



Economic Development Authority Agenda

Seating may be limited. If you would like to send in a comment for an item on the agenda to be read on your behalf, please submit to the Community Development Director
ssellman@cityofisanti.us (763) 762-5761

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
 - d. Adopt Agenda
2. Resolution 2021-XX Establishing Economic Development District No. 2
3. Resolution 2021-XX Approving the Issuance of Public Project Lease Revenue Bonds, Series 2021A (City of Isanti, Minnesota Lease with Option to Purchase Project)
4. Adjournment

EXTRACT OF MINUTES OF A MEETING OF THE
OF THE BOARD OF COMMISSIONERS OF THE
CITY OF ISANTI ECONOMIC DEVELOPMENT AUTHORITY, MINNESOTA

HELD: April 20, 2021

Pursuant to due call and notice thereof, a special meeting of the by the Board of Commissioners of the City of Isanti Economic Development Authority, Isanti County, Minnesota, was duly called and held on April 20, 2021, at 6:30 p.m.

The following members of the Board of Commissioners were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION ESTABLISHING ECONOMIC DEVELOPMENT DISTRICT NO. 2

A. WHEREAS, it has been proposed that the Board of Commissioners (the "Board") of the City of Isanti Economic Development Authority, Minnesota (the "EDA") establish Economic Development District No. 2 pursuant to and in accordance with Minnesota Statutes, Sections 469.090 through 469.1082, inclusive, as amended; and

B. WHEREAS, the EDA has performed all actions required by law to be performed prior to the establishment of Economic Development District No. 2, including, but not limited to, the holding of a public hearing upon published notice as required by Minnesota Statutes, Sections 469.101, Subdivision 1; and

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

1. Economic Development District No. 2. There is hereby established in the City of Isanti (the "City") Economic Development District No. 2 (the "Economic Development District"), the initial boundaries of which are fixed and determined as described in Exhibit A.

2. Findings. Economic Development District No. 2 is proper and desirable to establish and develop within the City.

The motion for adoption of the foregoing resolution was duly seconded by member _____ and, after full discussion thereof, and upon a vote being taken thereof, the following voted in favor thereof:

and the following voted against same:

whereupon said resolution was declared duly adopted.

Adopted this 20th day of April, 2021 by the Board of Commissioners of the City of Isanti
Economic Development Authority, Minnesota.

President

Attest: _____
Its: Secretary

STATE OF MINNESOTA
COUNTY OF ISANTI

I, the undersigned, being the duly qualified and acting Secretary of the City of Isanti Economic Development Authority, Minnesota, DO HEREBY CERTIFY that the attached resolution is a true and correct copy of an extract of minutes of a meeting of the Board of Commissioners of the City of Isanti Economic Development Authority, Minnesota, as such minutes relate to the establishment of Economic Development District No. 2.

WITNESS my hand this 20th day of April, 2021.

Its: Secretary

EXHIBIT A

DESCRIPTION OF THE BOUNDARIES OF ECONOMIC DEVELOPMENT DISTRICT NO. 2

All that part of the Northwest Quarter of the Southeast Quarter of Section 29, Township 35, Range 23, described as follows: Beginning at the Southwest corner of the Northwest Quarter of the Southeast Quarter; thence North along the West line of said Northwest Quarter of Southeast Quarter a distance of 375 feet; thence South 89 degrees 57 minutes 50 seconds East 580.8 feet; thence South 1 degree 16 minutes 15 seconds East 375 feet and to the South line of said Northwest Quarter of Southeast Quarter; thence West along said South line 580.8 feet, more or less, and to the Southwest corner of said Northwest Quarter of said Southeast Quarter, being the point of beginning and there to terminate.

Together with a nonexclusive easement for ingress, egress and utility purposes over and across the South 295 feet of the Northeast Quarter of the Southwest Quarter of Section 29, Township 35, Range 23 (as measured at right angles to the South line of said Northeast Quarter of Southeast Quarter), lying easterly of the easterly right-of-way line of State Trunk Highway No. 65 and westerly of a line drawn parallel with and distant 66 feet easterly of said easterly right-of-way line of State Trunk Highway No. 65 (as measured at right angles to said easterly right-of-way line).

