



AGENDA
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CHASKA EVENT CENTER -3210 CHASKA BLVD & ZOOM
Monday, July 06, 2020
7:00 PM

1. Call to Order
2. Roll Call
3. Adopt Agenda
4. Approve Previous Meeting Minutes
 - A. Approve the June 15, 2020 EDA Meeting Minutes
5. Discussion Items
 - A. Adopt Resolution EDA 2020-7, ISSUANCE AND SALE OF BONDS: SERIES 2020E
 - B. Authorize the Executive Director to sign a letter of intent with Carver County CDA to redevelop the Ernst House Property at 211 and 217 Walnut St.
6. Other Business
7. Adjourn

- MINUTES -
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
JUNE 15, 2020

DRAFT

1. Call to Order

President Windschitl called the meeting to order at 11:30 pm.

2. Roll Call

Roll call was taken. Present: Commissioners Hatfield, Hubbard, Grau, Huang, and President Windschitl. (*Commissioners Hatfield, Hubbard, Grau, and Huang participated remotely per State Statute 13D.021*).

Absent: None.

Also Present: Nate Kabat, Assistant Executive Director and City Attorney Melchert.

3. Agenda

Motion by Commissioner Hubbard, second by Commissioner Grau to adopt the agenda as presented. Motion carried.

4. Minutes

Motion by Commissioner Hubbard, second by Commissioner Huang to approve the minutes of the May 4, 2020 EDA meeting. Motion carried.

5. Adopt Resolution EDA 2020-6, Adopt Resolution Ratifying Sale and Issuance of Bonds

Assistant Executive Director Kabat presented the item to the Commission.

President Windschitl noted this item was discussed and approved at the preceding City Council Meeting.

Motion by Commissioner Hatfield, second by Commissioner Grau to adopt Resolution No. EDA 2020-06 ratifying the sale and authorizing the issuance of \$1,530,000 Taxable Full-Term Installment Purchase Revenue Bonds Series 2020B, and authorizing execution of related documents. Motion carried.

6. Other Business

Assistant Executive Director noted the next EDA meeting is set for June 29, 2020. He explained the meeting will be live and held at the Event Center to allow for proper spacing.

7. Adjourn

Motion by Commissioner Grau, second by Commissioner Huang to adjourn the meeting at 11:39 pm. Motion carried.

REQUEST FOR ACTION

CHASKA ECONOMIC DEVELOPMENT AUTHORITY

07/06/2020

Subject: Set Sale for Issuance and Sale of Bonds: Series 2020E
Lease Revenue and Limited Tax Refunding Bonds, Series 2020E

Prepared By: Noel Graczyk, Administrative Services Director
Kelly Grinnell, Finance Manager

Overview

Baker Tilly Municipal Advisors, LLC (BTMA), Municipal Advisor to the City, and staff from the City have together structured an EDA Lease Revenue and Limited Tax Refunding Bond. This current refunding will capture economic savings by reducing future debt service interest costs.

Attached is a draft resolution as prepared by Dorsey and Whitney, LLP., Bond Counsel to the City. This resolution establishes Monday, August 3, 2020 as the date of sale. Attached to the resolution is a "Terms of Proposal" prepared by BTMA that outlines the structure and repayment sources. The following is a discussion on this proposed refunding series.

\$2,795,000 Lease Revenue and Limited Tax Refunding Bonds, Series 2020E

This current refunding will refund outstanding EDA Lease Revenue and Limited Tax Bonds, Series 2013A. Series 2013A was originally issued to finance ice area improvements at the Chaska Community Center. The amount of financing for the refunded series is as follows.

Project	Project Cost	Issuance Costs	Other Sources	PAR Bonding	Estimated Present value Savings
Current Refunding of 2013A EDA Bonds	\$2,735,000	\$331,745	\$(271,745)	\$2,795,000	\$275,044 8.8%

Security and Source of Payment

The EDA refunding bonds are special limited obligations of the EDA payable from rental payments to be received by the EDA from the City pursuant to the Lease and net revenues of the EDA derived from special tax levies. Bonds constitute an annual appropriation of the City.

Public Sale Date

This series will be sold at a public sale on Monday, August 3, 2020. The winning bid will be presented to the EDA for acceptance at a regular EDA meeting on the date of sale. Attached is a proposed set sale resolution prepared by Dorsey and Whitney, LLP. Included in the resolution is a "Terms of Proposal" as prepared by BTMA.

Also attached from BTMA is a Pre-Sale Summary for Issuance of Bonds. This report includes detailed debt schedules.

Recommendation

Staff recommends sale of this series of bonds and approval of the resolution.

EDA ACTION REQUESTED

Motion to adopt Resolution No. EDA 2020-7 authorizing issuance and sale of \$2,795,000 Lease Revenue and Limited Tax Refunding Bonds, Series 2020E.

CERTIFICATION OF MINUTES RELATING TO
CITY OF CHASKA ECONOMIC DEVELOPMENT AUTHORITY
LEASE REVENUE AND LIMITED TAX REFUNDING BONDS

Issuer: Economic Development Authority of the City of Chaska, Minnesota

Governing Body: Board of Commissioners

Kind, date, time and place of meeting: A regular meeting held on July 6, 2020, at 7:30 p.m., at the City Hall.

Commissioners Present:

Commissioners Absent:

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. EDA 2020-7

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF
\$2,795,000 LEASE REVENUE AND LIMITED TAX
REFUNDING BONDS, SERIES 2020E (CITY OF CHASKA,
MINNESOTA LEASE OBLIGATION)

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the Bonds 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 Bonds; 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 July ___, 2020.

