CITY OF SOUTH ST. PAUL
MEETING AGENDA

WORK SESSION

Training Room
125 3rd Avenue North
South St. Paul, MN 55075

Monday, March 23, 2026
7:00 PM

1. CALL TO ORDER

2. DISCUSSION ITEMS

A. Legislative Update - Senator Matt Klein

B. Ehlers - Capital Projects Funding Discussion

C. 400 Richmond Street Sale / Leaseback Discussion

3. COUNCIL COMMENTS & QUESTIONS

4. ADJOURNMENT

WORK SESSION AGENDA REPORT

DATE:	March 23, 2026
DEPARTMENT:	City Administrator
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	2.A.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Legislative Update - Senator Matt Klein

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Informational update and discussion on legislative session and legislative topics of interest to the City.

OVERVIEW
State Senator Matt Klein will attend the worksession to share updates from the ongoing legislative session, specifically focusing on topics that have the potential to directly impact South St. Paul

SOURCE OF FUNDS
N/A

ATTACHMENTS
None

WORK SESSION AGENDA REPORT

DATE:	March 23, 2026
DEPARTMENT:	City Administrator
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	2.B.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Ehlers - Capital Projects Funding Discussion

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
For information and discussion only. Advisors from the City's financial consultant, Ehlers, will provide an overview of various funding options and scenarios for several projects identified in the City's 2026 - 2030 Capital Improvement Plan.

OVERVIEW
On May 19, 2025 the City Council accepted the 2025 Goal-Setting Report and formally adopted four priority goals to guide the City Council and Staff's work throughout and beyond 2025. One of these adopted goals is to "Provide accessible, resilient and welcoming City Buildings and Facilities to support the community's service and recreational needs". In furtherance of this goal in particular, in 2025 the City continued in earnest to prepare for the construction of replacement facilities for the City's Public Works Central Maintenance Facility and for the public swimming pool at Northview Park. These efforts have helped to inform the City's 2026 - 2030 Capital Improvement Plan, adopted by Council on January 20, 2026.

In 2025 Council's goal-setting process also identified as a priority the need to "Continue to facilitate the redevelopment of under-improved, unimproved, and distressed properties to support the growth of the property tax base and private employment" within the community. In furtherance of this goal, the Council has continued to strategically position the Hardman Triangle Redevelopment Area for new private commercial and residential development as well as the public infrastructure and amenities to support this dynamic development opportunity.

As we continue to lay the groundwork for the Northview Pool and Public Works projects, Staff has continued to work with our public finance consultant, Ehlers, to examine different scenarios and approaches to financing these projects as well as to gain a better understanding of the estimated impacts of project financing on taxpayers. Brian Reilly, Senior Advisor and Managing Director with Ehlers, will be at Monday's worksession to walk through the scenarios and help Council work through these options to guide Staff's approach to project financing later in 2026. In addition, Brian will be prepared to discuss some preliminary thoughts on financing public improvements within the Hardman Triangle, to assure that we're well-informed as to our options as we progress through the design phase of the public improvements in 2026.

Preliminary Financing Considerations - Public Works
At the January 26, 2026 Worksession, Staff and our Design Consultants presented a Schematic Design concept and budget estimate for the Public Works project. As a reminder, the schematic design estimated cost is $26,818,830 and we're assuming that the City will have $5,000,000 in cash from the sales proceeds at 316 Malden Street and 400 Richond Street to contribute to the total cost. Ehlers used the schematic design estimate to analyze different approaches to financing the project: a General Obligation Capital Improvement Plan Bond issuance or a Lease-Revenue Bond issuance. Ehlers will be prepared to discuss each approach at the Worksession in more detail and answer any questions Council may have. A brief summary of each approach:

- GO CIP Bonds (Minn. Stats. 475.521)
    - Generally will provide the lowest interest cost and best market access
    - Repayable from any source available to City; typically debt levy for servicing the debt
    - Projects found in 5-Year CIP
    - Requires public hearing and 3/5 vote to approve
    - Subject to petition and reverse referendum
    - Subject to net debt limit
- Lease Revenue Bonds (Minn. Stats. 465.71 and 469.103)
    - Higher interest cost than GO debt
    - EDA issues bonds and constructs facility
    - City leases facility from EDA; lease payments repay bonds
    - Does not require public hearing
    - Is not subject to reverse referendum

Preliminary Financing Considerations - Northview Pool
At the October 6, 2026 Council Meeting JLG Architects presented the pool feasibility and redesign study with a preliminary total cost estimate of $8,547,636. Council has previously held worksession discussions to contemplate different pathways to funding this project, and generally agreed that a combination of state assistance and local, non-referendum funding approaches were preferable. As such, this legislative session Staff submitted a formal request for $6,000,000 through the Minnesota Office of Management and Budget for bonding assistance for this project, with both the House and Senate version of the bill earmarking $6,500,000 for the project and currently awaiting action by the legislature. Any project costs not supported through the State will require local funding, and Staff has previously introduced the concept of utilizing the City's Tax Abatement Bonding authority to fund the City's portion - up to and including the entire cost - of the new pool's construction cost. A few important considerations about this approach:

- Utilizing this authority only as a mechanism for issuing debt - NOT in an economic development context (ie, no developer, business, or property owner is having their property taxes abated)
- To utilize this authority, we are required to hold a public hearing and pass a resolution to identify parcels with enough city tax to abate 105% of the bond principal payments
    - Taxes paid by individual parcels is not impacted in any way

    - Property Tax is not abated - City is just demonstrating significant capacity to cover debt
    - Avoid areas currently or reasonably assumed to be in TIF districts
- Ultimately, establishes legal authority to issue debt without passage of referendum

Preliminary Financing Considerations - Hardman Triangle
At the December 15, 2025 City Council Meeting, the Council approved a design services agreement with Urban Ecosystems to commence with the preparation of construction design documents for the public improvements within the Hardman Triangle. As generally defined in the Hardman Triangle Redevelopment Masterplan and Stormwater Guide, new public streets, sidewalks, sanitary and water utilities, stormwater management features, and a central public park will all be critical to the feasibility and success of the private redevelopment envisioned for this approximately 20 acre redevelopment site. While the Urban Ecosystems team continues their preliminary design work and we are not yet to the point where we have preliminary cost estimates, the consensus understanding is that a public-private partnership will be necessary to most efficiently deliver both the private and public improvements planned in this area. To that end, we've asked Ehlers to provide the Council with a high-level overview of how the financing of these improvements might be approached; they'll be prepared to discuss a "PAYGO" approach which is primarily developer-led, an upfront city funded approach, and a "Hybrid" approach.

SOURCE OF FUNDS
Various sources of funding to support the construction of the Northview Pool replacement project, the Public Works Central Maintenance Facility project, and the Hardman Triangle Public Improvements will be presented for information and discussion. For informational purposes, potential tax impacts for the two "Public Works" financing options as well as for the Pool tax abatement bond option are included as attachments. Council should bear in mind that these are not yet "final" in that total costs, bonding amounts, other funding sources, and interest rates are all subject to change between now and the time that debt would actually be issued.

ATTACHMENTS
1. Tax Impact - Series 2026 GO (Public Works)
2. Tax Impact - Series 2026 Lease Rev (Public Works)
3. Tax Impact - Series 2026 GO Tax Abatement Bonds (Pool)

City of South St. Paul, Minnesota

Estimated Tax Impact

March 11, 2026

General Obligation Bonds - 20 Years

BOND ISSUANCE INFORMATION	
Bond Issue Amount	**$22,110,000**
Number of Years	**20**
Average Interest Rate	**4.18%**
Estimated Bond Rating	**Moody's Aa2**
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2025	**$24,121,255**
Debt Levy @ 100% - Average	**1,761,464**
Estimated Tax Capacity Rate:	
Payable - 2025 Without Proposed Bonds	**57.724%**
Payable - 2025 With Proposed Bonds	**65.027%**
Estimated Tax Rate Increase	**7.303%**

