

## Private Activity and Other Tax Matters Questionnaire

### Redevelopment Authority of the City of La Crosse, Wisconsin ("Issuer") Interim Redevelopment Revenue Bond, Series 2022 ("Obligations")

In anticipation of the Issuer's upcoming borrowing, we ask that you answer the questions below which will help us determine whether the borrowing qualifies for tax-exempt financing and what special treatment the Issuer or Obligations may qualify for under the Internal Revenue Code (the "Code") and applicable Treasury Regulations (the "Regulations"). Please direct any questions to any of the Public Finance attorneys at Quarles & Brady LLP at 414-277-5000.

I. **Private Activity:** Subject to specific exceptions provided for in the Code, the interest on municipal obligations which finance private activities or provide special benefits to private entities is taxable. Please note that for purposes of this questionnaire, a "**Non-Governmental Entity**" means any person, partnership, corporation or other organization that is not a state, city, village, town, county, school district, technical college district or other special district or joint powers authority. The federal government is a Non-Governmental Entity. A 501(c)(3) organization is also a Non-Governmental Entity.

1. Description of the project(s) to be financed or refinanced with the proceeds of the Obligations: Public infrastructure improvements to the RiverPoint District and improvements to Causeway Boulevard and associated utilities (collectively, the "Project").

YES

NO

a. Does the above description accurately and completely describe the project(s) to be financed with proceeds of the Obligations? **If NO, please make appropriate changes in the language above.**

YES

NO

2. Will any portion of the Project be owned by, or leased (or subleased) to, or sold to a Non-Governmental Entity? **If YES, attach a description of the planned sale or lease.**

YES

NO

3. Will any portion of the Project be managed (pursuant to a management contract or incentive payment contract) by a Non-Governmental Entity? **If YES, attach a copy of the operating or management contract.**

YES

NO

4. Will any portion of the Project be used for research or testing pursuant to an agreement with a Non-Governmental Entity? **If YES, attach a copy of the agreement.**

YES

NO

5. Will any Non-Governmental Entity have a right to use the Project or purchase output from the Project through any procedure or contract which gives preference to that customer over any other? **If YES, attach a description of the arrangement that includes the following:**

- a. **Customer name.**
- b. **Percentage of annual revenue of the Project attributable to the customer.**

YES  NO

6. Are there or will there be any informal agreements, historical arrangements, or other arrangements, written or oral, that convey special legal entitlements to a Non-Governmental Entity, such as granting priority rights or capacity rights to use the Project or granting naming rights to the Project? **If YES, attach a description of the arrangement.**

YES  NO

7. Will any Non-Governmental Entity, receive a special economic benefit from the Project, such as what might occur if the Project is not available for general public use and is functionally related to property used in the trade or business of a Non-Governmental Entity or benefits a small number of nongovernmental persons? **If YES, attach a description of the arrangement.**

YES  NO

8. a. Is there any portion of the Project that is used by private entities or organizations rather than by members of the general public or by employees (or, in the case of school facilities, students) of the Issuer? **If YES, please attach a description of such use.**

YES  NO

b. Do all members of the general public who use the Project use it on the same basis (for example, a "first come, first served" basis or pursuant to a standard rate schedule)? **If NO, please attach a description of the basis of the use of the project.**

YES  NO

9. Are there any contracts for incidental uses of the Project (e.g., pay telephones, vending machines, newsstands, etc.) by Non-Governmental Entities? **If YES, attach a description of the contracts.**

YES  NO

10. Will any portion of the proceeds from the proposed borrowing be loaned to any other person or entity? **If YES, attach a description of the loan program.**

YES  NO

11. Will a Non-Governmental Entity make payments to the municipality for use of the Project in a manner other than through uniformly applied rates or generally applied taxes? **If YES, attach a description of the payment obligation.**

YES  NO 12. Is the payment of any portion of the debt service on the proposed issue secured (directly or indirectly) by a guarantee from a Non-Governmental Entity or a pledge of private property, pursuant to a development agreement or other arrangement? **If YES, attach a description of the agreement or arrangement.**

YES  NO 13. Is any of the Project or portion of the Project expected to be sold or otherwise disposed of before the last maturity date of the Obligations and any anticipated refinancings thereof?

YES  NO 14. Are there any other facts and circumstances regarding the construction, operation, or use of the project by a Non-Governmental Entity? Please describe: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

YES  NO 15. Will any proceeds of the Obligations be used to acquire property which before such acquisition was used by a Non-Governmental Entity (for example, an investor-owned utility) in its electric generation, transmission or distribution facilities?