Secretary

4811-8381-0497\1

RESOLUTION NO. EDA 2020-7

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF
\$2,795,000 LEASE REVENUE AND LIMITED TAX
REFUNDING BONDS, SERIES 2020E (CITY OF CHASKA,
MINNESOTA LEASE OBLIGATION)

BE IT RESOLVED by the Board of Commissioners (the “Board”) of the Economic Development Authority of the City of Chaska, Minnesota (the “EDA”), as follows:

SECTION 1. PURPOSE. It is hereby determined to be in the best interests of the EDA to issue its Lease Revenue and Limited Tax Refunding Bonds, Series 2020E (City of Chaska, Minnesota Lease Obligation), in the principal amount of approximately \$2,795,000 (the “Bonds”), pursuant to Minnesota Statutes, Sections 469.033, 469.034, 475.67 and Chapter 475, to refund the EDA’s Lease Revenue and Limited Tax Bonds, Series 2013A (City of Chaska, Minnesota Lease Obligation).

SECTION 2. TERMS OF PROPOSAL. Baker Tilly Municipal Advisors, LLC, municipal advisor to the EDA (the “Municipal Advisor”), has presented to this Council a form of Terms of Proposal for the Bonds which is attached hereto and hereby approved and shall be placed on file by the EDA Administrator. Each and all of the provisions of the Terms of Proposal attached hereto are hereby adopted as the terms and conditions of the Bonds and of the sale thereof. The Municipal Advisor is hereby authorized, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), to solicit proposals for the Bonds on behalf of the EDA on a competitive basis.

SECTION 3. SALE MEETING. This Council shall meet at the time and place shown in the Terms of Proposal for the purpose of considering sealed bids for the purchase of the Bonds and of taking such action thereon as may be in the best interests of the City.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

THE AUTHORITY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

\$2,795,000*

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA
LEASE REVENUE AND LIMITED TAX REFUNDING BONDS, SERIES 2020E
(CITY OF CHASKA, MINNESOTA LEASE OBLIGATION)**

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the “Series 2020E Bonds”) will be received by the Economic Development Authority of the City of Chaska, Minnesota (the “Authority”) on Monday, August 3, 2020, (the “Sale Date”) until 11:00 A.M., Central Time (the “Sale Time”) at the offices of Baker Tilly Municipal Advisors, LLC (“Baker Tilly MA”), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2020E Bonds will be by the Authority Board of Commissioners at its meeting commencing at 7:00 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the Authority nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the Authority to purchase the Series 2020E Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to Baker Tilly MA by email to bondservice@bakertilly.com or by fax (651) 223-3046, and must be received prior to the Sale Time.

OR

(b) **Electronic Bidding.** Proposals may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the Authority, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the Authority, its agents, nor PARITY® shall be responsible for a bidder’s failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The Authority is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2020E Bonds, and PARITY® is not an agent of the Authority.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
Customer Support: (212) 849-5000

* Preliminary; subject to change.

DETAILS OF THE SERIES 2020E BONDS

The Series 2020E Bonds will be dated as of the date of delivery and will bear interest payable on June 1 and December 1 of each year, commencing June 1, 2021. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2020E Bonds will mature December 1 in the years and amounts* as follows:

2021	\$190,000	2024	\$205,000	2027	\$210,000	2030	\$225,000	2032	\$235,000
2022	\$200,000	2025	\$210,000	2028	\$220,000	2031	\$230,000	2033	\$240,000
2023	\$200,000	2026	\$210,000	2029	\$220,000				

* *The Authority reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2020E Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2020E Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the Authority for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.*

Proposals for the Series 2020E Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify “Years of Term Maturities” in the spaces provided on the proposal form.

BOOK ENTRY SYSTEM

The Series 2020E Bonds will be issued by means of a book entry system with no physical distribution of Series 2020E Bonds made to the public. The Series 2020E Bonds will be issued in fully registered form and one Series 2020E Bond, representing the aggregate principal amount of the Series 2020E Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Series 2020E Bonds. Individual purchases of the Series 2020E Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2020E Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the “Purchaser”), as a condition of delivery of the Series 2020E Bonds, will be required to deposit the Series 2020E Bonds with DTC.

TRUSTEE

U.S. Bank National Association, Saint Paul, Minnesota will serve as trustee (the “Trustee”) for the Series 2020E Bonds, and the Authority will pay for the services of the Trustee.

OPTIONAL REDEMPTION

The Authority may elect on December 1, 2030, and on any day thereafter, to redeem Series 2020E Bonds due on or after December 1, 2031. Redemption may be in whole or in part and if in part at the option of the Authority and in such manner as the Authority shall determine. If less than all Series 2020E Bonds of a maturity are called for redemption, the Authority will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Series 2020E Bonds will be special, limited obligations of the Authority payable from rental payments to be received by the Authority from the City of Chaska, Minnesota (the "City") pursuant to a Lease Agreement between the Authority and the City (the "Lease"). The Series 2020E Bonds will be issued pursuant to a Trust Indenture between the Authority and the Trustee, and resolutions of the Authority and the City. The Series 2020E Bonds are secured by a pledge of net revenues of the Authority derived from special tax levies assessed pursuant to Minnesota Statutes, Section 469.033, but shall not constitute a debt for which the faith and credit or taxing powers of the Authority, the City, or the State of Minnesota will be pledged. The City's obligation under the Lease is subject to annual appropriation. The proceeds of the Series 2020E Bonds, along with available Authority funds, will be used to refund the December 1, 2021 through December 1, 2033 maturities of the Authority's Lease Revenue and Limited Tax Bonds, Series 2013A (City of Chaska, Minnesota Lease Obligation"), dated July 18, 2013.