TAX IMPACT ANALYSIS								Tax Increase is for Debt Service Only*		
Type of Property	**Estimated Market Value**	**Market Value Exclusion**	**Taxable Market Value**	**Net Tax Capacity**	**Current City Tax**	**Proposed Tax Increase***	**Proposed City Tax**	**Annual**	**Monthly**	**Daily**
Residential Homestead	$ 100,000	$ 37,550	$ 62,450	$ 625	$ 360.49	**$ 45.60**	$ 406.09	$45.60	$3.80	$0.12
	150,000	33,050	116,950	1,170	675.08	**85.40**	760.49	85.40	7.12	0.23
	200,000	28,550	171,450	1,715	989.68	**125.20**	1,114.88	125.20	10.43	0.34
	285,200	20,882	264,318	2,643	1,525.75	**193.02**	1,718.77	193.02	16.08	0.53
	300,000	19,550	280,450	2,805	1,618.87	**204.80**	1,823.67	204.80	17.07	0.56
	350,000	15,050	334,950	3,350	1,933.47	**244.60**	2,178.06	244.60	20.38	0.67
	400,000	10,550	389,450	3,895	2,248.06	**284.40**	2,532.46	284.40	23.70	0.78
	450,000	6,050	443,950	4,440	2,562.66	**324.20**	2,886.85	324.20	27.02	0.89
	500,000	1,550	498,450	4,985	2,877.25	**364.00**	3,241.25	364.00	30.33	1.00
	550,000	-	550,000	5,625	3,246.98	**410.77**	3,657.74	410.77	34.23	1.13
	600,000	-	600,000	6,250	3,607.75	**456.41**	4,064.16	456.41	38.03	1.25
	700,000	-	700,000	7,500	4,329.30	**547.69**	4,876.99	547.69	45.64	1.50
	800,000	-	800,000	8,750	5,050.85	**638.97**	5,689.82	638.97	53.25	1.75
	900,000	-	900,000	10,000	5,772.40	**730.25**	6,502.65	730.25	60.85	2.00
	1,000,000	-	1,000,000	11,250	6,493.95	**821.54**	7,315.49	821.54	68.46	2.25
Commercial/Industrial	$ 100,000	$ -	$ 100,000	$ 1,085	$ 626.23	**$ 79.22**	$ 705.45	$79.22	$6.60	$0.22
	200,000	-	200,000	2,351	1,356.82	**171.65**	1,528.47	$171.65	$14.30	$0.47
	300,000	-	300,000	3,797	2,191.79	**277.28**	2,469.07	$277.28	$23.11	$0.76
	400,000	-	400,000	5,244	3,026.76	**382.91**	3,409.67	$382.91	$31.91	$1.05
	500,000	-	500,000	6,690	3,861.73	**488.54**	4,350.27	488.54	40.71	1.34
	1,000,000	-	1,000,000	13,922	8,036.57	**1,016.69**	9,053.26	1,016.69	84.72	2.79
Apartments (4 or more units)	$ 200,000	$ -	$ 200,000	$ 2,500	$ 1,443.10	**$ 182.56**	$ 1,625.66	$182.56	$15.21	$0.50
	300,000	-	300,000	3,750	2,164.65	**273.85**	2,438.50	273.85	22.82	0.75
	500,000	-	500,000	6,250	3,607.75	**456.41**	4,064.16	456.41	38.03	1.25
Agricultural Homestead **	$ 150,000	$ 33,050	$ 116,950	$ 1,170	$ 675.08	**$ 85.40**	$ 760.49	$85.40	$7.12	$0.23
	400,000	33,050	366,950	2,420	1,396.63	**176.68**	1,573.32	176.68	14.72	0.48
	500,000	33,050	466,950	2,920	1,685.25	**213.20**	1,898.45	213.20	17.77	0.58
	600,000	33,050	566,950	3,420	1,973.87	**249.71**	2,223.58	249.71	20.81	0.68
	800,000	33,050	766,950	4,420	2,551.11	**322.74**	2,873.85	322.74	26.89	0.88
	1,000,000	33,050	966,950	5,420	3,128.35	**395.76**	3,524.11	395.76	32.98	1.08
Agricultural Non-Homestead (dollars per acre)	$ 1,500	$ -	$ 1,500	$ 15	$ 8.66	**$ 1.10**	$ 9.75	$1.10	$0.09	$0.00
	2,000	-	2,000	20	11.54	**1.46**	13.01	1.46	0.12	0.00
	2,500	-	2,500	25	14.43	**1.83**	16.26	1.83	0.15	0.01
Seasonal/Recreation Residential	$ 100,000	$ -	$ 100,000	$ 1,000	$ 577.24	**$ 73.03**	$ 650.27	$73.03	$6.09	$0.20
	200,000	-	200,000	2,000	1,154.48	**146.05**	1,300.53	146.05	12.17	0.40
	300,000	-	300,000	3,000	1,731.72	**219.08**	1,950.80	219.08	18.26	0.60
	400,000	-	400,000	4,000	2,308.96	**292.10**	2,601.06	292.10	24.34	0.80

** The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.*

*** For agricultural homestead property, a value of $150,000 was assumed for the house, garage and one acre.*

City of South St Paul, Minnesota

$22,110,000 General Obligation Bonds, Series 2026
Public Works Building - 20 Years
Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Sources & Uses

Dated 08/01/2026 | Delivered 08/01/2026

Sources Of Funds

Par Amount of Bonds	$22,110,000.00
Planned Issuer Equity contribution	5,000,000.00
Total Sources	**$27,110,000.00**

Uses Of Funds

Total Underwriter's Discount (0.800%)	176,880.00
Costs of Issuance	129,000.00
Deposit to Project Construction Fund	26,800,000.00
Rounding Amount	4,120.00
Total Uses	**$27,110,000.00**

City of South St Paul, Minnesota

$22,110,000 General Obligation Bonds, Series 2026
Public Works Building - 20 Years
Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2026	-	-	-	-	-
08/01/2027	-	-	851,875.00	851,875.00	-
02/01/2028	400,000.00	2.750%	425,937.50	825,937.50	1,677,812.50
08/01/2028	-	-	420,437.50	420,437.50	-
02/01/2029	835,000.00	2.800%	420,437.50	1,255,437.50	1,675,875.00
08/01/2029	-	-	408,747.50	408,747.50	-
02/01/2030	860,000.00	2.800%	408,747.50	1,268,747.50	1,677,495.00
08/01/2030	-	-	396,707.50	396,707.50	-
02/01/2031	885,000.00	2.850%	396,707.50	1,281,707.50	1,678,415.00
08/01/2031	-	-	384,096.25	384,096.25	-
02/01/2032	910,000.00	2.950%	384,096.25	1,294,096.25	1,678,192.50
08/01/2032	-	-	370,673.75	370,673.75	-
02/01/2033	935,000.00	3.050%	370,673.75	1,305,673.75	1,676,347.50
08/01/2033	-	-	356,415.00	356,415.00	-
02/01/2034	965,000.00	3.100%	356,415.00	1,321,415.00	1,677,830.00
08/01/2034	-	-	341,457.50	341,457.50	-
02/01/2035	995,000.00	3.200%	341,457.50	1,336,457.50	1,677,915.00
08/01/2035	-	-	325,537.50	325,537.50	-
02/01/2036	1,025,000.00	3.300%	325,537.50	1,350,537.50	1,676,075.00
08/01/2036	-	-	308,625.00	308,625.00	-
02/01/2037	1,060,000.00	3.450%	308,625.00	1,368,625.00	1,677,250.00
08/01/2037	-	-	290,340.00	290,340.00	-
02/01/2038	1,095,000.00	3.600%	290,340.00	1,385,340.00	1,675,680.00
08/01/2038	-	-	270,630.00	270,630.00	-
02/01/2039	1,135,000.00	3.700%	270,630.00	1,405,630.00	1,676,260.00
08/01/2039	-	-	249,632.50	249,632.50	-
02/01/2040	1,180,000.00	4.150%	249,632.50	1,429,632.50	1,679,265.00
08/01/2040	-	-	225,147.50	225,147.50	-
02/01/2041	1,230,000.00	4.250%	225,147.50	1,455,147.50	1,680,295.00
08/01/2041	-	-	199,010.00	199,010.00	-
02/01/2042	1,280,000.00	4.350%	199,010.00	1,479,010.00	1,678,020.00
08/01/2042	-	-	171,170.00	171,170.00	-
02/01/2043	1,335,000.00	4.500%	171,170.00	1,506,170.00	1,677,340.00
08/01/2043	-	-	141,132.50	141,132.50	-
02/01/2044	1,395,000.00	4.600%	141,132.50	1,536,132.50	1,677,265.00
08/01/2044	-	-	109,047.50	109,047.50	-
02/01/2045	1,460,000.00	4.700%	109,047.50	1,569,047.50	1,678,095.00
08/01/2045	-	-	74,737.50	74,737.50	-
02/01/2046	1,530,000.00	4.750%	74,737.50	1,604,737.50	1,679,475.00
08/01/2046	-	-	38,400.00	38,400.00	-
02/01/2047	1,600,000.00	4.800%	38,400.00	1,638,400.00	1,676,800.00
Total	**$22,110,000.00**	**-**	**$11,441,702.50**	**$33,551,702.50**	**-**

Yield Statistics

Bond Year Dollars	$273,795.00
Average Life	12.383 Years
Average Coupon	4.1789304%
Net Interest Cost (NIC)	4.2435335%
True Interest Cost (TIC)	4.2059116%
Bond Yield for Arbitrage Purposes	4.1199173%
All Inclusive Cost (AIC)	4.2692483%