And also including a nonexclusive easement for ingress, egress and utility purposes over and across the South 66 feet of that part of the Northeast Quarter of the Southwest Quarter of Section 29, Township 35, Range 23, lying easterly of the East right-of-way line of State Trunk Highway No. 65, as measured at right angles to the South line of said Northeast Quarter of Southwest Quarter, Isanti County, Minnesota.

**CERTIFICATION OF MINUTES
RELATING TO PUBLIC PROJECT LEASE REVENUE BONDS, SERIES 2021A
(CITY OF ISANTI, MINNESOTA LEASE WITH OPTION TO PURCHASE PROJECT)**

ISSUER: Economic Development Authority of the City of Isanti, Minnesota

BODY: EDA Board of Commissioners

KIND, DATE, TIME AND PLACE OF MEETING:

A special meeting held on April 20, at 6:30 p.m., in the City Council Chambers

MEMBERS PRESENT:

MEMBERS ABSENT:

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION APPROVING THE ISSUANCE OF
PUBLIC PROJECT LEASE REVENUE BONDS, SERIES 2021A
(CITY OF ISANTI, MINNESOTA LEASE WITH OPTION TO PURCHASE PROJECT)**

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said obligations; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS MY HAND officially as such recording officer on April 20, 2021.

EDA Secretary

EXTRACT OF MINUTES OF A MEETING
OF THE BOARD OF COMMISSIONERS OF THE ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF ISANTI STATE OF MINNESOTA

HELD: Tuesday, April 20, 2021

Pursuant to due call and notice thereof, a special meeting of the Board of Commissioners of the Economic Development Authority of the City of Isanti, State of Minnesota, was duly held on Tuesday, April 20, 2021 at 6:30 p.m.

Member _____ introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING THE ISSUANCE OF
PUBLIC PROJECT LEASE REVENUE BONDS, SERIES 2021A
(CITY OF ISANTI, MINNESOTA LEASE WITH OPTION TO PURCHASE PROJECT)**

BE IT RESOLVED by the Board of Commissioners of the Economic Development Authority of the City of Isanti, Minnesota (herein, the "EDA"), as follows:

1. The EDA Board hereby finds and declares that it is necessary and expedient for the EDA to sell and issue its fully registered public project lease revenue bonds in the total aggregate principal amount not to exceed \$3,500,000 (herein, the "Bonds"). The proceeds of the Bonds will be used to finance a new building for the municipal liquor store to be leased by the City of Isanti, Minnesota and the costs of issuing the Bonds.
2. The EDA Board desires to proceed with the sale of the Bonds by direct negotiation with Northland Securities, Inc. (herein, "NSI"). NSI will purchase the Bonds in an arm's-length commercial transaction with the EDA.
3. The EDA President and Executive Director are hereby authorized to approve the sale of the Bonds in an aggregate principal amount not to exceed \$3,500,000 and to execute a bond purchase agreement for the purchase of the Bonds with NSI, provided the true interest cost, as directed by the City, is less than 3.00%.
4. Upon approval of the sale of the Bonds by the EDA President and Executive Director, the EDA Board will take action at its next regularly scheduled or special meeting thereafter to adopt the necessary approving resolutions as prepared by the EDA's bond counsel.
5. NSI is authorized to prepare an Official Statement related to the sale of the Bonds.
6. If the EDA President and Executive Director have not approved the sale of the bonds to NSI and executed the related bond purchase agreement by October 31, 2021, this resolution shall expire.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, 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.

Finance Plan

Economic Development Authority of the City of Isanti, Minnesota

\$3,280,000

Public Project Lease Revenue Bonds, Series 2021A (City of Isanti, Minnesota Lease with Option to Purchase Project)

April 20, 2021



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Executive Summary

The following is a summary of the recommended terms for the issuance of \$3,280,000 Public Project Lease Revenue Bonds, Series 2021A (City of Isanti, Minnesota Lease with Option to Purchase Project) (the “Bonds”). Additional information on the proposed finance plan and issuing process can be found after the Executive Summary, in the Issue Overview, including Related Considerations in Attachment 2.