NOT BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The Authority will not designate the Series 2020E Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BIDDING PARAMETERS

Proposals shall be for not less than \$2,775,435 plus accrued interest, if any, on the total principal amount of the Series 2020E Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the Authority scheduled for award of the Series 2020E Bonds is adjourned, recessed, or continued to another date without award of the Series 2020E Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater. Series 2020E Bonds of the same maturity shall bear a single rate from the date of the Series 2020E Bonds to the date of maturity. No conditional proposals will be accepted.

ESTABLISHMENT OF ISSUE PRICE

In order to establish the issue price of the Series 2020E Bonds for federal income tax purposes, the Authority requires bidders to agree to the following, and by submitting a proposal, each bidder agrees to the following.

If a proposal is submitted by a potential underwriter, the bidder confirms that (i) the underwriters have offered or reasonably expect to offer the Series 2020E Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the proposal and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, third-party distribution agreement or other agreement relating to the initial sale of the Series 2020E Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Series 2020E Bonds with a separate CUSIP number constitute a separate "maturity," and "the public" does not include underwriters of the Series 2020E Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Series 2020E Bonds.

If, however, a proposal is submitted for the bidder's own account in a capacity other than as an underwriter of the Series 2020E Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Series 2020E Bonds, the bidder shall notify the District to that effect at the time it submits its proposal and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter, the Authority shall advise the winning bidder at or prior to the time of award whether (i) the competitive sale rule or (ii) the "hold-the-offering price" rule applies.

If the Authority advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the Purchaser will be required to deliver to the Authority at or prior to closing a certification, substantially in the form attached hereto as Exhibit A, as to the reasonably expected initial offering price as of the award date.

If the Authority advises the Purchaser that the requirements for a competitive sale have not been satisfied, the hold-the-offering price rule will apply. The Purchaser shall (1) upon the request of the Authority confirm that the underwriters did not offer or sell any maturity of the Series 2020E Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the Authority a certification substantially in the form attached hereto as Exhibit B, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the Authority pursuant hereto may be taken or received on behalf of the Authority by Baker Tilly MA.

Bidders should prepare their proposals on the assumption that the Series 2020E Bonds will be subject to the “hold-the-offering-price” rule. Any proposal submitted pursuant to the Terms of Proposal shall be considered a firm offer for the purchase of the Series 2020E Bonds, and proposals submitted will not be subject to cancellation or withdrawal.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the Authority in the amount of \$27,950 (the “Deposit”) no later than 2:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the Authority nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the Authority may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the Authority upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the Authority and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the Authority.

AWARD

The Series 2020E Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the Authority. The Authority's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The Authority will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2020E Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the Authority determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The Authority has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Series 2020E Bonds. If the Series 2020E Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The Authority specifically reserves the right to reject any proposal specifying municipal bond insurance, even though such proposal may result in the lowest TIC to the Authority. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the Authority) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 2020E Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2020E Bonds.

CUSIP NUMBERS

If the Series 2020E Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2020E Bonds; however, neither the failure to print such numbers on any Series 2020E Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2020E Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about September 2, 2020, the Series 2020E Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Dorsey & Whitney LLP of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2020E Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the Authority or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2020E Bonds has been made impossible by action of the Authority, or its agents, the Purchaser shall be liable to the Authority for any loss suffered by the Authority by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the Authority and the City will undertake, pursuant to the resolution awarding sale of the Series 2020E Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Series 2020E Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2020E Bonds.

OFFICIAL STATEMENT

The Authority has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2020E Bonds, and said Preliminary Official Statement has been deemed final by the Authority as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the Authority, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email bondservice@bakertilly.com. The Preliminary Official Statement will also be made available at <https://go.bakertilly.com/bond-sales-calendar>.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 2020E Bonds, together with any other information required by law. By awarding the Series 2020E Bonds to the Purchaser, the Authority agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The Authority designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the Authority, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated July 6, 2020

BY ORDER OF THE BOARD OF COMMISSIONERS

/s/ Matthew Podhradsky
Executive Director

EXHIBIT A

ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH AT LEAST THREE BIDS FROM ESTABLISHED UNDERWRITERS

\$[PRINCIPAL AMOUNT]
[BOND CAPTION]

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.*** For purposes of this Issue Price Certificate:

(a) *Authority* means [DESCRIBE ISSUER].

(b) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(d) *Public* means any person (i.e., an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a

corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was [DATE].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority[and BORROWER (the "Borrower")] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Authority[and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

—

Name: _____

—

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

EXHIBIT B

ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH FEWER THAN THREE BIDS FROM ESTABLISHED UNDERWRITERS

\$[PRINCIPAL AMOUNT]
[BOND CAPTION]

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”][the “Representative”]), on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. ***Initial Offering Price of the Bonds.*** [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire for the Bonds is attached to this certificate as Schedule B.

2. ***First Price at which Sold to the Public.*** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein][in Schedule C], if different].

3. ***Hold the Offering Price Rule.*** [SHORT NAME OF UNDERWRITER][Each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any agreement among underwriters, selling group agreement, or third-party distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [Representative][SHORT NAME OF UNDERWRITER]’s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. ***Defined Terms.*** For purposes of this Issue Price Certificate:

(a) ***Holding Period*** means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) ***Authority*** means [DESCRIBE ISSUER].