IRS Form 8038

Net Interest Cost	4.1789304%
Weighted Average Maturity	12.383 Years

City of South St Paul, Minnesota

$22,110,000 General Obligation Bonds, Series 2026
Public Works Building - 20 Years
Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2027	-	-	-	-	-
02/01/2028	400,000.00	2.750%	1,277,812.50	1,677,812.50	1,761,703.13
02/01/2029	835,000.00	2.800%	840,875.00	1,675,875.00	1,759,668.75
02/01/2030	860,000.00	2.800%	817,495.00	1,677,495.00	1,761,369.75
02/01/2031	885,000.00	2.850%	793,415.00	1,678,415.00	1,762,335.75
02/01/2032	910,000.00	2.950%	768,192.50	1,678,192.50	1,762,102.13
02/01/2033	935,000.00	3.050%	741,347.50	1,676,347.50	1,760,164.88
02/01/2034	965,000.00	3.100%	712,830.00	1,677,830.00	1,761,721.50
02/01/2035	995,000.00	3.200%	682,915.00	1,677,915.00	1,761,810.75
02/01/2036	1,025,000.00	3.300%	651,075.00	1,676,075.00	1,759,878.75
02/01/2037	1,060,000.00	3.450%	617,250.00	1,677,250.00	1,761,112.50
02/01/2038	1,095,000.00	3.600%	580,680.00	1,675,680.00	1,759,464.00
02/01/2039	1,135,000.00	3.700%	541,260.00	1,676,260.00	1,760,073.00
02/01/2040	1,180,000.00	4.150%	499,265.00	1,679,265.00	1,763,228.25
02/01/2041	1,230,000.00	4.250%	450,295.00	1,680,295.00	1,764,309.75
02/01/2042	1,280,000.00	4.350%	398,020.00	1,678,020.00	1,761,921.00
02/01/2043	1,335,000.00	4.500%	342,340.00	1,677,340.00	1,761,207.00
02/01/2044	1,395,000.00	4.600%	282,265.00	1,677,265.00	1,761,128.25
02/01/2045	1,460,000.00	4.700%	218,095.00	1,678,095.00	1,761,999.75
02/01/2046	1,530,000.00	4.750%	149,475.00	1,679,475.00	1,763,448.75
02/01/2047	1,600,000.00	4.800%	76,800.00	1,676,800.00	1,760,640.00
Total	**$22,110,000.00**	**-**	**$11,441,702.50**	**$33,551,702.50**	**$35,229,287.63**

Significant Dates

Dated	8/01/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	$273,795.00
Average Life	12.383 Years
Average Coupon	4.1789304%
Net Interest Cost (NIC)	4.2435335%
True Interest Cost (TIC)	4.2059116%
Bond Yield for Arbitrage Purposes	4.1199173%
All Inclusive Cost (AIC)	4.2692483%

IRS Form 8038

Net Interest Cost	4.1789304%
Weighted Average Maturity	12.383 Years

City of South St. Paul, Minnesota

Estimated Tax Impact

March 11, 2026

General Obligation Bonds - 30 Years

BOND ISSUANCE INFORMATION	
Bond Issue Amount	**$22,110,000**
Number of Years	**30**
Average Interest Rate	**4.67%**
Estimated Bond Rating	**Moody's Aa2**
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2025	**$24,121,255**
Debt Levy @ 100% - Average	**1,497,057**
Estimated Tax Capacity Rate:	
Payable - 2025 Without Proposed Bonds	**57.724%**
Payable - 2025 With Proposed Bonds	**63.930%**
Estimated Tax Rate Increase	**6.206%**

TAX IMPACT ANALYSIS								**Tax Increase is for Debt Service Only***		
Type of Property	**Estimated Market Value**	**Market Value Exclusion**	**Taxable Market Value**	**Net Tax Capacity**	**Current City Tax**	**Proposed Tax Increase***	**Proposed City Tax**	**Annual**	**Monthly**	**Daily**
	$ 100,000	$ 37,550	$ 62,450	$ 625	$ 360.49	**$ 38.76**	$ 399.25	$38.76	$3.23	$0.11
	150,000	33,050	116,950	1,170	675.08	**72.58**	747.67	72.58	6.05	0.20
	200,000	28,550	171,450	1,715	989.68	**106.41**	1,096.09	106.41	8.87	0.29
	285,200	20,882	264,318	2,643	1,525.75	**164.05**	1,689.80	164.05	13.67	0.45
Residential	300,000	19,550	280,450	2,805	1,618.87	**174.06**	1,792.93	174.06	14.50	0.48
Homestead	350,000	15,050	334,950	3,350	1,933.47	**207.88**	2,141.35	207.88	17.32	0.57
	400,000	10,550	389,450	3,895	2,248.06	**241.71**	2,489.77	241.71	20.14	0.66
	450,000	6,050	443,950	4,440	2,562.66	**275.53**	2,838.19	275.53	22.96	0.75
	500,000	1,550	498,450	4,985	2,877.25	**309.36**	3,186.61	309.36	25.78	0.85
	550,000	-	550,000	5,625	3,246.98	**349.11**	3,596.08	349.11	29.09	0.96
	600,000	-	600,000	6,250	3,607.75	**387.90**	3,995.65	387.90	32.32	1.06
	700,000	-	700,000	7,500	4,329.30	**465.48**	4,794.78	465.48	38.79	1.28
	800,000	-	800,000	8,750	5,050.85	**543.06**	5,593.91	543.06	45.25	1.49
	900,000	-	900,000	10,000	5,772.40	**620.64**	6,393.04	620.64	51.72	1.70
	1,000,000	-	1,000,000	11,250	6,493.95	**698.22**	7,192.17	698.22	58.18	1.91
	$ 100,000	$ -	$ 100,000	$ 1,085	$ 626.23	**$ 67.33**	$ 693.56	$67.33	$5.61	$0.18
	200,000	-	200,000	2,351	1,356.82	**145.88**	1,502.71	$145.88	$12.16	$0.40
Commercial/Industrial	300,000	-	300,000	3,797	2,191.79	**235.66**	2,427.45	$235.66	$19.64	$0.65
	400,000	-	400,000	5,244	3,026.76	**325.43**	3,352.19	$325.43	$27.12	$0.89
	500,000	-	500,000	6,690	3,861.73	**415.21**	4,276.94	415.21	34.60	1.14
	1,000,000	-	1,000,000	13,922	8,036.57	**864.08**	8,900.65	864.08	72.01	2.37
Apartments	$ 200,000	$ -	$ 200,000	$ 2,500	$ 1,443.10	**$ 155.16**	$ 1,598.26	$155.16	$12.93	$0.43
(4 or more units)	300,000	-	300,000	3,750	2,164.65	**232.74**	2,397.39	232.74	19.39	0.64
	500,000	-	500,000	6,250	3,607.75	**387.90**	3,995.65	387.90	32.32	1.06
	$ 150,000	$ 33,050	$ 116,950	$ 1,170	$ 675.08	**$ 72.58**	$ 747.67	$72.58	$6.05	$0.20
	400,000	33,050	366,950	2,420	1,396.63	**150.16**	1,546.80	150.16	12.51	0.41
Agricultural	500,000	33,050	466,950	2,920	1,685.25	**181.20**	1,866.45	181.20	15.10	0.50
Homestead **	600,000	33,050	566,950	3,420	1,973.87	**212.23**	2,186.10	212.23	17.69	0.58
	800,000	33,050	766,950	4,420	2,551.11	**274.29**	2,825.40	274.29	22.86	0.75
	1,000,000	33,050	966,950	5,420	3,128.35	**336.35**	3,464.71	336.35	28.03	0.92
Agricultural	$ 1,500	$ -	$ 1,500	$ 15	$ 8.66	**$ 0.93**	$ 9.59	$0.93	$0.08	$0.00
Non-Homestead	2,000	-	2,000	20	11.54	**1.24**	12.79	1.24	0.10	0.00
(dollars per acre)	2,500	-	2,500	25	14.43	**1.55**	15.98	1.55	0.13	0.00
	$ 100,000	$ -	$ 100,000	$ 1,000	$ 577.24	**$ 62.06**	$ 639.30	$62.06	$5.17	$0.17
Seasonal/Recreation	200,000	-	200,000	2,000	1,154.48	**124.13**	1,278.61	124.13	10.34	0.34
Residential	300,000	-	300,000	3,000	1,731.72	**186.19**	1,917.91	186.19	15.52	0.51
	400,000	-	400,000	4,000	2,308.96	**248.26**	2,557.22	248.26	20.69	0.68

** The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.*

*** For agricultural homestead property, a value of $150,000 was assumed for the house, garage and one acre.*

Prepared by Ehlers
3/11/2026

EHLERS PUBLIC FINANCE ADVISORS

City of South St Paul, Minnesota

$22,110,000 General Obligation Bonds, Series 2026

Public Works Building - 30 Years

Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Sources & Uses

Dated 08/01/2026 | Delivered 08/01/2026

Sources Of Funds

Par Amount of Bonds	$22,110,000.00
Planned Issuer Equity contribution	5,000,000.00
Total Sources	**$27,110,000.00**

