AGENDA
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CHASKA CITY HALL - COUNCIL CHAMBERS & ZOOM
Monday, December 16, 2024
IMMEDIATELY FOLLOWING CITY COUNCIL MEETING

1. Call to Order
2. Roll Call
3. Adopt Agenda
4. Approve Previous Meeting Minutes
   - 4.A. Meeting Minutes from 09/16/2024
5. Discussion Items
   - 5.A. Adopt Resolution No. EDA 2024-102 Adopting the 2024 EDA Budget and EDA Property Tax Levy for Payable 2025
   - 5.B. Adopt EDA Resolution No. 2024-109 Relating to Issuance of $6,080,000 EDA Lease Revenue Refunding Bonds, Series 2025B
6. Other Business
7. Adjourn

DRAFT

- MINUTES -
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
SEPTEMBER 16, 2024

1. Call to Order
President Windschitl called the meeting to order at 10:15 p.m.

2. Roll Call
Roll call was taken. Present: President Windschitl and Commissioners Hatfield, Hubbard, Grau, and Huang.

Absent: None.

Also Present: Elise Durbin, Assistant Executive Director and Matt Podhradsky, Executive Director.

3. Agenda
Motion by Commissioner Hatfield, second by Commissioner Hubbard to adopt the agenda as presented.
Motion carried.

4. Minutes
4.A. Approve EDA Meeting Minutes of 15-7-2024
Motion by Commissioner Hatfield, second by Commissioner Huang to approve the minutes of the July 15, 2024 EDA Meeting Minutes.
Motion carried.

5. Discussion Items
5A. Adopt Resolution EDA 2024-72 Establishing a Preliminary Chaska EDA Maximum Levy for Payable 2025
Executive Director Podhradsky introduced and provided an overview of this item.

Motion by Commissioner Huang, second by Commissioner Grau to adopt EDA Resolution 2024-72 establishing a Preliminary Maximum Property Tax Levy for payable 2025.
Motion carried.

6. Other Business
There was no other business.

7. Adjourn
Motion by Commissioner Hubbard, second by Commissioner Grau to adjourn the meeting at 10:18 p.m.
Motion carried.

REQUEST FOR ACTION
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
12/16/2024

Subject: **Adopting 2025 EDA Budget and Property Tax Levy for Payable 2025**

Reviewed By: Noel Graczyk, Administrative Services Director
Prepared By: Erica Mattice, Finance Division Director

Background

The proposed 2025 Budget for the Chaska EDA includes a proposed HRA levy that must be certified to the County Auditor by December 27, 2024. The following table compares EDA tax levies and budgets from the proposed 2025 Budget to the adopted 2024 Budget.

	2024 Adopted Budget	2025 Proposed Budget	Increase (Decrease)	Percent Increase (Decrease)
HRA Property Tax Levy	$212,801	$231,440	$18,639	8.1%
Total all Revenue Sources	$610,401	$646,185	$35,784	5.5%
Total all Expenditure Uses	$610,401	$624,145	$13,744	2.2%
Net Total	$ 0	$ 22,040	$ 22,040	n/a

The proposed property tax levy for payable 2025 includes an 8.1% increase based on new construction, inflation, and operational needs.

Staff Recommendation

Staff recommends approval of the proposed resolution adopting the 2025 EDA Budget and an EDA property tax levy for payable 2025.

EDA ACTION REQUESTED

Motion to adopt EDA Resolution No. 2024-102 adopting the 2025 EDA Budget and an EDA property tax levy for payable 2025.

CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CARVER COUNTY, MINNESOTA

RESOLUTION

DATE 12/16/2024 RESOLUTION NO. EDA 2024-102

MOTION BY COMMISSIONER______________SECOND BY COMMISSIONER______________

A RESOLUTION APPROVING THE 2025 EDA BUDGET AND PROPERTY TAX LEVY FOR PAYABLE 2025

WHEREAS, the Executive Director's proposed 2025 EDA Budget recommends a Housing and Redevelopment Authority special benefit property tax levy in accordance with Minnesota State Statutes, Section 469.033, Subdivision 6; and,

WHEREAS, in accordance with Minnesota Sate Statues, Section 469.033, Subdivision 6 the special benefit property tax shall be an amount approved by the City Council of the City of Chaska but shall not exceed 0.0185 percent of estimated market value of the City of Chaska; and,

WHEREAS, the City has conducted a public hearing on December 2, 2024 to receive comment from the public on the proposed 2025 Budget and the tax levies recommended therein including the proposed 2025 EDA Budget and the EDA tax levy recommended therein; and,

WHEREAS, the EDA must certify to the County Auditor on or before December 27, 2024, a property tax levy for assessed 2024 payable 2025.