(c) ***Maturity*** means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(e) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was [DATE].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDEWRITING FIRM][the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority[and BORROWER (the “Borrower”)] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Authority[and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: _____

—

Name: _____

—

Dated: [ISSUE DATE]

SCHEDULE A
INITIAL OFFERING PRICES OF THE BONDS
(Attached)

SCHEDULE B
PRICING WIRE
(Attached)

SCHEDULE C

**SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE
AT THE INITIAL OFFERING PRICE**

(Attached)

Economic Development Authority of the City of Chaska, Minnesota

Pre-Sale Summary for Issuance of Bonds

\$2,795,000 Lease Revenue and Limited Tax Refunding Bonds, Series 2020E (the “EDA Bonds”)
(City of Chaska, Minnesota Lease Obligation)

The Authority Board and City Council have under consideration the issuance of bonds to refund the Authority’s Lease Revenue Bonds, Series 2013A (the “Series 2013A Bonds”), dated July 18, 2013 for interest cost savings. This document provides information relative to the proposed issuance.

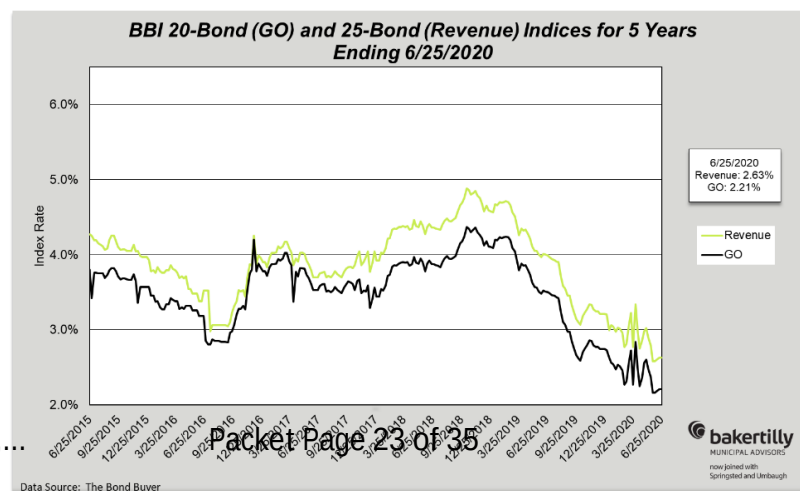
On March 11, 2020, the World Health Organization proclaimed the Coronavirus (COVID-19) to be a pandemic. The continually changing conditions resulting from the pandemic have created significant, ongoing volatility in the financial markets. It is not known what impact this may have on the City’s ability to issue the proposed Bonds on the timeline, at the interest rate estimates, or under the method of sale presented in this Pre-Sale Summary. This document and corresponding schedules are based on estimates made at the time this document was prepared. In the time leading up to the City’s sale, BTMA will continue to monitor the market on the City’s behalf and will work with the City to address issues and/or identify alternative approaches to the City’s financing.

KEY EVENTS: The following summary schedule includes the timing of some of the key events that will occur relative to the bond issuance.

July 6, 2020	Board and Council sets sale date and terms
Week of July 20, 2020	Rating conference is conducted
August 3, 2020, 11:00 a.m.	Competitive proposals are received
August 3, 2020, 7:00 p.m.	Board considers award of the EDA Bonds
September 2, 2020	Proceeds are received
December 1, 2020	Redeem the Series 2013A Bonds

RATING: An application will be made to S&P Global Ratings (S&P) for a rating on the EDA Bonds. The City’s lease-revenue debt subject to annual appropriation is currently rated “AA-” by S&P.

THE MARKET: Performance of the tax-exempt market is often measured by the Bond Buyer’s Index (“BBI”) which measures the yield of high grade municipal bonds in the 20th year for general obligation bonds rated Aa2 by Moody’s or AA by S&P (the BBI 20-Bond GO Index) and the 30th year for revenue bonds rated A1 by Moody’s or A+ by S&P (the BBI 25-Bond Revenue Index). The following chart illustrates these two indices over the past five years.



PURPOSE: Proceeds of the EDA Bonds will be used to refund the December 1, 2021 through 2033 maturities of the Authority's "Series 2013A Bonds. The maturities to be refunded are in the principal amount of \$2,735,000.

This refunding transaction is being undertaken to provide interest cost savings to the City.

The Series 2013A Bonds were originally issued to finance the costs of acquiring and installing certain equipment to rehabilitate the ice arena of the City's Community Center.

AUTHORITY: The EDA Bonds are being issued pursuant to: (i) Minnesota Statutes, Chapter 475 and 469, and Section 465.71; (ii) an Indenture of Trust between the Authority and U.S. Bank, National Association (the "Trustee"); (iii) a lease agreement between the City and the Authority (the "Lease") and (iii) the resolutions of the Authority and the City.

SECURITY AND SOURCE OF PAYMENT: The EDA Bonds are special limited obligations of the Authority payable from rental payments to be received by the Authority from the City pursuant to the Lease and net revenues of the Authority derived from special tax levies assessed pursuant to Minnesota Statutes, Section 469.033. The Bonds constitute an annual appropriation of the City.

The Authority has covenanted to levy an annual tax not exceeding 0.0185 percent of taxable market value of the Authority as permitted in Minnesota Statutes, Section 469.033, subdivision 6, or such lesser amount as is required to pay the principal of and interest on the Bonds and for payment of the EDA Bonds

Upon the issuance of the Series 2013A Bonds and pursuant to the Trust Indenture, a debt service reserve fund was funded in the amount of \$271,745. A new debt service reserve fund will be established upon the issuance of the EDA Bonds based on the debt service reserve requirement of the lessor of (i) 10% of the proceeds; (ii) maximum annual debt service or (iii) 125% of the average annual debt service. The new debt service reserve requirement is estimated to be \$246,680. The estimated difference of \$25,065 has been applied as a source to reduce the issue size.

The issuance of the EDA Bonds are being conducted as a current refunding in which the proceeds of the EDA Bonds will be used within ninety (90) days of settlement to redeem the callable maturities of the Series 2013A Bonds.