Uses Of Funds

Total Underwriter's Discount (0.800%)	176,880.00
Costs of Issuance	129,000.00
Deposit to Project Construction Fund	26,800,000.00
Rounding Amount	4,120.00
Total Uses	**$27,110,000.00**

City of South St Paul, Minnesota

$22,110,000 General Obligation Bonds, Series 2026

Public Works Building - 30 Years

Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2026	-	-	-	-	-
08/01/2027	-	-	964,702.50	964,702.50	-
02/01/2028	-	-	482,351.25	482,351.25	1,447,053.75
08/01/2028	-	-	482,351.25	482,351.25	-
02/01/2029	460,000.00	2.800%	482,351.25	942,351.25	1,424,702.50
08/01/2029	-	-	475,911.25	475,911.25	-
02/01/2030	475,000.00	2.800%	475,911.25	950,911.25	1,426,822.50
08/01/2030	-	-	469,261.25	469,261.25	-
02/01/2031	485,000.00	2.850%	469,261.25	954,261.25	1,423,522.50
08/01/2031	-	-	462,350.00	462,350.00	-
02/01/2032	500,000.00	2.950%	462,350.00	962,350.00	1,424,700.00
08/01/2032	-	-	454,975.00	454,975.00	-
02/01/2033	515,000.00	3.050%	454,975.00	969,975.00	1,424,950.00
08/01/2033	-	-	447,121.25	447,121.25	-
02/01/2034	530,000.00	3.100%	447,121.25	977,121.25	1,424,242.50
08/01/2034	-	-	438,906.25	438,906.25	-
02/01/2035	550,000.00	3.200%	438,906.25	988,906.25	1,427,812.50
08/01/2035	-	-	430,106.25	430,106.25	-
02/01/2036	565,000.00	3.300%	430,106.25	995,106.25	1,425,212.50
08/01/2036	-	-	420,783.75	420,783.75	-
02/01/2037	585,000.00	3.450%	420,783.75	1,005,783.75	1,426,567.50
08/01/2037	-	-	410,692.50	410,692.50	-
02/01/2038	605,000.00	3.600%	410,692.50	1,015,692.50	1,426,385.00
08/01/2038	-	-	399,802.50	399,802.50	-
02/01/2039	625,000.00	3.700%	399,802.50	1,024,802.50	1,424,605.00
08/01/2039	-	-	388,240.00	388,240.00	-
02/01/2040	650,000.00	4.150%	388,240.00	1,038,240.00	1,426,480.00
08/01/2040	-	-	374,752.50	374,752.50	-
02/01/2041	675,000.00	4.250%	374,752.50	1,049,752.50	1,424,505.00
08/01/2041	-	-	360,408.75	360,408.75	-
02/01/2042	705,000.00	4.350%	360,408.75	1,065,408.75	1,425,817.50
08/01/2042	-	-	345,075.00	345,075.00	-
02/01/2043	735,000.00	4.500%	345,075.00	1,080,075.00	1,425,150.00
08/01/2043	-	-	328,537.50	328,537.50	-
02/01/2044	770,000.00	4.600%	328,537.50	1,098,537.50	1,427,075.00
08/01/2044	-	-	310,827.50	310,827.50	-
02/01/2045	805,000.00	4.700%	310,827.50	1,115,827.50	1,426,655.00
08/01/2045	-	-	291,910.00	291,910.00	-
02/01/2046	840,000.00	4.750%	291,910.00	1,131,910.00	1,423,820.00
08/01/2046	-	-	271,960.00	271,960.00	-
02/01/2047	880,000.00	4.800%	271,960.00	1,151,960.00	1,423,920.00
08/01/2047	-	-	250,840.00	250,840.00	-
02/01/2048	925,000.00	4.850%	250,840.00	1,175,840.00	1,426,680.00
08/01/2048	-	-	228,408.75	228,408.75	-
02/01/2049	970,000.00	4.850%	228,408.75	1,198,408.75	1,426,817.50
08/01/2049	-	-	204,886.25	204,886.25	-
02/01/2050	1,015,000.00	4.900%	204,886.25	1,219,886.25	1,424,772.50
08/01/2050	-	-	180,018.75	180,018.75	-
02/01/2051	1,065,000.00	4.900%	180,018.75	1,245,018.75	1,425,037.50
08/01/2051	-	-	153,926.25	153,926.25	-
02/01/2052	1,120,000.00	4.950%	153,926.25	1,273,926.25	1,427,852.50
08/01/2052	-	-	126,206.25	126,206.25	-
02/01/2053	1,175,000.00	4.950%	126,206.25	1,301,206.25	1,427,412.50
08/01/2053	-	-	97,125.00	97,125.00	-
02/01/2054	1,230,000.00	5.000%	97,125.00	1,327,125.00	1,424,250.00
08/01/2054	-	-	66,375.00	66,375.00	-
02/01/2055	1,295,000.00	5.000%	66,375.00	1,361,375.00	1,427,750.00
08/01/2055	-	-	34,000.00	34,000.00	-
02/01/2056	1,360,000.00	5.000%	34,000.00	1,394,000.00	1,428,000.00
Total	**$22,110,000.00**	**-**	**$19,258,571.25**	**$41,368,571.25**	**-**

Yield Statistics

Bond Year Dollars	$412,635.00
Average Life	18.663 Years
Average Coupon	4.6672171%
Net Interest Cost (NIC)	4.7100831%
True Interest Cost (TIC)	4.6642578%
Bond Yield for Arbitrage Purposes	4.5969831%
All Inclusive Cost (AIC)	4.7138297%

IRS Form 8038

Net Interest Cost	4.6672171%
Weighted Average Maturity	18.663 Years

City of South St Paul, Minnesota

$22,110,000 General Obligation Bonds, Series 2026

Public Works Building - 30 Years

Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2027	-	-	-	-	-
02/01/2028	-	-	1,447,053.75	1,447,053.75	1,519,406.44
02/01/2029	460,000.00	2.800%	964,702.50	1,424,702.50	1,495,937.63
02/01/2030	475,000.00	2.800%	951,822.50	1,426,822.50	1,498,163.63
02/01/2031	485,000.00	2.850%	938,522.50	1,423,522.50	1,494,698.63
02/01/2032	500,000.00	2.950%	924,700.00	1,424,700.00	1,495,935.00
02/01/2033	515,000.00	3.050%	909,950.00	1,424,950.00	1,496,197.50
02/01/2034	530,000.00	3.100%	894,242.50	1,424,242.50	1,495,454.63
02/01/2035	550,000.00	3.200%	877,812.50	1,427,812.50	1,499,203.13
02/01/2036	565,000.00	3.300%	860,212.50	1,425,212.50	1,496,473.13
02/01/2037	585,000.00	3.450%	841,567.50	1,426,567.50	1,497,895.88
02/01/2038	605,000.00	3.600%	821,385.00	1,426,385.00	1,497,704.25
02/01/2039	625,000.00	3.700%	799,605.00	1,424,605.00	1,495,835.25
02/01/2040	650,000.00	4.150%	776,480.00	1,426,480.00	1,497,804.00
02/01/2041	675,000.00	4.250%	749,505.00	1,424,505.00	1,495,730.25
02/01/2042	705,000.00	4.350%	720,817.50	1,425,817.50	1,497,108.38
02/01/2043	735,000.00	4.500%	690,150.00	1,425,150.00	1,496,407.50
02/01/2044	770,000.00	4.600%	657,075.00	1,427,075.00	1,498,428.75
02/01/2045	805,000.00	4.700%	621,655.00	1,426,655.00	1,497,987.75
02/01/2046	840,000.00	4.750%	583,820.00	1,423,820.00	1,495,011.00
02/01/2047	880,000.00	4.800%	543,920.00	1,423,920.00	1,495,116.00
02/01/2048	925,000.00	4.850%	501,680.00	1,426,680.00	1,498,014.00
02/01/2049	970,000.00	4.850%	456,817.50	1,426,817.50	1,498,158.38
02/01/2050	1,015,000.00	4.900%	409,772.50	1,424,772.50	1,496,011.13
02/01/2051	1,065,000.00	4.900%	360,037.50	1,425,037.50	1,496,289.38
02/01/2052	1,120,000.00	4.950%	307,852.50	1,427,852.50	1,499,245.13
02/01/2053	1,175,000.00	4.950%	252,412.50	1,427,412.50	1,498,783.13
02/01/2054	1,230,000.00	5.000%	194,250.00	1,424,250.00	1,495,462.50
02/01/2055	1,295,000.00	5.000%	132,750.00	1,427,750.00	1,499,137.50
02/01/2056	1,360,000.00	5.000%	68,000.00	1,428,000.00	1,499,400.00
Total	**$22,110,000.00**	**-**	**$19,258,571.25**	**$41,368,571.25**	**$43,436,999.81**

Significant Dates

Dated	8/01/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	$412,635.00
Average Life	18.663 Years
Average Coupon	4.6672171%
Net Interest Cost (NIC)	4.7100831%
True Interest Cost (TIC)	4.6642578%
Bond Yield for Arbitrage Purposes	4.5969831%
All Inclusive Cost (AIC)	4.7138297%