Purpose	Proceeds from the Bonds will be used to finance the construction of a new building for the municipal liquor store and to pay costs associated with the issuance of the Bonds.
Security	The EDA will pledge lease payments received from the City of Isanti, Minnesota for the facility for payment of the Bonds. The full faith and credit of the City <u>is not</u> pledged for payment of the Bonds. The lease payments are subject to annual appropriation by the City.
Repayment Term	The Bonds will mature annually each December 15 in the years 2022 through 2036. Interest on the Bonds will be payable on June 15, 2022 and semiannually thereafter on each December 15 and June 15.
Estimated Interest Rate	Average coupon: 1.84% True interest cost (TIC): 2.06%
Prepayment Option	Bonds maturing on and after December 15, 2030 will be subject to redemption on December 15, 2029 and any day thereafter at a price of par plus accrued interest.
Extraordinary Redemption	The Bonds are subject to extraordinary redemption and prior payment at the option of the Issuer, in whole, at the principal amounts thereof plus accrued interest on any date in the event of damage to or destruction of the Project or any part thereof.
Rating	The Bonds will be rated by Standard & Poor’s.
Tax Status	The Bonds will be tax-exempt, bank qualified obligations.
Risk Factors	There are certain risks associated with all debt. Risk factors related to the Bonds are discussed in Attachment 4.
Type of Bond Sale	Negotiated Sale
Pricing Date	Tuesday, May 18, 2021
EDA Board Consideration	Tuesday, May 18, 2021 at 6:30 p.m. (special meeting)
City Council Approval	Tuesday, May 18, 2021 at 7:00 p.m.

Issue Overview

Purpose

Proceeds from the Bonds will be used to finance the construction of a new building for the municipal liquor store (the "Project"), to be leased by the City of Isanti, Minnesota (the "City") from the Economic Development Authority of the City of Isanti, Minnesota (the "EDA") and to pay costs associated with the issuance of the Bonds. The Bonds have been sized based on estimates provided by City staff and includes using bond proceeds to cover the deposit to the DSR Fund (as defined herein). The table below contains the sources and uses of funds for the bond issue.

Sources Of Funds

Par Amount of Bonds	\$3,280,000.00
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Total Sources	\$3,280,000.00
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Uses Of Funds

Deposit to Project Construction Fund	2,931,178.59
Deposit to Debt Service Reserve Fund (DSRF)	255,917.50
Total Underwriter's Discount (1.850%)	60,680.00
Costs of Issuance	30,675.00
Rounding Amount	1,548.91

Total Uses	\$3,280,000.00
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Authority

The Bonds will be issued by the EDA pursuant to the authority of Minnesota Statutes, Chapters 475 and 469 and will be an obligation of the City pursuant to Minnesota Statutes, Section 465.71.

Structure

The Bonds have been structured to result in relatively level annual debt service payments over 15 years.

The proposed structure for the bond issue and preliminary debt service projections are illustrated in Attachment 1.

Security and Source of Repayment

The finance plan relies on the following assumptions for the revenues used to pay debt service, as provided by EDA and City staff:

- Lease Payments. The City will covenant to make the lease payments to the EDA from any revenues available for payment of the Bonds. The Bonds do not constitute a general obligation of the EDA or the City. The City's obligation under the Lease is subject to annual appropriation. The City will make semi-annual lease payments to the Trustee in an amount sufficient to pay the principal and interest when due on the Bonds. The City expects to use liquor store revenues to cover the lease payments.
- Debt Service Reserve Fund ("DSR Fund"). A DSR Fund will be established for the Bonds. Bond proceeds will be deposited into a DSR Fund in the amount of approximately \$255,917.50 as further security for the bondholders. The DSR Fund will be a segregated account held by the Trustee and any interest earnings on the DSR Fund may be used to pay a portion of the annual principal and interest payment due on the Bonds.

