

GOODWILL INDUSTRIES

DECEMBER 2019

CLIENT PROFILE

Goodwill Industries of North Central Wisconsin (Goodwill NCW), a member of Goodwill Industries International, is based in Menasha and has been serving 35 counties throughout north central Wisconsin since 1971.

Goodwill NCW's mission of Elevating People by Eliminating Barriers to Employment begins with community support through donations. These donations in turn are sorted and merchandised for sale in stores, which provides funding for meaningful training and employment opportunities to improve the lives and communities served by Goodwill NCW. The resources generated through the sale of donated goods are invested in Goodwill's people, community, mission and future. Its work, community, and financial programs eliminate barriers to employment through job training, addressing financial literacy, easing the transition from school to work, promoting skill development, and more.

Goodwill NCW's programs are supported by its operations, which include 27 retail stores and training centers in communities from Manitowoc to La Crosse and as far north as Rice Lake and Rhinelander, an outlet store, e-commerce, GoodWipers (unsold textiles that are cut into wiping and cleaning cloths to be packaged and sold), post-retail sales (Goodwill NCW finds buyers or channels in secondary markets for items that do not sell in their stores), and responsible recycling.

TRANSACTION HIGHLIGHTS

The Series 2019 Bonds, with a par amount of approximately \$20.1 million, along with an equity contribution from Goodwill NCW, were issued to refinance Goodwill NCW's outstanding Series 2004, Series 2008, Series 2010, and Series 2017 Bonds (totaling approximately \$19.9 million),



\$20,100,000

Wisconsin Health and Educational Facilities Authority | Revenue Bonds | Series 2019
Goodwill Industries of North Central Wisconsin, Inc.

terminate interest rate swaps hedging the outstanding bond series, and pay costs of issuance related to the financing.

The Series 2019 Bonds were directly placed with PNC Bank at a fixed interest rate through maturity of ten years, which provided meaningful debt service savings and shortened the final maturity of Goodwill NCW's debt by eight years. Ziegler served as Placement Agent and Hedge Advisor on the transaction.

ZIEGLER DIFFERENCE

Ziegler was initially engaged to assist Goodwill NCW in the evaluation of its then-current capital structure, which was comprised of two series of Variable Rate Demand Bonds ("VRDBs"), two non-bank qualified direct bank placements, and nine interest rate swaps. This evaluation led Goodwill NCW's management and Board to request that Ziegler proceed with a full bank search to achieve multiple capital-related goals: reduce cost of capital, eliminate interest rate risk, accelerate debt payoff, and identify a long-term treasury management partner capable of seamlessly meeting the organization's complex needs. Ziegler's market search generated significant interest from banks and resulted in the receipt of thirteen term sheets. With term sheets in hand, Ziegler worked



"The decision to partner and collaborate with Ziegler for our financing greatly contributed to its successful closing. The evaluation of options and assistance with various terms that we received during the Request for Proposal process were instrumental to us in making a knowledgeable decision with the final financing structure. Ziegler's ability to provide thorough answers, education, and analysis was extremely helpful to the Goodwill team. Thank you to the Ziegler team for your partnership in this process. This financing allows us to advance our mission of Elevating People by Eliminating Barriers to Employment well into the future."

Billie Jo Higgins
Vice President Finance
Goodwill Industries of North Central Wisconsin

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closely with management and the Board to weigh the strengths and weaknesses of each bank, its proposal, and its fit with Goodwill NCW. Throughout the process, Ziegler was able to successfully negotiate on Goodwill NCW's behalf lower credit spreads, more flexible covenants, and a creative financing structure, all of which ultimately led to the achievement of the organization's goals for the refinancing.

The 2019 transaction represents the first financing Ziegler has completed with Goodwill NCW. The Ziegler team is honored to have assisted Goodwill NCW as it continues its mission of Elevating People by Eliminating Barriers to Employment.

This client's experience may not be representative of the experience of other clients, nor is it indicative of future performance or success.

For further information on the outstanding bonds for this issuer, please visit the Electronic Municipal Market Access system at <http://emma.msrb.org/>.