IRS Form 8038

Net Interest Cost	4.6672171%
Weighted Average Maturity	18.663 Years

City of South St. Paul, Minnesota

Estimated Tax Impact

March 11, 2026

Lease Revenue Bonds - 20 Years

BOND ISSUANCE INFORMATION	
Bond Issue Amount	**$22,145,000**
Number of Years	**20**
Average Interest Rate	**4.59%**
Estimated Bond Rating	**Moody's Aa3**
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2025	**$24,121,255**
Debt Levy @ 100% - Average	**1,744,113**
Estimated Tax Capacity Rate:	
Payable - 2025 Without Proposed Bonds	**57.724%**
Payable - 2025 With Proposed Bonds	**64.955%**
Estimated Tax Rate Increase	**7.231%**

TAX IMPACT ANALYSIS								Tax Increase is for Debt Service Only*		
Type of Property	**Estimated Market Value**	**Market Value Exclusion**	**Taxable Market Value**	**Net Tax Capacity**	**Current City Tax**	**Proposed Tax Increase***	**Proposed City Tax**	**Annual**	**Monthly**	**Daily**
Residential Homestead	$ 100,000	$ 37,550	$ 62,450	$ 625	$ 360.49	**$ 45.16**	$ 405.64	$45.16	$3.76	$0.12
	150,000	33,050	116,950	1,170	675.08	**84.56**	759.64	84.56	7.05	0.23
	200,000	28,550	171,450	1,715	989.68	**123.97**	1,113.65	123.97	10.33	0.34
	285,200	20,882	264,318	2,643	1,525.75	**191.12**	1,716.87	191.12	15.93	0.52
	300,000	19,550	280,450	2,805	1,618.87	**202.78**	1,821.65	202.78	16.90	0.56
	350,000	15,050	334,950	3,350	1,933.47	**242.19**	2,175.65	242.19	20.18	0.66
	400,000	10,550	389,450	3,895	2,248.06	**281.60**	2,529.66	281.60	23.47	0.77
	450,000	6,050	443,950	4,440	2,562.66	**321.00**	2,883.66	321.00	26.75	0.88
	500,000	1,550	498,450	4,985	2,877.25	**360.41**	3,237.66	360.41	30.03	0.99
	550,000	-	550,000	5,625	3,246.98	**406.72**	3,653.70	406.72	33.89	1.11
	600,000	-	600,000	6,250	3,607.75	**451.91**	4,059.66	451.91	37.66	1.24
	700,000	-	700,000	7,500	4,329.30	**542.30**	4,871.60	542.30	45.19	1.49
	800,000	-	800,000	8,750	5,050.85	**632.68**	5,683.53	632.68	52.72	1.73
	900,000	-	900,000	10,000	5,772.40	**723.06**	6,495.46	723.06	60.26	1.98
	1,000,000	-	1,000,000	11,250	6,493.95	**813.44**	7,307.39	813.44	67.79	2.23
Commercial/Industrial	$ 100,000	$ -	$ 100,000	$ 1,085	$ 626.23	**$ 78.44**	$ 704.67	$78.44	$6.54	$0.21
	200,000	-	200,000	2,351	1,356.82	**169.96**	1,526.78	$169.96	$14.16	$0.47
	300,000	-	300,000	3,797	2,191.79	**274.55**	2,466.34	$274.55	$22.88	$0.75
	400,000	-	400,000	5,244	3,026.76	**379.14**	3,405.90	$379.14	$31.59	$1.04
	500,000	-	500,000	6,690	3,861.73	**483.73**	4,345.46	483.73	40.31	1.33
	1,000,000	-	1,000,000	13,922	8,036.57	**1,006.67**	9,043.25	1,006.67	83.89	2.76
Apartments (4 or more units)	$ 200,000	$ -	$ 200,000	$ 2,500	$ 1,443.10	**$ 180.77**	$ 1,623.87	$180.77	$15.06	$0.50
	300,000	-	300,000	3,750	2,164.65	**271.15**	2,435.80	271.15	22.60	0.74
	500,000	-	500,000	6,250	3,607.75	**451.91**	4,059.66	451.91	37.66	1.24
Agricultural Homestead **	$ 150,000	$ 33,050	$ 116,950	$ 1,170	$ 675.08	**$ 84.56**	$ 759.64	$84.56	$7.05	$0.23
	400,000	33,050	366,950	2,420	1,396.63	**174.94**	1,571.58	174.94	14.58	0.48
	500,000	33,050	466,950	2,920	1,685.25	**211.10**	1,896.35	211.10	17.59	0.58
	600,000	33,050	566,950	3,420	1,973.87	**247.25**	2,221.12	247.25	20.60	0.68
	800,000	33,050	766,950	4,420	2,551.11	**319.56**	2,870.67	319.56	26.63	0.88
	1,000,000	33,050	966,950	5,420	3,128.35	**391.86**	3,520.21	391.86	32.66	1.07
Agricultural Non-Homestead (dollars per acre)	$ 1,500	$ -	$ 1,500	$ 15	$ 8.66	**$ 1.08**	$ 9.74	$1.08	$0.09	$0.00
	2,000	-	2,000	20	11.54	**1.45**	12.99	1.45	0.12	0.00
	2,500	-	2,500	25	14.43	**1.81**	16.24	1.81	0.15	0.00
Seasonal/Recreation Residential	$ 100,000	$ -	$ 100,000	$ 1,000	$ 577.24	**$ 72.31**	$ 649.55	$72.31	$6.03	$0.20
	200,000	-	200,000	2,000	1,154.48	**144.61**	1,299.09	144.61	12.05	0.40
	300,000	-	300,000	3,000	1,731.72	**216.92**	1,948.64	216.92	18.08	0.59
	400,000	-	400,000	4,000	2,308.96	**289.22**	2,598.18	289.22	24.10	0.79

** The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.*

*** For agricultural homestead property, a value of $150,000 was assumed for the house, garage and one acre.*

South St Paul EDA, Minnesota

$22,145,000 Lease Revenue Bonds, Series 2026

Public Works Building - 20 Years

Assumes Current Market Non-BQ Aa3 Rates plus 50bps

Sources & Uses

Dated 08/01/2026 | Delivered 08/01/2026

Sources Of Funds

Par Amount of Bonds	$22,145,000.00
Planned Issuer Equity contribution	5,000,000.00
Total Sources	**$27,145,000.00**

Uses Of Funds

Total Underwriter's Discount (0.800%)	177,160.00
Costs of Issuance	167,000.00
Deposit to Project Construction Fund	26,800,000.00
Rounding Amount	840.00
Total Uses	**$27,145,000.00**

South St Paul EDA, Minnesota

$22,145,000 Lease Revenue Bonds, Series 2026

Public Works Building - 20 Years

Assumes Current Market Non-BQ Aa3 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2026	-	-	-	-	-
08/01/2027	-	-	945,817.50	945,817.50	-
02/01/2028	325,000.00	3.150%	472,908.75	797,908.75	1,743,726.25
08/01/2028	-	-	467,790.00	467,790.00	-
02/01/2029	810,000.00	3.200%	467,790.00	1,277,790.00	1,745,580.00
08/01/2029	-	-	454,830.00	454,830.00	-
02/01/2030	835,000.00	3.200%	454,830.00	1,289,830.00	1,744,660.00
08/01/2030	-	-	441,470.00	441,470.00	-
02/01/2031	860,000.00	3.250%	441,470.00	1,301,470.00	1,742,940.00
08/01/2031	-	-	427,495.00	427,495.00	-
02/01/2032	890,000.00	3.350%	427,495.00	1,317,495.00	1,744,990.00
08/01/2032	-	-	412,587.50	412,587.50	-
02/01/2033	920,000.00	3.450%	412,587.50	1,332,587.50	1,745,175.00
08/01/2033	-	-	396,717.50	396,717.50	-
02/01/2034	950,000.00	3.500%	396,717.50	1,346,717.50	1,743,435.00
08/01/2034	-	-	380,092.50	380,092.50	-
02/01/2035	985,000.00	3.600%	380,092.50	1,365,092.50	1,745,185.00
08/01/2035	-	-	362,362.50	362,362.50	-
02/01/2036	1,020,000.00	3.700%	362,362.50	1,382,362.50	1,744,725.00
08/01/2036	-	-	343,492.50	343,492.50	-
02/01/2037	1,055,000.00	3.850%	343,492.50	1,398,492.50	1,741,985.00
08/01/2037	-	-	323,183.75	323,183.75	-
02/01/2038	1,100,000.00	4.000%	323,183.75	1,423,183.75	1,746,367.50
08/01/2038	-	-	301,183.75	301,183.75	-
02/01/2039	1,140,000.00	4.100%	301,183.75	1,441,183.75	1,742,367.50
08/01/2039	-	-	277,813.75	277,813.75	-
02/01/2040	1,190,000.00	4.550%	277,813.75	1,467,813.75	1,745,627.50
08/01/2040	-	-	250,741.25	250,741.25	-
02/01/2041	1,240,000.00	4.650%	250,741.25	1,490,741.25	1,741,482.50
08/01/2041	-	-	221,911.25	221,911.25	-
02/01/2042	1,300,000.00	4.750%	221,911.25	1,521,911.25	1,743,822.50
08/01/2042	-	-	191,036.25	191,036.25	-
02/01/2043	1,360,000.00	4.900%	191,036.25	1,551,036.25	1,742,072.50
08/01/2043	-	-	157,716.25	157,716.25	-
02/01/2044	1,430,000.00	5.000%	157,716.25	1,587,716.25	1,745,432.50
08/01/2044	-	-	121,966.25	121,966.25	-
02/01/2045	1,500,000.00	5.100%	121,966.25	1,621,966.25	1,743,932.50
08/01/2045	-	-	83,716.25	83,716.25	-
02/01/2046	1,575,000.00	5.150%	83,716.25	1,658,716.25	1,742,432.50
08/01/2046	-	-	43,160.00	43,160.00	-
02/01/2047	1,660,000.00	5.200%	43,160.00	1,703,160.00	1,746,320.00
Total	**$22,145,000.00**	**-**	**$12,737,258.75**	**$34,882,258.75**	**-**