NOW, THEREFORE, BE IT RESOLVED, that the following assessed 2024 payable 2025 property tax levy be adopted consistent with the 2025 Budget:

Fund	Levy Amount
EDA Fund, HRA Levy	$231,440

FURTHER, BE IT RESOLVED, that the following 2025 EDA special revenue fund budget be adopted:

Fund	Revenues and Other Sources	Expenditures and Other Uses	Fund Balance Increase (Decrease)
EDA Fund	$646,185	$624,145	$22,040

AND, FURTHER, BE IT RESOLVED, that the Executive Director of the EDA is directed to file the approved EDA levy with the Carver County Auditor on or before December 27, 2024.

Passed and adopted by the Economic Development Authority of the City of Chaska, Minnesota, this 16th day of December 2024.

____
Mark Windschitl, President

Attest:____
Matt Podhradsky, Executive Director

REQUEST FOR ACTION
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
12/16/2024

Subject: **Adopt EDA Resolution No. 2024-109 Relating to Issuance of $6,080,000 EDA Lease Revenue Refunding Bonds, Series 2025B**

Prepared By: Noel Graczyk, Administrative Services Director
Erica Mattice, Finance Division Director

EDA Overview

The City of Chaska by City resolution has requested that the Chaska Economic Development Authority (EDA) issue EDA Lease Revenue Refunding Bonds, Series 2025B. This refunding will generate net present value savings that will result in reduce lease (debt service) payments to the EDA by the City in future years. A proposed EDA resolution as prepared by Dorsey and Whitney, LLP., Bond Counsel to the EDA is attached for adoption by the EDA.

The following is the Request for Action (RFA) from the City Council that discusses this request for issuance of refunding bonds by the EDA.

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City Overview

Baker Tilly Municipal Advisors, LLC (BTMA), Municipal Advisor to the City, and City staff have together structured Lease Revenue Refunding Bonds, Series 2025B to refund the Chaska Economic Development Authority (EDA) Series 2015B bonds. A proposed resolution as prepared by Dorsey and Whitney, LLP., Bond Counsel to the City is attached for adoption by the City Council.

This resolution establishes parameters for issuance of the bonds and will allow the City to sell bonds on Wednesday January 8, 2025, a date when it is anticipated there will be fewer issuers competing in the market and potential bidders are expected to have returned from the New Year's holiday. Parameters established in the resolution for issuance are a maximum PAR amount of $7,000,000 and a minimum refunding resulting in a net present value savings to refunded debt of at least 1.8%. This resolution also authorized City staff to execute additional documents related to sale and issuance of the bonds.

A "Pre-Sale Summary" prepared by BTMA is attached and anticipates the City issuing a Par Amount of $6,080,000 with an anticipated refunding resulting in a net present value savings to refunded debt of 2.02%, both within the proposed maximum and minimum parameters. The following is a discussion of the proposed bond and related projects.

$6,080,000 Lease Revenue Refunding Bonds, Series 2025

This current refunding (refunding issuance within 90 days of a call date) of EDA series 2015B will allow the City and EDA to restructure and shorten this outstanding debt from eleven years to ten years. This refunding will also eliminate the Debt Service Reserve Fund (DSF) that was originally included as part of the Series 2015B bonds. Recent issuance by the City and EDA of similar lease financings have been well received in the market without a DSR. With a short final maturity of only eleven years remaining on Series 2015B, it may be difficult, if even possible, to refund Series 2015B in the future. The proposed refunding will generate an estimated 2.02% or $1,028,416 in net present value savings. This will result in an annual reduction in debt service of between $46,000 and $49,000 over the ten-year term. Total amounts for issuance of this proposed series of bonds is listed as follows.

Project	**Project Costs**	**Issuance Costs, Net**	**Other (Sources)**	**PAR Bonding Amount**
Refunding of EDA Series 2015B	$7,326,570 (Deposit to Current Refunding Fund)	$147,119	($876,195) Release of Series 2015B DSR Fund ($517,494) Estimated Reoffering Premium	$6,080,000
Totals	$7,326,570	$147,119	($1,393,689)	$6,080,000

General Obligation (G.O.) Pledge

Issuance of this series of bonds does not include a G.O. pledge of the full faith and taxing authority of the City of Chaska towards the repayment of debt service on these bonds. Repayment of principal and interest on the Series 2025B bonds will be from annual appropriations for lease payments to the EDA from the City.

Public Sale Date

This series of bonds will be sold at a competitive public sale on Wednesday January 8, 2025, and the winning bid will be determined in compliance with parameters established in the resolution. The result of this sale will be ratified by the City Council at the next regular meeting on Monday January 27, 2025.