On December 1, 2020, the call date of the Series 2013A Bonds, the Authority will (i) make their regularly schedule debt service payment of \$220,165 with monies previously collected and designated for this payment and (ii) use bond proceeds and prior issue debt service reserve funds to redeem the refunded maturities of the Series 2013A Bonds and deposit amounts sufficient to fund a new debt service reserve.

STRUCTURING SUMMARY: In consultation with the Authority, the EDA Bonds have been structured with the same term as the Series 2013A Bonds to result in approximately uniform savings.

Based on current interest rates, this refunding transaction is estimated to result in average annual debt service savings of approximately \$25,945. This results in total future value savings of approximately \$312,724 with a total net present value benefit of \$275,045. These estimates are net of the costs associated with the refunding.

**SCHEDULES
ATTACHED:**

Schedules attached include: (i) Refunding Summary (ii) Debt Service Comparison, based on current market conditions (iii) Debt Service to Maturity and to Call for the Series 2013A Bonds; (iv) estimated Net Debt Service and (v) Proof of Reserve Fund Requirement..

**RISKS/SPECIAL
CONSIDERATIONS:**

The outcome of this financing will rely on the market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions.

**SALE TERMS AND
MARKETING:**

Variability of Issue Size: A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.

Prepayment Provisions: EDA Bonds maturing on or after December 1, 2031 may be prepaid at a price of par plus accrued interest on or after December 1, 2030

Bank Qualification: The City expects to issue more than \$10 million in tax-exempt obligations in 2020; therefore, the EDA Bonds are not designated as bank qualified.

**POST ISSUANCE
COMPLIANCE:**

The issuance of the EDA Bonds will result in post-issuance compliance responsibilities. The responsibilities are in two primary areas: (i) compliance with federal arbitrage requirements and (ii) compliance with secondary disclosure requirements.

Federal arbitrage requirements include a wide range of implications that have been taken into account as this issue has been structured. Post-issuance compliance responsibilities for this tax-exempt issue include both rebate and yield restriction provisions of the IRS Code. In general terms the arbitrage requirements control the earnings on unexpended bond proceeds, including investment earnings, moneys held for debt service payments (which are considered to be proceeds under the IRS regulations), and/or reserves. Under certain circumstances any "excess earnings" will need to be paid to the IRS to maintain the tax-exempt status of the EDA Bonds. Any interest earnings on gross bond proceeds or debt service funds should not be spent until it has been determined based on actual facts that they are not "excess earnings" as defined by the IRS Code.

The arbitrage rules provide for spend-down exceptions for proceeds that are spent within either a 6-month, 18-month or, for certain construction issues, a 24-month period each in accordance with certain spending criteria. Proceeds that qualify for an exception will be exempt from rebate. These exceptions are based on actual expenditures and not based on reasonable expectations, and expenditures, including any investment proceeds will have to meet the spending criteria to qualify for the exclusion. Since the issuance of the EDA Bonds are a current refunding, the proceeds will be expended within 90 days of settlement and will therefore qualify for the 6-month spending exception.

Regardless of whether the issue qualifies for an exemption from the rebate provisions, yield restriction provisions will apply to Bond proceeds (including interest earnings) unspent after three years and the debt service fund throughout the term of the EDA Bonds. These moneys should be monitored until the EDA Bonds are retired.

Secondary disclosure requirements result from an SEC requirement that underwriters provide ongoing disclosure information to investors. To meet this requirement, any prospective underwriter will require the Authority and the City to commit to providing the information needed to comply under a continuing disclosure agreement.

Baker Tilly, the City and Authority have entered into an Agreement for Municipal Advisor Services under which Baker Tilly will provide continuing disclosure and arbitrage rebate services on the EDA Bonds.

**SUPPLEMENTAL
INFORMATION AND
BOND RECORD:**

Supplementary information will be available to staff including detailed terms and conditions of sale, comprehensive structuring schedules and information to assist in meeting post-issuance compliance responsibilities.

Upon completion of the financing, a bond record will be provided that contains pertinent documents and final debt service calculations for the transaction.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and wholly-owned subsidiary of Baker Tilly Virchow Krause, LLP, an accounting firm. Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2020 Baker Tilly Municipal Advisors, LLC.

\$2,795,000

Economic Development Authority of the City of Chaska, Minneosta
Lease Revenue and Limited Tax Refunding Bonds, Series 2020E
(City of Chaska, Minnesota Lease Obligation)

Refunding Summary

Dated 09/02/2020 | Delivered 09/02/2020

Sources Of Funds

Par Amount of Bonds.....	\$2,795,000.00
Transfers from Prior Issue DSR Funds.....	271,745.00

Total Sources..... \$3,066,745.00

Uses Of Funds

Deposit to Current Refunding Fund.....	2,735,000.00
Deposit to Debt Service Reserve Fund (DSRF).....	246,680.00
Costs of Issuance.....	65,000.00
Total Underwriter's Discount (0.700%).....	19,565.00
Rounding Amount.....	500.00

Total Uses..... \$3,066,745.00

PV Analysis Summary (Net to Net)

Transfers from Prior Issue DSR Fund.....	(271,745.00)
Amount deposited into new DSR Fund.....	246,680.00
Contingency or Rounding Amount.....	500.00
Net Present Value Benefit.....	\$275,044.91
Net PV Benefit / PV Refunded Debt Service.....	8.888%
Net Future Value Benefit.....	\$312,723.56
Net Present Value Benefit.....	\$275,044.91

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\$2,795,000

Economic Development Authority of the City of Chaska, Minneosta
Lease Revenue and Limited Tax Refunding Bonds, Series 2020E
(City of Chaska, Minnesota Lease Obligation)