Yield Statistics

Bond Year Dollars	$277,497.50
Average Life	12.531 Years
Average Coupon	4.5900445%
Net Interest Cost (NIC)	4.6538865%
True Interest Cost (TIC)	4.6134342%
Bond Yield for Arbitrage Purposes	4.5259916%
All Inclusive Cost (AIC)	4.6967854%

IRS Form 8038

Net Interest Cost	4.5900445%
Weighted Average Maturity	12.531 Years

South St Paul EDA, Minnesota

$22,145,000 Lease Revenue Bonds, Series 2026
Public Works Building - 20 Years
Assumes Current Market Non-BQ Aa3 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
02/01/2027	-	-	-	-
02/01/2028	325,000.00	3.150%	1,418,726.25	1,743,726.25
02/01/2029	810,000.00	3.200%	935,580.00	1,745,580.00
02/01/2030	835,000.00	3.200%	909,660.00	1,744,660.00
02/01/2031	860,000.00	3.250%	882,940.00	1,742,940.00
02/01/2032	890,000.00	3.350%	854,990.00	1,744,990.00
02/01/2033	920,000.00	3.450%	825,175.00	1,745,175.00
02/01/2034	950,000.00	3.500%	793,435.00	1,743,435.00
02/01/2035	985,000.00	3.600%	760,185.00	1,745,185.00
02/01/2036	1,020,000.00	3.700%	724,725.00	1,744,725.00
02/01/2037	1,055,000.00	3.850%	686,985.00	1,741,985.00
02/01/2038	1,100,000.00	4.000%	646,367.50	1,746,367.50
02/01/2039	1,140,000.00	4.100%	602,367.50	1,742,367.50
02/01/2040	1,190,000.00	4.550%	555,627.50	1,745,627.50
02/01/2041	1,240,000.00	4.650%	501,482.50	1,741,482.50
02/01/2042	1,300,000.00	4.750%	443,822.50	1,743,822.50
02/01/2043	1,360,000.00	4.900%	382,072.50	1,742,072.50
02/01/2044	1,430,000.00	5.000%	315,432.50	1,745,432.50
02/01/2045	1,500,000.00	5.100%	243,932.50	1,743,932.50
02/01/2046	1,575,000.00	5.150%	167,432.50	1,742,432.50
02/01/2047	1,660,000.00	5.200%	86,320.00	1,746,320.00
Total	**$22,145,000.00**	**-**	**$12,737,258.75**	**$34,882,258.75**

Yield Statistics

Bond Year Dollars	$277,497.50
Average Life	12.531 Years
Average Coupon	4.5900445%
Net Interest Cost (NIC)	4.6538865%
True Interest Cost (TIC)	4.6134342%
Bond Yield for Arbitrage Purposes	4.5259916%
All Inclusive Cost (AIC)	4.6967854%

IRS Form 8038

Net Interest Cost	4.5900445%
Weighted Average Maturity	12.531 Years

City of South St. Paul, Minnesota

Estimated Tax Impact

March 11, 2026

Lease Revenue Bonds - 30 Years

BOND ISSUANCE INFORMATION	
Bond Issue Amount	$22,145,000
Number of Years	30
Average Interest Rate	5.08%
Estimated Bond Rating	Moody's Aa3

PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2025	$24,121,255
Debt Levy @ 100% - Average	1,493,047
Estimated Tax Capacity Rate:	
Payable - 2025 Without Proposed Bonds	57.724%
Payable - 2025 With Proposed Bonds	63.914%
Estimated Tax Rate Increase	6.190%

TAX IMPACT ANALYSIS								Tax Increase is for Debt Service Only*		
Type of Property	Estimated Market Value	Market Value Exclusion	Taxable Market Value	Net Tax Capacity	Current City Tax	Proposed Tax Increase*	Proposed City Tax	Annual	Monthly	Daily
Residential Homestead	$ 100,000	$ 37,550	$ 62,450	$ 625	$ 360.49	**$ 38.66**	$ 399.14	$38.66	$3.22	$0.11
	150,000	33,050	116,950	1,170	675.08	**72.39**	747.47	72.39	6.03	0.20
	200,000	28,550	171,450	1,715	989.68	**106.12**	1,095.80	106.12	8.84	0.29
	285,200	20,882	264,318	2,643	1,525.75	**163.61**	1,689.36	163.61	13.63	0.45
	300,000	19,550	280,450	2,805	1,618.87	**173.59**	1,792.46	173.59	14.47	0.48
	350,000	15,050	334,950	3,350	1,933.47	**207.33**	2,140.79	207.33	17.28	0.57
	400,000	10,550	389,450	3,895	2,248.06	**241.06**	2,489.12	241.06	20.09	0.66
	450,000	6,050	443,950	4,440	2,562.66	**274.79**	2,837.45	274.79	22.90	0.75
	500,000	1,550	498,450	4,985	2,877.25	**308.53**	3,185.78	308.53	25.71	0.85
	550,000	-	550,000	5,625	3,246.98	**348.17**	3,595.15	348.17	29.01	0.95
	600,000	-	600,000	6,250	3,607.75	**386.86**	3,994.61	386.86	32.24	1.06
	700,000	-	700,000	7,500	4,329.30	**464.23**	4,793.53	464.23	38.69	1.27
	800,000	-	800,000	8,750	5,050.85	**541.60**	5,592.45	541.60	45.13	1.48
	900,000	-	900,000	10,000	5,772.40	**618.98**	6,391.38	618.98	51.58	1.70
	1,000,000	-	1,000,000	11,250	6,493.95	**696.35**	7,190.30	696.35	58.03	1.91
Commercial/Industrial	$ 100,000	$ -	$ 100,000	$ 1,085	$ 626.23	**$ 67.15**	$ 693.38	$67.15	$5.60	$0.18
	200,000	-	200,000	2,351	1,356.82	**145.49**	1,502.32	$145.49	$12.12	$0.40
	300,000	-	300,000	3,797	2,191.79	**235.03**	2,426.82	$235.03	$19.59	$0.64
	400,000	-	400,000	5,244	3,026.76	**324.56**	3,351.32	$324.56	$27.05	$0.89
	500,000	-	500,000	6,690	3,861.73	**414.09**	4,275.82	414.09	34.51	1.13
	1,000,000	-	1,000,000	13,922	8,036.57	**861.76**	8,898.33	861.76	71.81	2.36
Apartments (4 or more units)	$ 200,000	$ -	$ 200,000	$ 2,500	$ 1,443.10	**$ 154.74**	$ 1,597.84	$154.74	$12.90	$0.42
	300,000	-	300,000	3,750	2,164.65	**232.12**	2,396.77	232.12	19.34	0.64
	500,000	-	500,000	6,250	3,607.75	**386.86**	3,994.61	386.86	32.24	1.06
Agricultural Homestead **	$ 150,000	$ 33,050	$ 116,950	$ 1,170	$ 675.08	**$ 72.39**	$ 747.47	$72.39	$6.03	$0.20
	400,000	33,050	366,950	2,420	1,396.63	**149.76**	1,546.39	149.76	12.48	0.41
	500,000	33,050	466,950	2,920	1,685.25	**180.71**	1,865.96	180.71	15.06	0.50
	600,000	33,050	566,950	3,420	1,973.87	**211.66**	2,185.53	211.66	17.64	0.58
	800,000	33,050	766,950	4,420	2,551.11	**273.56**	2,824.67	273.56	22.80	0.75
	1,000,000	33,050	966,950	5,420	3,128.35	**335.45**	3,463.81	335.45	27.95	0.92
Agricultural Non-Homestead (dollars per acre)	$ 1,500	$ -	$ 1,500	$ 15	$ 8.66	**$ 0.93**	$ 9.59	$0.93	$0.08	$0.00
	2,000	-	2,000	20	11.54	**1.24**	12.78	1.24	0.10	0.00
	2,500	-	2,500	25	14.43	**1.55**	15.98	1.55	0.13	0.00
Seasonal/Recreation Residential	$ 100,000	$ -	$ 100,000	$ 1,000	$ 577.24	**$ 61.90**	$ 639.14	$61.90	$5.16	$0.17
	200,000	-	200,000	2,000	1,154.48	**123.80**	1,278.28	123.80	10.32	0.34
	300,000	-	300,000	3,000	1,731.72	**185.69**	1,917.41	185.69	15.47	0.51
	400,000	-	400,000	4,000	2,308.96	**247.59**	2,556.55	247.59	20.63	0.68