Update and Recommendation

The City has requested that S&P Global Ratings (S&P) issue a bonding rating for this series of bonds. A rating call with S&P will be scheduled for the week of December 16, 2024, and a rating report will then be issued by S&P prior to the date of sale. It’s the recommendation by City Staff and Ms. Chris Hogan, Director with BTMA that the Council adopt the proposed parameters resolution to request the EDA to issue refunding bonds.

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EDA ACTION REQUESTED

Motion to adopt Resolution No. 2024-109 Relating to Lease Revenue Refunding Bonds, Series 2025B and Authoring the Issuance and Providing for the Sale Thereof.

CERTIFICATION OF MINUTES RELATING TO
CITY OF CHASKA ECONOMIC DEVELOPMENT AUTHORITY
LEASE REVENUE REFUNDING BONDS, SERIES 2025B

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 December 16, 2024, at 7:30 p.m., at the City Hall.

Commissioners Present:

Commissioners Absent:

Documents Attached:
Minutes of said meeting (including):

EDA RESOLUTION NO. 2024 - 109

RESOLUTION RELATING TO LEASE REVENUE REFUNDING BONDS, SERIES 2025B; AUTHORIZING THE ISSUANCE AND PROVIDING FOR SALE THEREOF

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 _______________, 2024.

____
Secretary

4897-6149-2996\2

Commissioner ___________________ introduced the following resolution and moved its adoption, which motion was seconded by Commissioner ____________________:

EDA RESOLUTION NO. 2024 - 109

RESOLUTION RELATING TO LEASE REVENUE REFUNDING BONDS, SERIES 2025B; AUTHORIZING THE ISSUANCE AND PROVIDING FOR SALE THEREOF

WHEREAS, the City of Chaska (the "City") previously determined it to be in the best interests of the City and its residents to provide for the redevelopment of Fireman's Park I and Schimelpfenig Park and the northwest corner of Highway 61 and Highway 41, which redevelopment includes park improvements (the "Park Improvements") and the construction of curling, restaurant and banquet facilities (the "Building Improvements"); and

WHEREAS, in order to provide for the financing of the Building Improvements, the City Council and this Board of Commissioners (this "Board") of the Economic Development Authority of the City of Chaska, Minnesota (the "Authority") previously authorized the issuance of the Authority's $12,855,000 Taxable Lease Revenue Bonds, Series 2015A (the "Series 2015A Bonds"), dated as of April 15, 2015; and

WHEREAS, in order to provide for the financing of the Park Improvements, the City Council and this Board previously authorized the issuance of the Authority's $9,000,000 Lease Revenue Bonds, Series 2015B (the "Series 2015B Bonds", and together with the Series 2015A Bonds, the "2015 Bonds"), dated as of April 15, 2015; and

WHEREAS, in order to produce rental payments in an amount sufficient to pay debt service on the Series 2015A Bonds, the Authority previously leased the real property relating to the Building Improvements and the Building Improvements (the "Building Project") to the City pursuant to that certain Lease Purchase Agreement dated as of April 15, 2015, between the City and the Authority (the "2015A Lease"); and

WHEREAS, in order to produce rental payments in an amount sufficient to pay debt service on the Series 2015B Bonds, the Authority previously leased the real property relating to the Park Improvements and the Park Improvements (the "Park Project") to the City pursuant to that certain Lease Purchase Agreement dated as of April 15, 2015, between the City and the Authority (the "2015B Lease"); and

WHEREAS, the 2015 Bonds were issued and are secured pursuant to the terms of that certain Trust Indenture dated April 15, 2015 (the "2015 Indenture"), between U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association) and the Authority; and

WHEREAS, the City and the Authority have determined that it is in the best interest of the City and the Authority to refund and defease the Series 2015B Bonds on March 5, 2025 (the "Refunding"); and

WHEREAS, pursuant to a resolution of the City Council dated December 16, 2024 (the "City Resolution"), the City authorized the Authority to issue its Lease Revenue Refunding

Bonds, Series 2025B, in one or more tax-exempt series (the "Bonds") to accomplish the Refunding.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") of the Authority, as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. Acting pursuant to Minnesota Statutes, Section 469.012, subdivision 1(h), the Authority has the power to acquire the Park Project. The same provision of law authorizes the Authority to finance the Park Project and lease the Park Project to the City. Pursuant to Minnesota Statutes, Sections 469.033 and 469.034, and Chapter 475, the Authority has the power to issue revenue bonds to provide the funds necessary to refinance the Park Project.

In accordance with the foregoing authority, the Authority proposes to issue the Bonds to (i) refinance the Park Project by accomplishing the refunding pursuant to a trust indenture (the "Indenture") to be entered into between the Authority and U.S. Bank Trust Company, National Association, in St. Paul, Minnesota, as trustee (the "Trustee"); and (ii) pay costs of issuing the Bonds.

