: (i) determine whether private business uses of bond-financed facilities have exceeded the limits set forth in Section 141(b) of the Code as a result of leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons; and (ii) determine whether private security or payments that exceed the limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such bond-financed facilities. The Compliance Officer shall provide training and educational resources to any Issuer staff who have the primary responsibility for the operation, maintenance, or inspection of bond-financed facilities with regard to the limitations on the private business use of bond-financed facilities and as to the limitations on the private security or payments with respect to bond-financed facilities.

(c) The Compliance Officer shall undertake the following with respect to each outstanding issue of TEBs of the Issuer: (i) an annual review of the books and records maintained by the Issuer with respect to such bonds; and (ii) an annual physical inspection of the facilities financed with the proceeds of such bonds, conducted by the Compliance Officer with the assistance

with any Issuer staff who have the primary responsibility for the operation, maintenance, or inspection of such bond-financed facilities.

5. Record Retention Requirements. The Compliance Officer shall collect and retain the following records, if applicable, with respect to each issue of TEBs of the Issuer and with respect to the facilities financed with the proceeds of such bonds: (i) audited financial statements of the Issuer; (ii) appraisals, demand surveys, or feasibility studies with respect to the facilities to be financed with the proceeds of such bonds; (iii) publications and brochures related to the bond financing; (iv) trustee or paying agent statements; (v) records of all investments and the gains (or losses) from such investments; (vi) paying agent or trustee statements regarding investments and investment earnings; (vii) reimbursement resolutions and expenditures reimbursed with the proceeds of such bonds; (viii) allocations of proceeds to expenditures (including costs of issuance) and the dates and amounts of such expenditures (including requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks with respect to such expenditures); (ix) contracts entered into for the construction, renovation, or purchase of bond-financed facilities; (x) an asset list or schedule of all bond-financed depreciable property and any depreciation schedules with respect to such assets or property; (xi) records of the purchases and sales of bond-financed assets; (xii) private business uses of bond-financed facilities that arise subsequent to the date of issue through leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons and copies of any such agreements or instruments; (xiii) arbitrage rebate reports and records of rebate and yield reduction payments; (xiv) resolutions or other actions taken by the governing body subsequent to the date of issue with respect to such bonds; (xv) formal elections authorized by the Code or Treasury Regulations that are taken with respect to such bonds; (xvi) relevant correspondence relating to such bonds; (xvii) documents related to guaranteed investment contracts or certificates of deposit, credit enhancement transactions, and financial derivatives entered into subsequent to the date of issue; (xviii) copies of all Form 8038Ts and Form 8038-Rs filed with the IRS; and (xix) the transcript prepared with respect to such TEBs.

The records collected by the issuer shall be stored in any format deemed appropriate by the Compliance Officer and shall be retained for a period equal to the life of the TEBs with respect to which the records are collected (which shall include the life of any bonds issued to refund any portion of such TEBs or to refund any refunding bonds) plus 3 years.

6. Remedies. In consultation with Bond Counsel, the Compliance Officer shall become acquainted with the remedial actions under Treasury Regulations, Section 1.141-12, to be utilized in the event that private business use of bond-financed facilities exceeds the limits under Section 141(b)(1) of the Code. In consultation with Bond Counsel, the Compliance Officer shall become acquainted with the Tax Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31, 2008-11 I.R.B. 592, to be utilized as a means for an issuer to correct any post-issuance infractions of the Code and Treasury Regulations with respect to outstanding tax-exempt bonds.

7. Continuing Disclosure Obligations. In addition to its post-issuance compliance requirements under applicable provisions of the Code and Treasury Regulations, the Issuer has agreed to provide continuing disclosure, such as annual financial information and material event notices, pursuant

to a continuing disclosure certificate or similar document (the “Continuing Disclosure Document”) prepared by Bond Counsel and made a part of the transcript with respect to each issue of bonds of the Issuer that is subject to such continuing disclosure requirements. The Continuing Disclosure Documents are executed by the Issuer to assist the underwriters of the Issuer’s bonds in meeting their obligations under Securities and Exchange Commission Regulation, 17 C.F.R. Section 240.15c2-12, as in effect and interpreted from time to time (“Rule 15c2-12”). The continuing disclosure obligations of the Issuer are governed by the Continuing Disclosure Documents and by the terms of Rule 15c2-12. The Compliance Officer is primarily responsible for undertaking such continuing disclosure obligations and to monitor compliance with such obligations.

8. Other Post-Issuance Actions. If, in consultation with Bond Counsel, Financial Advisor, Paying Agent, Rebate Analyst, or the Board of Commissioners, the Compliance Officer determines that any additional action not identified in this Policy must be taken by the Compliance Officer to ensure the continuing tax-exempt status of any issue of governmental bonds of the Issuer, the Compliance Officer shall take such action if the Compliance Officer has the authority to do so. If, after consultation with Bond Counsel, Financial Advisor, Paying Agent, Rebate Analyst, or the Board of Commissioners, the Compliance Officer determines that this Policy must be amended or supplemented to ensure the continuing tax-exempt status of any issue of governmental bonds of the Issuer, the Compliance Officer shall recommend to the Board of Directors that this Policy be so amended or supplemented.

9. Taxable Governmental Bonds. Most of the provisions of this Policy, other than the provisions of Section 7, are not applicable to governmental bonds the interest on which is included in gross income for federal income tax purposes. However, if an issue of taxable governmental bonds is later refunded with the proceeds of an issue of tax-exempt governmental refunding bonds, then the uses of the proceeds of the taxable governmental bonds and the uses of the facilities financed with the proceeds of the taxable governmental bonds will be relevant to the tax-exempt status of the governmental refunding bonds. Therefore, if there is any reasonable possibility that an issue of taxable governmental bonds may be refunded, in whole or in part, with the proceeds of an issue of TEBs, then for purposes of this Policy, the Compliance Officer shall treat the issue of taxable governmental bonds as if such issue were an issue of TEBs and shall carry out and comply with the requirements of this Policy with respect to such taxable governmental bonds. The Compliance Officer shall seek the advice of Bond Counsel as to whether there is any reasonable possibility of issuing TEBs to refund an issue of taxable governmental bonds.

10. Qualified 501(c)(3) Bonds. If the Issuer issues bonds to finance a facility to be owned by the Issuer but which may be used, in whole or in substantial part, by a nongovernmental organization that is exempt from federal income taxation under code section 501(c)(3) (a “501(c)(3) organization”), the Issuer may elect to issue the bonds as “qualified 501(c)(3) bonds” the interest on which is exempt from federal income taxation. Although such qualified 501(c)(3) bonds are not governmental bonds, the Compliance Officer may treat such bonds as if they were TEBs and will comply with the requirements of this policy regarding such bonds. Alternatively, in cases where compliance activities are reasonably within the control of the relevant 501(c)(3) organization, the Compliance Officer may determine that all or some portion of compliance responsibilities described in this policy will be assigned to the relevant organization.

EDA Directive

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Post-Issuance Compliance Procedure and Policy for Tax-exempt Governmental Bonds

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11. Conduit Bonds. The Issuer may also issue tax-exempt bonds, the proceeds of which are loaned to certain private entities, including qualified 501(c)(3) organizations (referred to as “conduit bonds”). The Issuer will require, as part of approval of any conduit bonds, that the borrower assumes the duties of post-issuance compliance described in this policy, including provisions for reporting to the Issuer.

Adopted by the Economic Development Authority on August 28, 2019 –

EDA Resolution No. 19 - 04