** The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.*

*** For agricultural homestead property, a value of $150,000 was assumed for the house, garage and one acre.*

South St Paul EDA, Minnesota

$22,145,000 Lease Revenue Bonds, Series 2026
Public Works Building - 30 Years
Assumes Current Market Non-BQ Aa3 Rates plus 50bps

Sources & Uses

Dated 08/01/2026 | Delivered 08/01/2026

Sources Of Funds

Par Amount of Bonds	$22,145,000.00
Planned Issuer Equity contribution	5,000,000.00
Total Sources	**$27,145,000.00**

Uses Of Funds

Total Underwriter's Discount (0.800%)	177,160.00
Costs of Issuance	167,000.00
Deposit to Project Construction Fund	26,800,000.00
Rounding Amount	840.00
Total Uses	**$27,145,000.00**

South St Paul EDA, Minnesota

$22,145,000 Lease Revenue Bonds, Series 2026
Public Works Building - 30 Years
Assumes Current Market Non-BQ Aa3 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
02/01/2027	-	-	-	-
02/01/2028	-	-	1,589,186.25	1,589,186.25
02/01/2029	435,000.00	3.200%	1,059,457.50	1,494,457.50
02/01/2030	450,000.00	3.200%	1,045,537.50	1,495,537.50
02/01/2031	460,000.00	3.250%	1,031,137.50	1,491,137.50
02/01/2032	475,000.00	3.350%	1,016,187.50	1,491,187.50
02/01/2033	495,000.00	3.450%	1,000,275.00	1,495,275.00
02/01/2034	510,000.00	3.500%	983,197.50	1,493,197.50
02/01/2035	530,000.00	3.600%	965,347.50	1,495,347.50
02/01/2036	545,000.00	3.700%	946,267.50	1,491,267.50
02/01/2037	565,000.00	3.850%	926,102.50	1,491,102.50
02/01/2038	590,000.00	4.000%	904,350.00	1,494,350.00
02/01/2039	610,000.00	4.100%	880,750.00	1,490,750.00
02/01/2040	640,000.00	4.550%	855,740.00	1,495,740.00
02/01/2041	665,000.00	4.650%	826,620.00	1,491,620.00
02/01/2042	700,000.00	4.750%	795,697.50	1,495,697.50
02/01/2043	730,000.00	4.900%	762,447.50	1,492,447.50
02/01/2044	765,000.00	5.000%	726,677.50	1,491,677.50
02/01/2045	805,000.00	5.100%	688,427.50	1,493,427.50
02/01/2046	845,000.00	5.150%	647,372.50	1,492,372.50
02/01/2047	890,000.00	5.200%	603,855.00	1,493,855.00
02/01/2048	935,000.00	5.250%	557,575.00	1,492,575.00
02/01/2049	985,000.00	5.250%	508,487.50	1,493,487.50
02/01/2050	1,035,000.00	5.300%	456,775.00	1,491,775.00
02/01/2051	1,090,000.00	5.300%	401,920.00	1,491,920.00
02/01/2052	1,150,000.00	5.350%	344,150.00	1,494,150.00
02/01/2053	1,210,000.00	5.350%	282,625.00	1,492,625.00
02/01/2054	1,275,000.00	5.400%	217,890.00	1,492,890.00
02/01/2055	1,345,000.00	5.400%	149,040.00	1,494,040.00
02/01/2056	1,415,000.00	5.400%	76,410.00	1,491,410.00
Total	**$22,145,000.00**	**-**	**$21,249,506.25**	**$43,394,506.25**

Yield Statistics

Bond Year Dollars	$418,412.50
Average Life	18.894 Years
Average Coupon	5.0786022%
Net Interest Cost (NIC)	5.1209431%
True Interest Cost (TIC)	5.0734561%
Bond Yield for Arbitrage Purposes	5.0043397%
All Inclusive Cost (AIC)	5.1393766%

IRS Form 8038

Net Interest Cost	5.0786022%
Weighted Average Maturity	18.894 Years

South St Paul EDA, Minnesota

$22,145,000 Lease Revenue Bonds, Series 2026
Public Works Building - 30 Years
Assumes Current Market Non-BQ Aa3 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2026	-	-	-	-	-
08/01/2027	-	-	1,059,457.50	1,059,457.50	-
02/01/2028	-	-	529,728.75	529,728.75	1,589,186.25
08/01/2028	-	-	529,728.75	529,728.75	-
02/01/2029	435,000.00	3.200%	529,728.75	964,728.75	1,494,457.50
08/01/2029	-	-	522,768.75	522,768.75	-
02/01/2030	450,000.00	3.200%	522,768.75	972,768.75	1,495,537.50
08/01/2030	-	-	515,568.75	515,568.75	-
02/01/2031	460,000.00	3.250%	515,568.75	975,568.75	1,491,137.50
08/01/2031	-	-	508,093.75	508,093.75	-
02/01/2032	475,000.00	3.350%	508,093.75	983,093.75	1,491,187.50
08/01/2032	-	-	500,137.50	500,137.50	-
02/01/2033	495,000.00	3.450%	500,137.50	995,137.50	1,495,275.00
08/01/2033	-	-	491,598.75	491,598.75	-
02/01/2034	510,000.00	3.500%	491,598.75	1,001,598.75	1,493,197.50
08/01/2034	-	-	482,673.75	482,673.75	-
02/01/2035	530,000.00	3.600%	482,673.75	1,012,673.75	1,495,347.50
08/01/2035	-	-	473,133.75	473,133.75	-
02/01/2036	545,000.00	3.700%	473,133.75	1,018,133.75	1,491,267.50
08/01/2036	-	-	463,051.25	463,051.25	-
02/01/2037	565,000.00	3.850%	463,051.25	1,028,051.25	1,491,102.50
08/01/2037	-	-	452,175.00	452,175.00	-
02/01/2038	590,000.00	4.000%	452,175.00	1,042,175.00	1,494,350.00
08/01/2038	-	-	440,375.00	440,375.00	-
02/01/2039	610,000.00	4.100%	440,375.00	1,050,375.00	1,490,750.00
08/01/2039	-	-	427,870.00	427,870.00	-
02/01/2040	640,000.00	4.550%	427,870.00	1,067,870.00	1,495,740.00
08/01/2040	-	-	413,310.00	413,310.00	-
02/01/2041	665,000.00	4.650%	413,310.00	1,078,310.00	1,491,620.00
08/01/2041	-	-	397,848.75	397,848.75	-
02/01/2042	700,000.00	4.750%	397,848.75	1,097,848.75	1,495,697.50
08/01/2042	-	-	381,223.75	381,223.75	-
02/01/2043	730,000.00	4.900%	381,223.75	1,111,223.75	1,492,447.50
08/01/2043	-	-	363,338.75	363,338.75	-
02/01/2044	765,000.00	5.000%	363,338.75	1,128,338.75	1,491,677.50
08/01/2044	-	-	344,213.75	344,213.75	-
02/01/2045	805,000.00	5.100%	344,213.75	1,149,213.75	1,493,427.50
08/01/2045	-	-	323,686.25	323,686.25	-
02/01/2046	845,000.00	5.150%	323,686.25	1,168,686.25	1,492,372.50
08/01/2046	-	-	301,927.50	301,927.50	-
02/01/2047	890,000.00	5.200%	301,927.50	1,191,927.50	1,493,855.00
08/01/2047	-	-	278,787.50	278,787.50	-
02/01/2048	935,000.00	5.250%	278,787.50	1,213,787.50	1,492,575.00
08/01/2048	-	-	254,243.75	254,243.75	-
02/01/2049	985,000.00	5.250%	254,243.75	1,239,243.75	1,493,487.50
08/01/2049	-	-	228,387.50	228,387.50	-
02/01/2050	1,035,000.00	5.300%	228,387.50	1,263,387.50	1,491,775.00
08/01/2050	-	-	200,960.00	200,960.00	-
02/01/2051	1,090,000.00	5.300%	200,960.00	1,290,960.00	1,491,920.00
08/01/2051	-	-	172,075.00	172,075.00	-
02/01/2052	1,150,000.00	5.350%	172,075.00	1,322,075.00	1,494,150.00
08/01/2052	-	-	141,312.50	141,312.50	-
02/01/2053	1,210,000.00	5.350%	141,312.50	1,351,312.50	1,492,625.00
08/01/2053	-	-	108,945.00	108,945.00	-
02/01/2054	1,275,000.00	5.400%	108,945.00	1,383,945.00	1,492,890.00
08/01/2054	-	-	74,520.00	74,520.00	-
02/01/2055	1,345,000.00	5.400%	74,520.00	1,419,520.00	1,494,040.00
08/01/2055	-	-	38,205.00	38,205.00	-
02/01/2056	1,415,000.00	5.400%	38,205.00	1,453,205.00	1,491,410.00
Total	**$22,145,000.00**	-	**$21,249,506.25**	**$43,394,506.25**	-