Plan Rationale

The Finance Plan recommended in this report is based on a variety of factors and information provided by the EDA and the City related to the financed project, EDA and City objectives, Northland's knowledge of the EDA and the City and our experience in working with similar economic development authorities and cities and projects. The issuance of Public Project Lease Revenue Bonds provides the best means of achieving the objectives and cost-effective financing.

Issuing Process

The EDA has engaged Northland to act as underwriter for the Bonds pursuant to federal securities regulations. Northland will purchase the Bonds in an "arm's length" negotiated sale. The calendar of events for the issuing process can be found in Attachment 3.

In order to carry out the transaction, several legal documents are required. These documents have been drafted by the City's/EDA's bond attorney at Taft Stettinius & Hollister LLP. A brief summary of each of these documents is below.

Resolution to Establish an Economic Development District – A public hearing to establish an Economic Development District will be held on April 20, 2021, with an EDA approval resolution also on April 20, 2021.

Trigger Resolution - The trigger resolution authorizes the President and Executive Director of the EDA to execute a bond purchase agreement when the True Interest Cost of the Bonds is less than a certain percentage previously determined by the EDA Board. The bond purchase agreement will be ratified by the EDA at its next meeting. This approach gives the EDA greater flexibility in selling the Bonds when market conditions produce the desired results, rather than accepting the conditions that exist on a specific EDA meeting date.

Ground Lease – This document is between the City, as Lessor, and the EDA, as Lessee, and establishes the terms under which the EDA will lease from the City the ground upon which the new municipal liquor store building is to be built. Both the City and the EDA will approve the Ground Lease on May 18, 2021, at their respective meetings.

Lease Agreement – This document is between the EDA, as Lessor, and the City, as Lessee, and establishes the terms under which the City will lease the Project and the terms under which the City may purchase the Project. The lease payments from the City will be sufficient to pay the principal and interest, when due, on the Bonds. The Lease will include a provision that the City's obligation to make lease payments is subject to annual appropriation. Both the City and the EDA will approve the Lease on May 18, 2021, at their respective meetings.

Indenture of Trust – The Bonds are issued pursuant to an Indenture of Trust (the "Indenture"), between U.S. Bank (the "Trustee") and the EDA. The Indenture establishes the Trustee and employs the Trustee to handle the lease payments, to establish and manage the funds and accounts for the Bonds, sets the terms for issuing additional bonds and identifies the events and remedies of default. Both the City and the EDA will approve the Indenture on May 18, 2021, at their respective meetings

EDA Bond Resolution - The EDA will adopt a Resolution Awarding the Bonds on May 18, 2021.

City Bond Resolution - The City will adopt their Resolution on May 18, 2021, which approves the issuance of the Bonds.