As a result of the Refunding, the City will be deemed to have purchased the Park Project from the Authority. The Authority proposes to terminate the 2015B Lease and convey title to the Park Project to the City and terminate the Authority's obligations relating to the Series 2015B Bonds under the 2015 Indenture. For the avoidance of doubt, the 2015 Indenture, as it relates to the 2015A Bonds, and the Series 2015A Bonds secured thereby will remain in full force and effect after the Refunding. No changes will be made to the 2015A Lease or the Building Project as a result of the Refunding.

In connection with the issuance of the 2025B Bonds, the City will convey title to the Park Project to the Authority and then lease the Park Project to the City pursuant to a Lease-Purchase Agreement (the "Lease"), between the Authority, as lessor, and the City, as lessee.

Bonds issued under this resolution, a ratifying resolution, and the Indenture will be secured solely by rental payments to be made by the City pursuant to the 2025B Lease and funds held by the Trustee under the Indenture and said Bonds and the interest on said Bonds shall be payable solely from the revenue pledged therefor under the Indenture, and no such Bonds shall constitute nor give rise to a pecuniary liability of the Authority, the City, or a charge against the Authority or City's general credit or taxing powers and shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Authority or City, other than the revenues pledged to the payment of the Bonds under the Indenture. The obligation of the City created by the Lease in excess of $1,000,000 shall, as provided in Minnesota Statutes, Section 465.71, be included in the calculation of net debt of the City for purposes of Minnesota Statutes, Section 475.53, and such obligation does not cause the net debt of the City to exceed its debt limit.

Under the Lease, and subject to the right of termination by the City at the end of each fiscal year of the City as shall be provided in the Lease, the City is to pay to the Authority sufficient money each year to pay the principal of, premium, if any, and interest on the Bonds, and the City is to provide the cost of maintaining the Park Project in good repair, the cost of keeping the Park Project properly insured, and any payments required for taxes and any expenses incurred by the Authority in connection with the Park Project.

1.02. Sale of Bonds. The Authority has retained Baker Tilly Municipal Advisors LLC ("Baker Tilly"), an independent financial advisor, to assist the Authority in connection with a negotiated sale of the Bonds to D.A. Davidson & Co. in Plymouth, Minnesota (the "Underwriter").

In consultation with Baker Tilly, the President and the Executive Director of the Authority, each individually, are hereby authorized to approve the sale of the Bonds and execute a contract on the part of the Authority for the sale of the Bonds to the Underwriter, provided the principal amount does not to exceed $7,000,000 and the Refunding results in a net present value savings to refunded debt service of at least 1.80%.

1.03 Ratification of Sale; Document Forms. The ratification of the sale of the Bonds and the forms of the Lease, the Indenture, and any other such documents necessary to accomplish the Refunding and terminate any Authority obligations under the 2015 Indenture and 2015B Lease shall be approved by this Board on January 27, 2025, or any other such date as this Board shall deem appropriate. The resolution ratifying the sale of the Bonds, together with the Indenture and the Lease, shall set forth the terms and forms of the Bonds.

SECTION 2. FURTHER AUTHORIZATIONS. The President and the Executive Director, each individually, or each of their authorized designees, and any other officers and employees of the Authority are hereby further authorized to take any actions on behalf of the Authority as are needed to consummate the Indenture, the Lease, and the financing transaction therein described and herein authorized, including any actions related to real property of the Authority and termination of any Authority obligations under the 2015 Indenture and the 2015B Lease. The Board hereby expressly authorizes the execution of any real estate instruments deemed necessary by counsel to the Authority. For the avoidance of doubt, this authorization includes but is not limited to the authority to acquire, dispose of and encumber any real property related to or necessary for the Park Project.

SECTION 3. OFFICIAL STATEMENT. Officers of the City and the Authority and Baker Tilly are hereby authorized and directed to prepare and distribute, on behalf of the Authority, a Preliminary Official Statement relating to the Bonds, any necessary amendments or supplements thereto to be prepared hereafter, and a final Official Statement (together with the Preliminary Official Statement and any necessary amendments or supplements thereto, the "Official Statement"), listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Act of 1934. Within seven business days from the date the Bonds are sold, the Authority shall deliver to the Underwriter sufficient copies of the Official Statement. The officers of the Authority are hereby authorized and directed to review such Official Statement and to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency thereof, the execution of which shall constitute full approval of such.

SECTION 4. EXPIRATION OF AUTHORITY. If the Executive Director or the President, or one of their authorized designees, has not approved the sale of the Bonds to a purchaser and executed the related purchase agreement by December 1, 2025, this resolution and all approvals hereunder shall expire.

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.