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
12/01/2020	-	220,165.00	220,165.00	220,165.00	-
12/01/2021	244,353.94	-	244,353.94	271,420.00	27,066.06
12/01/2022	241,965.00	-	241,965.00	266,957.50	24,992.50
12/01/2023	240,065.00	-	240,065.00	267,145.00	27,080.00
12/01/2024	242,965.00	-	242,965.00	271,745.00	28,780.00
12/01/2025	245,710.00	-	245,710.00	270,855.00	25,145.00
12/01/2026	242,980.00	-	242,980.00	269,615.00	26,635.00
12/01/2027	239,935.00	-	239,935.00	267,915.00	27,980.00
12/01/2028	246,680.00	-	246,680.00	270,740.00	24,060.00
12/01/2029	243,050.00	-	243,050.00	268,000.00	24,950.00
12/01/2030	244,090.00	-	244,090.00	269,200.00	25,110.00
12/01/2031	244,815.00	-	244,815.00	270,000.00	25,185.00
12/01/2032	245,215.00	-	245,215.00	270,400.00	25,185.00
12/01/2033	245,280.00	-	245,280.00	270,400.00	25,120.00
Total	\$3,167,103.94	\$220,165.00	\$3,387,268.94	\$3,724,557.50	\$337,288.56

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	337,288.56
Gross PV Debt Service Savings.....	299,609.91
Net PV Cashflow Savings @ 1.767%(Bond Yield).....	299,609.91
Transfers from Prior Issue DSR Fund.....	(271,745.00)
Amount deposited into new DSR Fund.....	246,680.00
Contingency or Rounding Amount.....	500.00
Net Future Value Benefit.....	\$312,723.56
Net Present Value Benefit.....	\$275,044.91
Net PV Benefit / \$701,944.56 PV Refunded Interest.....	39.183%
Net PV Benefit / \$3,094,609.91 PV Refunded Debt Service.....	8.888%
Net PV Benefit / \$2,735,000 Refunded Principal.....	10.056%
Net PV Benefit / \$2,795,000 Refunding Principal.....	9.841%

Refunding Bond Information

Refunding Dated Date.....	9/02/2020
Refunding Delivery Date.....	9/02/2020

***Net D/S Excludes: DSR**

\$3,850,000

Economic Development Authority of the City of Chaska, Minnesota
Lease Revenue and Limited Tax Bonds, Series 2013A
Community Center

Debt Service To Maturity And To Call

Date	Refunded Bonds	D/S To Call	Principal	Coupon	Interest	Refunded D/S
09/02/2020	-	-	-	-	-	-
12/01/2020	2,735,000.00	2,735,000.00	-	2.300%	-	-
06/01/2021	-	-	-	-	48,210.00	48,210.00
12/01/2021	-	-	175,000.00	2.550%	48,210.00	223,210.00
06/01/2022	-	-	-	-	45,978.75	45,978.75
12/01/2022	-	-	175,000.00	2.750%	45,978.75	220,978.75
06/01/2023	-	-	-	-	43,572.50	43,572.50
12/01/2023	-	-	180,000.00	3.000%	43,572.50	223,572.50
06/01/2024	-	-	-	-	40,872.50	40,872.50
12/01/2024	-	-	190,000.00	3.100%	40,872.50	230,872.50
06/01/2025	-	-	-	-	37,927.50	37,927.50
12/01/2025	-	-	195,000.00	3.200%	37,927.50	232,927.50
06/01/2026	-	-	-	-	34,807.50	34,807.50
12/01/2026	-	-	200,000.00	3.350%	34,807.50	234,807.50
06/01/2027	-	-	-	-	31,457.50	31,457.50
12/01/2027	-	-	205,000.00	3.500%	31,457.50	236,457.50
06/01/2028	-	-	-	-	27,870.00	27,870.00
12/01/2028	-	-	215,000.00	3.600%	27,870.00	242,870.00
06/01/2029	-	-	-	-	24,000.00	24,000.00
12/01/2029	-	-	220,000.00	4.000%	24,000.00	244,000.00
06/01/2030	-	-	-	-	19,600.00	19,600.00
12/01/2030	-	-	230,000.00	4.000%	19,600.00	249,600.00
06/01/2031	-	-	-	-	15,000.00	15,000.00
12/01/2031	-	-	240,000.00	4.000%	15,000.00	255,000.00
06/01/2032	-	-	-	-	10,200.00	10,200.00
12/01/2032	-	-	250,000.00	4.000%	10,200.00	260,200.00
06/01/2033	-	-	-	-	5,200.00	5,200.00
12/01/2033	-	-	260,000.00	4.000%	5,200.00	265,200.00
Total	\$2,735,000.00	\$2,735,000.00	\$2,735,000.00	-	\$769,392.50	\$3,504,392.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	9/02/2020
Average Life.....	7.726 Years
Average Coupon.....	3.6410342%
Weighted Average Maturity (Par Basis).....	7.726 Years
Weighted Average Maturity (Original Price Basis).....	7.725 Years

Refunding Bond Information

Refunding Dated Date.....	9/02/2020
Refunding Delivery Date.....	9/02/2020

\$2,795,000

Economic Development Authority of the City of Chaska, Minnesota
Lease Revenue and Limited Tax Refunding Bonds, Series 2020E
(City of Chaska, Minnesota Lease Obligation)