Underwriter: Northland Securities, Inc., Minneapolis, Minnesota

Bond Counsel: Taft Stettinius & Hollister LLP, Minneapolis, Minnesota

Paying Agent: U.S. Bank, National Association, St. Paul, Minnesota

Trustee: U.S. Bank, National Association, St. Paul, Minnesota

Attachment 1 – Preliminary Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/16/2021	-	-	-	-	-
06/15/2022	-	-	52,015.11	52,015.11	-
12/15/2022	175,000.00	0.600%	26,080.00	201,080.00	253,095.11
06/15/2023	-	-	25,555.00	25,555.00	-
12/15/2023	200,000.00	0.700%	25,555.00	225,555.00	251,110.00
06/15/2024	-	-	24,855.00	24,855.00	-
12/15/2024	205,000.00	0.850%	24,855.00	229,855.00	254,710.00
06/15/2025	-	-	23,983.75	23,983.75	-
12/15/2025	205,000.00	1.000%	23,983.75	228,983.75	252,967.50
06/15/2026	-	-	22,958.75	22,958.75	-
12/15/2026	210,000.00	1.150%	22,958.75	232,958.75	255,917.50
06/15/2027	-	-	21,751.25	21,751.25	-
12/15/2027	210,000.00	1.350%	21,751.25	231,751.25	253,502.50
06/15/2028	-	-	20,333.75	20,333.75	-
12/15/2028	215,000.00	1.500%	20,333.75	235,333.75	255,667.50
06/15/2029	-	-	18,721.25	18,721.25	-
12/15/2029	215,000.00	1.700%	18,721.25	233,721.25	252,442.50
06/15/2030	-	-	16,893.75	16,893.75	-
12/15/2030	220,000.00	1.850%	16,893.75	236,893.75	253,787.50
06/15/2031	-	-	14,858.75	14,858.75	-
12/15/2031	225,000.00	2.000%	14,858.75	239,858.75	254,717.50
06/15/2032	-	-	12,608.75	12,608.75	-
12/15/2032	230,000.00	2.000%	12,608.75	242,608.75	255,217.50
06/15/2033	-	-	10,308.75	10,308.75	-
12/15/2033	235,000.00	2.100%	10,308.75	245,308.75	255,617.50
06/15/2034	-	-	7,841.25	7,841.25	-
12/15/2034	240,000.00	2.100%	7,841.25	247,841.25	255,682.50
06/15/2035	-	-	5,321.25	5,321.25	-
12/15/2035	245,000.00	2.150%	5,321.25	250,321.25	255,642.50
06/15/2036	-	-	2,687.50	2,687.50	-
12/15/2036	250,000.00	2.150%	2,687.50	252,687.50	255,375.00
Total	\$3,280,000.00	-	\$535,452.61	\$3,815,452.61	-

Date And Term Structure

Dated	6/16/2021
Delivery Date	6/16/2021
First available call date	12/15/2029
Call Price	100.000%

Yield Statistics

Bond Year Dollars	\$29,055.89
Average Life	8.859 Years
Average Coupon	1.8428368%
Net Interest Cost (NIC)	2.0516757%
True Interest Cost (TIC)	2.0618172%
All Inclusive Cost (AIC)	2.1815937%

Attachment 2 – Related Considerations

Bank Qualification

We understand the EDA anticipates issuing \$10,000,000 or less in tax-exempt debt during the 2021 calendar year and the City's issuance in 2021, in combination with the EDA's issue, will not exceed \$10,000,000. Therefore, the Bonds will be designated as "bank qualified" obligations pursuant to Federal Tax Law.

Arbitrage Compliance

Project/Construction Fund. All tax-exempt bond issues are subject to federal rebate requirements which require all arbitrage earned to be rebated to the U.S. Treasury. A rebate exemption the EDA expects to qualify for is the 24-month spending exception.

Debt Service Fund. The EDA must maintain a bona fide debt service fund for the Bonds or be subject to yield restriction in the debt service fund. A bona fide debt service fund involves an equal matching of revenues to debt service expense with a balance forward permitted equal to the greater of the investment earnings in the fund during that year or 1/12 of the debt service of that year.

Debt Service Reserve Fund. Bond proceeds deposited into the Debt Service Reserve Fund are also subject to federal rebate requirements. However, the reserve is expected to meet the IRS's requirement by being funded at no more than the maximum annual debt service amount.

The EDA and the City should become familiar with the various Arbitrage Compliance requirements for this bond issue. The Resolution for the Bonds prepared by Bond Counsel explains the requirements in greater detail.

Continuing Disclosure

Type: Full

Dissemination Agent: Northland Securities

The requirements for continuing disclosure are governed by SEC Rule 15c2-12. The primary requirements of Rule 15c2-12 actually fall on underwriters. The Rule sets forth due diligence needed prior to the underwriter's purchase of municipal securities. Part of this requirement is obtaining commitment from the issuer to provide continuing disclosure. The document describing the continuing disclosure commitments (the "Undertaking") is contained in the Official Statement that will be prepared to offer the Bonds to investors.

The City, as the "Obligated Party" is primarily responsible for payment on the Bonds, has more than \$10,000,000 of outstanding debt and is required to undertake "full" continuing disclosure. Full disclosure requires annual posting of the audit and a separate continuing disclosure report, as well as the reporting of certain "material events." Material events set forth in the Rule, including, but not limited to, bond rating changes, call notices, and issuance of "financial obligations" (such as PFA loans, leases, or bank placements) must be reported within ten business days of occurrence. The report contains annual financial information and operating data that "mirrors" material information presented in the Official Statement. The specific contents of the annual report will be described in the Undertaking that appears in the appendix of the Official Statement. Northland currently serves as dissemination agent for the City, assisting with the annual reporting. The information for the Bonds will be incorporated into our reporting.