**II. Reimbursement:** Subject to specific exceptions provided for in the Regulations (the "Reimbursement Regulations"), the interest on municipal obligations which reimburse prior expenditures is taxable. By answering the questions below, you will assist us in determining whether the Reimbursement Regulations have been followed.

YES  NO 1. Have any of the costs of the Project been paid prior to the date hereof? **If YES, please list the amount, purpose and date of payment of those previous expenditures which you expect to reimburse with proceeds of the Obligations:**

<u>Amount</u>	<u>Date of Payment</u>	<u>Purpose</u>
\$ _____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

YES  NO 2. If the answer to Question 1 above is "yes," has the governing body at any time adopted a resolution authorizing borrowing for the Project or declaring intent to reimburse or made a declaration of

its intent pursuant to a resolution delegating authority to make declarations of intent to finance all or a portion of the Project with the proceeds of the Obligations or other borrowed money? **If YES, attach a copy of applicable Resolution or other evidence of declaration of official intent and indicate the date of its adoption or indicate such Resolution has been provided previously to Quarles & Brady LLP.**

**III. Project Timeline:** Generally, the IRS arbitrage rules found in the Code and Regulations limit the investment of the proceeds of tax-exempt obligations. However, if certain tests are met, the proceeds are permitted to be invested for a "temporary period". By answering the questions below, we will be able to determine whether the proceeds of the Obligations qualify for a temporary period.

YES     NO

1. Have you previously or will you within six months enter into contracts requiring payment of at least 5% of the proceeds of the Obligations for the Project?

YES     NO

2. Have you or will you commence work on the Project and continue to work on the Project until it is complete?

YES     NO

3. Do you expect to spend all of the proceeds of the Obligations for the Project within three years?

**IV. Rebate of Investment Earnings:** The basic IRS rebate requirement is that an issuer of tax-exempt obligations must pay to the United States the amount by which the investment earnings on the gross proceeds of any borrowings exceed the amount which would have been earned if the proceeds were invested at the yield on those obligations, plus any earnings on such excess. The rebate amount is required to be calculated and paid to the United States at least every five years. However, there are several exceptions to the rebate requirement. By answering the questions below, we will be able to determine whether you might qualify for an exception. Note: the exceptions to rebate are based on actual facts, not expectations, so the determination of whether an exception applies will only be certain at a future time.

YES     NO

1. Six Month Expenditure Exception: Do you expect to spend all of the proceeds of the Obligations within 6 months?

YES     NO

2. Eighteen Month Expenditure Exception: Do you expect to spend all of the proceeds of the Obligations within 18 months pursuant to the following schedule:

- a. at least 15% within six months of the date of issue;
- b. at least 60% within 12 months of the date of issue; and,

c. 100% within 18 months of the date of issue?

3. Two Year Expenditure Exception.

YES  NO

a. Are at least 75% of the proceeds of the Obligations to be used to finance construction expenditures?

YES  NO

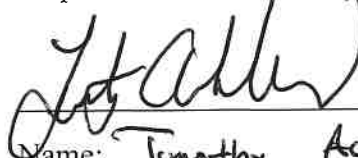
b. If the answer to 3(a) is "yes", do you expect to spend the proceeds of the Obligations within 2 years pursuant to the following schedule:

- (1) 10% within the six-month period beginning on the date the obligations were issued;
- (2) 45% within the one-year period beginning on the date the obligations were issued;
- (3) 75% within the eighteen-month period beginning on the date the obligations were issued; and,
- (4) 100% within the two-year period beginning on the date the obligations were issued.

**ACKNOWLEDGEMENT AND SIGNATURE**

I hereby certify that I am an authorized representative of the Issuer, and that I am authorized by the Issuer to execute this Questionnaire. I am charged with the responsibility to perform such acts as are necessary and proper for the financing, refinancing, construction, acquisition and/or improvement of the Project, and I am acting on behalf of the Issuer in executing this Questionnaire. I certify that I am familiar with the Project and that all information contained herein is true, correct and complete to the best of my knowledge. I am not aware of any facts or circumstances that would cause me to question the accuracy or reasonableness of any information contained herein or attached documentation. I understand the foregoing will be relied upon by Quarles & Brady LLP in determining the tax-exempt status of the Obligations.

Prepared and submitted by:



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Redevelopment Authority of the City  
of La Crosse, Wisconsin

Date: 3/24/2002