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Existing D/S	Net New D/S	Fiscal Total
09/02/2020	-	-	-	-	-	-	-
12/01/2020	-	-	-	-	220,165.00	220,165.00	220,165.00
06/01/2021	-	-	32,563.94	32,563.94	-	32,563.94	-
12/01/2021	190,000.00	0.850%	21,790.00	211,790.00	-	211,790.00	244,353.94
06/01/2022	-	-	20,982.50	20,982.50	-	20,982.50	-
12/01/2022	200,000.00	0.950%	20,982.50	220,982.50	-	220,982.50	241,965.00
06/01/2023	-	-	20,032.50	20,032.50	-	20,032.50	-
12/01/2023	200,000.00	1.050%	20,032.50	220,032.50	-	220,032.50	240,065.00
06/01/2024	-	-	18,982.50	18,982.50	-	18,982.50	-
12/01/2024	205,000.00	1.100%	18,982.50	223,982.50	-	223,982.50	242,965.00
06/01/2025	-	-	17,855.00	17,855.00	-	17,855.00	-
12/01/2025	210,000.00	1.300%	17,855.00	227,855.00	-	227,855.00	245,710.00
06/01/2026	-	-	16,490.00	16,490.00	-	16,490.00	-
12/01/2026	210,000.00	1.450%	16,490.00	226,490.00	-	226,490.00	242,980.00
06/01/2027	-	-	14,967.50	14,967.50	-	14,967.50	-
12/01/2027	210,000.00	1.550%	14,967.50	224,967.50	-	224,967.50	239,935.00
06/01/2028	-	-	13,340.00	13,340.00	-	13,340.00	-
12/01/2028	220,000.00	1.650%	13,340.00	233,340.00	-	233,340.00	246,680.00
06/01/2029	-	-	11,525.00	11,525.00	-	11,525.00	-
12/01/2029	220,000.00	1.800%	11,525.00	231,525.00	-	231,525.00	243,050.00
06/01/2030	-	-	9,545.00	9,545.00	-	9,545.00	-
12/01/2030	225,000.00	1.900%	9,545.00	234,545.00	-	234,545.00	244,090.00
06/01/2031	-	-	7,407.50	7,407.50	-	7,407.50	-
12/01/2031	230,000.00	2.000%	7,407.50	237,407.50	-	237,407.50	244,815.00
06/01/2032	-	-	5,107.50	5,107.50	-	5,107.50	-
12/01/2032	235,000.00	2.100%	5,107.50	240,107.50	-	240,107.50	245,215.00
06/01/2033	-	-	2,640.00	2,640.00	-	2,640.00	-
12/01/2033	240,000.00	2.200%	2,640.00	242,640.00	-	242,640.00	245,280.00
Total	\$2,795,000.00	-	\$372,103.94	\$3,167,103.94	\$220,165.00	\$3,387,268.94	-

SIGNIFICANT DATES

Dated Date..... 9/02/2020
Delivery Date..... 9/02/2020
First Coupon Date..... 6/01/2021

Yield Statistics

Bond Year Dollars..... \$20,940.99
Average Life..... 7.492 Years
Average Coupon..... 1.7769170%

Net Interest Cost (NIC)..... 1.8703462%
True Interest Cost (TIC)..... 1.8682365%
Bond Yield for Arbitrage Purposes..... 1.7666061%
All Inclusive Cost (AIC)..... 2.2130186%

IRS Form 8038

Net Interest Cost..... 1.7769170%
Weighted Average Maturity..... 7.492 Years

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\$2,795,000

Economic Development Authority of the City of Chaska, Minneosta
Lease Revenue and Limited Tax Refunding Bonds, Series 2020E
(City of Chaska, Minnesota Lease Obligation)

Proof of Reserve Fund Requirement

Date	Principal	Interest	TOTAL P+I
12/01/2020	-	-	-
12/01/2021	190,000.00	54,353.94	244,353.94
12/01/2022	200,000.00	41,965.00	241,965.00
12/01/2023	200,000.00	40,065.00	240,065.00
12/01/2024	205,000.00	37,965.00	242,965.00
12/01/2025	210,000.00	35,710.00	245,710.00
12/01/2026	210,000.00	32,980.00	242,980.00
12/01/2027	210,000.00	29,935.00	239,935.00
12/01/2028	220,000.00	26,680.00	246,680.00
12/01/2029	220,000.00	23,050.00	243,050.00
12/01/2030	225,000.00	19,090.00	244,090.00
12/01/2031	230,000.00	14,815.00	244,815.00
12/01/2032	235,000.00	10,215.00	245,215.00
12/01/2033	240,000.00	5,280.00	245,280.00
Total	\$2,795,000.00	\$372,103.94	\$3,167,103.94

PROOF OF RESERVE FUND

MAXIMUM PERIODIC DEBT SERVICE

Omit First Period?..... Yes
100 % of the Maximum Periodic Debt Service..... 246,680.00

AVERAGE PERIODIC DEBT SERVICE

Total P+I..... 3,167,103.94
Bond Years (Delivery Date)..... 13.25
125 % of the Average Periodic Debt Service..... 298,846.04

PERCENT OF PAR

10 % of Par..... 279,500.00

RESERVE REQUIREMENT

Computed Requirement..... 246,680.00
Proof's Requirement..... 246,680.00

REQUEST FOR ACTION

CHASKA ECONOMIC DEVELOPMENT AUTHORITY

July 6, 2020

Subject: Authorize the Executive Director to sign a letter of intent with Carver County CDA to redevelop the Ernst House Property at 211 and 217 Walnut St.