Premiums

In the current market environment, it is likely that the proposed pricing will include premiums. A premium occurs when the underwriter pays the EDA an amount in excess of the par amount of a maturity in exchange for a higher coupon (interest rate). The use of premiums reflects the underwriter's view on future market conditions, tax considerations for investors and other factors. Ultimately, the true interest cost ("TIC") calculation will indicate the overall cost to the City and EDA, regardless of premium.

A premium price produces additional funds that can be used in several ways:

- The premium means that the EDA needs less bond proceeds and can reduce the size of the issue by the amount of the premium.
- The premium can be deposited in the Construction Fund and used to pay additional project costs, rather than used to reduce the size of the issue.
- The premium can be deposited in the Debt Service Fund and used to pay principal and interest.

Northland will work with EDA and City staff prior to the day of pricing to determine use of premium (if any).

Rating

A rating will be requested from Standard and Poor's (S&P). The City's general obligation debt is currently rated "AA-" by S&P. Bonds secured only by annual appropriations and issued for "non-essential" public projects are typically rated lower than general obligation debt. The rating process will include a conference call with the rating analyst. Northland will assist City staff in preparing for and conducting the rating call.

Attachment 3 – Calendar of Events

The following checklist of items denotes each milestone activity as well as the members of the finance team who will have the responsibility to complete it. *Please note this proposed timetable assumes regularly and specially scheduled EDA meetings and City Council meetings.*

April 2021						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May 2021						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June 2021						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July 2021						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

	Holiday
	Action Required

Date	Action	Responsible Party
March 19	City requests bids for construction of building	City Action
April 5	EDA submits notice of public hearing to the newspaper	EDA/City Staff
April 8	Notice of Public Hearing Published no later than this date (Paper publishes on Thursdays)	
April 13	Rating Request Made to S&P	Northland
April 14	All Lease Documents Distributed to EDA and City Finance Plan for the Bonds and Trigger Resolution approving the issuance of the Bonds sent to the EDA	Bond Counsel, Northland
April 20 (EDA Special Meeting)	City approval of construction bids, review of Finance Plan and Trigger Resolution – 7:00 p.m. EDA holds Public Hearing relating to issuance of the Bonds, reviews Finance Plan and approves Trigger Resolution (approving the issuance of the Bonds)	City Council Action Northland, EDA Action
April 21	Preliminary Official Statement sent to City for signoff and to Rating Agency	Northland, City/EDA Staff

Week of April 26 or May 3	Hold rating call	Northland, City/EDA Staff, Rating Agency
May 10	Rating Received	Northland, City/EDA Staff, Rating Agency
May 18	Pricing Date EDA Award of Bonds and approval of Lease Agreement and Trust Indenture 6:30 p.m. (Special Meeting) City approval of EDA Bonds, Lease Agreement and Trust Indenture – 7:00 p.m.	Northland, EDA Action (Special Time), City Council Action , Bond Counsel
June 16	Closing on the Bonds (Proceeds Available)	Northland, City/EDA Staff, Bond Counsel

Attachment 4 - Risk Factors

Lease Revenue Bonds: The Bonds are subject to the risks of annual appropriation debt described earlier in this report. Although levy limits are not currently enacted, the most recent legislation allows a levy to be made for rent payments to the EDA and it can be made outside of levy limits (levy to pay the bonded indebtedness of another political subdivision). The status of this authority under future levy limitations (if any) cannot be predicted.

General: In addition to the risks described above, there are certain general risks associated with the issuance of bonds. These risks include, but are not limited to:

- Failure to comply with covenants in bond resolution.
- Failure to comply with Undertaking for continuing disclosure.
- Failure to comply with IRS regulations, including regulations related to use of the proceeds and arbitrage/rebate. The IRS regulations govern the ability of the EDA to issue its bonds as tax-exempt securities and failure to comply with the IRS regulations may lead to loss of tax-exemption.