Prepared By: Nate Kabat

Background

At its March 19, 2018 meeting, the Chaska EDA authorized the Executive Director to enter into a listing agreement for the Ernst/Ess House sites at 211 and 217 Walnut Street to market for a sale to a private redeveloper. At its December 17, 2018 meeting, the Chaska EDA authorized the Executive Director to enter into a Letter of Intent with Talle & Associates to pursue a redevelopment of the site. Since that time, Talle & Associates has successfully completed concept and preliminary site plan approval from the Chaska City Council. The current plan would create three new townhomes on the vacant Ess House lot and would renovate the Ernst House into a single family home. All units would be managed as rentals by Talle & Associates long-term, and would target rents at the higher end of Chaska's market.

With the project being a redevelopment on a constrained site with high costs that the City has into the site to be recovered by the project, the redevelopment does bring financial restraints that need to be addressed to bring to completion. To this end, a redevelopment TIF has been established on the site and Talle & Associates have successfully worked with staff to obtain a CDA grant to support the redevelopment. Even with these positive steps, a significant financial gap exists that prevents project feasibility. Despite creative attempts by both staff and Talle & Associates, the gap has stubbornly remained.

Update

Because the path to financial feasibility for a market rate project for this redevelopment has remained unresolved, staff has entered into discussions with the Carver County CDA to explore options. Working with the Carver County CDA, a model has been developed that would pursue a project in line with the currently approved preliminary plan for the site that would result in three new townhome units and a renovated Ernst Houses single family home. Under the model with the CDA, all units would be entered into the Carver County Community Land Trust program and sold as owner-occupied units.

Under a community land trust model, the land occupied by a housing structure is placed into ownership by trust and the structure itself is purchased by the owner. By removing the land cost from the purchase, home ownership becomes more attainable for people with earnings at 80% area median income or slightly lower.

Pursuing this model also opens additional funding sources to support the redevelopment's financial feasibility. Sources including City of Chaska excess housing TIF funds, state housing infrastructure bonds, and other state sources can be used by a project using this model. As a result, this approach that results in permanently affordable housing units can be financially more feasible than the market rate approach we have been taking to this point.

To further develop the feasibility of this model, EDA staff and CDA staff have outlined the Letter of Intent (LOI) attached to this memo. Under this LOI, the first step will be for EDA and CDA staff to work with a grant writer to draft and submit a request to the MN Housing Finance Agency for housing infrastructure bond funds to support the project. A successful award would then follow to next steps to complete the site planning process and enter into a purchase and development agreement for the site. The LOI clearly states that all parties understand successfully securing funding and completing the planning approval process are contingencies to executing a purchase and development agreement. This letter of intent serves to provide the framework for and outline the steps necessary to enter into a purchase and development agreement between the parties. This letter of intent signals the intent of all parties to work in partnership towards successful completion of the project described.

Recommendation

Staff have pursued multiple options with the first developer to bring a market rate project to feasibility without success. Staff believes the approach outlined with the Carver County CDA has a real ability to have success in producing high quality housing units downtown that preserve the Ernst House, positively contribute to the historic district, and create affordable units into the future by attracting additional resources that would not be available otherwise. With those benefits in mind, staff recommends authorizing the Executive Director to sign the letter of intent with the Carver County CDA.

CHASKA EDA ACTION REQUESTED

Motion to authorize the Executive Director to sign a letter of intent with the Carver County CDA to purchase and redevelop the Ernst House Property at 211 and 217 Walnut St.



Chaska

July 6, 2020

Julie Frick
Carver County CDA
705 Walnut Street
Chaska, MN 55318

Re: Letter of Intent for proposed Ernst House redevelopment

Dear Julie:

Over the course of the last few months, City staff have discussed with CDA staff terms of a partnership that would result in the redevelopment of the Ernst House site at 211 Walnut Street and the neighboring vacant lot at 217 Walnut Street. The proposed project would result in three new townhomes on the vacant lot and would renovate the existing historic Ernst House. All four units would be placed into the Carver County Community Land Trust to be sold to families with incomes of no more than 80% area median income (AMI). The following outline terms to proceed on this project, and assuming the terms are met would provide the framework for a purchase and development agreement.

The City of Chaska Agrees to the Following:

- Create a 26-year redevelopment TIF district to include the properties listed above.
- Convey the site to the CDA for purposes of the redevelopment. Dedicate grant dollars awarded through the CDA's Community Growth Partnership to the project, and provide TIF and pooled excess housing TIF funds.
- Contract for grant writing assistance to pursue funds through the Minnesota Housing Finance Agency Super RFP process.

The CDA Agrees to:

- Assist with the contracted grant writer to pursue funds through the Minnesota Housing Finance Agency Super RFP process.
- Complete the planning approval process and meet SHPO requirements for the site.
- Serve as developer of the approved project to create three new townhomes and renovate the Ernst House into a single-family home.
- Enter the property into the Community Land Trust to ensure ongoing affordability of owner occupied housing in Downtown Chaska.

All parties understand successfully securing funding and completing the planning approval process are contingencies to executing a purchase and development agreement. This letter of intent serves to provide the framework for, and outline the steps necessary, to enter into a purchase and development agreement between the parties. This letter of intent signals the intent of all parties to work in partnership towards successful completion of the project described.

We look forward to working with you on this project. We recognize that this project has the potential to maximize the value of the redevelopment site in line with long-range plans for that location, and to secure affordable housing options for residents of historic Downtown Chaska into the community who can support our historic downtown and broader business community.

If this letter looks acceptable to you, please execute and return a copy of this letter. Upon receipt, the City of Chaska will move forward immediately to start the process of establishing this assistance package for the project.

Sincerely,

Matt Podhradsky, City Administrator
City of Chaska

I hereby agree to the terms and conditions in this Letter of Intent, and with this executed letter request and authorize the City of Chaska/Chaska EDA to move forward to establish the assistance package for this project.

Julie Frick, Executive Director
Carver County CDA

Date