Yield Statistics

Bond Year Dollars	$418,412.50
Average Life	18.894 Years
Average Coupon	5.0786022%
Net Interest Cost (NIC)	5.1209431%
True Interest Cost (TIC)	5.0734561%
Bond Yield for Arbitrage Purposes	5.0043397%
All Inclusive Cost (AIC)	5.1393766%

IRS Form 8038

Net Interest Cost	5.0786022%
Weighted Average Maturity	18.894 Years

City of South St. Paul, Minnesota

Estimated Tax Impact

March 11, 2026

20 Years - No State Bonding Funds

BOND ISSUANCE INFORMATION	
Bond Issue Amount	**$8,750,000**
Number of Years	**20**
Average Interest Rate	**4.18%**
Estimated Bond Rating	**Moody's Aa2**
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2025	**$24,121,255**
Debt Levy @ 100% - Average	**697,121**
Estimated Tax Capacity Rate:	
Payable - 2025 Without Proposed Bonds	**57.724%**
Payable - 2025 With Proposed Bonds	**60.614%**
Estimated Tax Rate Increase	**2.890%**

TAX IMPACT ANALYSIS								Tax Increase is for Debt Service Only*		
Type of Property	**Estimated Market Value**	**Market Value Exclusion**	**Taxable Market Value**	**Net Tax Capacity**	**Current City Tax**	**Proposed Tax Increase***	**Proposed City Tax**	**Annual**	**Monthly**	**Daily**
	$ 100,000	$ 37,550	$ 62,450	$ 625	$ 360.49	**$ 18.05**	$ 378.53	$18.05	$1.50	$0.05
	150,000	33,050	116,950	1,170	675.08	**33.80**	708.88	33.80	2.82	0.09
	200,000	28,550	171,450	1,715	989.68	**49.55**	1,039.23	49.55	4.13	0.14
	285,200	20,882	264,318	2,643	1,525.75	**76.39**	1,602.14	76.39	6.37	0.21
Residential	300,000	19,550	280,450	2,805	1,618.87	**81.05**	1,699.92	81.05	6.75	0.22
Homestead	350,000	15,050	334,950	3,350	1,933.47	**96.80**	2,030.27	96.80	8.07	0.27
	400,000	10,550	389,450	3,895	2,248.06	**112.55**	2,360.61	112.55	9.38	0.31
	450,000	6,050	443,950	4,440	2,562.66	**128.30**	2,690.96	128.30	10.69	0.35
	500,000	1,550	498,450	4,985	2,877.25	**144.06**	3,021.31	144.06	12.00	0.39
	550,000	-	550,000	5,625	3,246.98	**162.57**	3,409.54	162.57	13.55	0.45
	600,000	-	600,000	6,250	3,607.75	**180.63**	3,788.38	180.63	15.05	0.49
	700,000	-	700,000	7,500	4,329.30	**216.76**	4,546.06	216.76	18.06	0.59
	800,000	-	800,000	8,750	5,050.85	**252.88**	5,303.73	252.88	21.07	0.69
	900,000	-	900,000	10,000	5,772.40	**289.01**	6,061.41	289.01	24.08	0.79
	1,000,000	-	1,000,000	11,250	6,493.95	**325.13**	6,819.08	325.13	27.09	0.89
	$ 100,000	$ -	$ 100,000	$ 1,085	$ 626.23	**$ 31.35**	$ 657.58	$31.35	$2.61	$0.09
	200,000	-	200,000	2,351	1,356.82	**67.93**	1,424.76	$67.93	$5.66	$0.19
Commercial/Industrial	300,000	-	300,000	3,797	2,191.79	**109.74**	2,301.53	$109.74	$9.14	$0.30
	400,000	-	400,000	5,244	3,026.76	**151.54**	3,178.30	$151.54	$12.63	$0.42
	500,000	-	500,000	6,690	3,861.73	**193.35**	4,055.07	193.35	16.11	0.53
	1,000,000	-	1,000,000	13,922	8,036.57	**402.37**	8,438.94	402.37	33.53	1.10
Apartments	$ 200,000	$ -	$ 200,000	$ 2,500	$ 1,443.10	**$ 72.25**	$ 1,515.35	$72.25	$6.02	$0.20
(4 or more units)	300,000	-	300,000	3,750	2,164.65	**108.38**	2,273.03	108.38	9.03	0.30
	500,000	-	500,000	6,250	3,607.75	**180.63**	3,788.38	180.63	15.05	0.49
	$ 150,000	$ 33,050	$ 116,950	$ 1,170	$ 675.08	**$ 33.80**	$ 708.88	$33.80	$2.82	$0.09
	400,000	33,050	366,950	2,420	1,396.63	**69.93**	1,466.56	69.93	5.83	0.19
Agricultural	500,000	33,050	466,950	2,920	1,685.25	**84.38**	1,769.63	84.38	7.03	0.23
Homestead **	600,000	33,050	566,950	3,420	1,973.87	**98.83**	2,072.70	98.83	8.24	0.27
	800,000	33,050	766,950	4,420	2,551.11	**127.73**	2,678.84	127.73	10.64	0.35
	1,000,000	33,050	966,950	5,420	3,128.35	**156.63**	3,284.98	156.63	13.05	0.43
Agricultural	$ 1,500	$ -	$ 1,500	$ 15	$ 8.66	**$ 0.43**	$ 9.09	$0.43	$0.04	$0.00
Non-Homestead	2,000	-	2,000	20	11.54	**0.58**	12.12	0.58	0.05	0.00
(dollars per acre)	2,500	-	2,500	25	14.43	**0.72**	15.15	0.72	0.06	0.00
	$ 100,000	$ -	$ 100,000	$ 1,000	$ 577.24	**$ 28.90**	$ 606.14	$28.90	$2.41	$0.08
Seasonal/Recreation	200,000	-	200,000	2,000	1,154.48	**57.80**	1,212.28	57.80	4.82	0.16
Residential	300,000	-	300,000	3,000	1,731.72	**86.70**	1,818.42	86.70	7.23	0.24
	400,000	-	400,000	4,000	2,308.96	**115.60**	2,424.56	115.60	9.63	0.32

** The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.*

*** For agricultural homestead property, a value of $150,000 was assumed for the house, garage and one acre.*

City of South St Paul, Minnesota

$8,750,000 General Obligation Tax Abatement Bonds, Series 2026

Pool - 20 Years - No State Bonding Funds

Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Sources & Uses

Dated 08/01/2026 | Delivered 08/01/2026

Sources Of Funds

Par Amount of Bonds	$8,750,000.00
Total Sources	**$8,750,000.00**

Uses Of Funds

Total Underwriter's Discount (1.200%)	105,000.00
Costs of Issuance	94,000.00
Deposit to Project Construction Fund	8,548,000.00
Rounding Amount	3,000.00
Total Uses	**$8,750,000.00**

City of South St Paul, Minnesota

$8,750,000 General Obligation Tax Abatement Bonds, Series 2026

Pool - 20 Years - No State Bonding Funds

Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2026	-	-	-	-	-
08/01/2027	-	-	337,130.00	337,130.00	-
02/01/2028	160,000.00	2.750%	168,565.00	328,565.00	665,695.00
08/01/2028	-	-	166,365.00	166,365.00	-
02/01/2029	330,000.00	2.800%	166,365.00	496,365.00	662,730.00
08/01/2029	-	-	161,745.00	161,745.00	-
02/01/2030	340,000.00	2.800%	161,745.00	501,745.00	663,490.00
08/01/2030	-	-	156,985.00	156,985.00	-
02/01/2031	350,000.00	2.850%	156,985.00	506,985.00	663,970.00
08/01/2031	-	-	151,997.50	151,997.50	-
02/01/2032	360,000.00	2.950%	151,997.50	511,997.50	663,995.00
08/01/2032	-	-	146,687.50	146,687.50	-
02/01/2033	370,000.00	3.050%	146,687.50	516,687.50	663,375.00
08/01/2033	-	-	141,045.00	141,045.00	-
02/01/2034	380,000.00	3.100%	141,045.00	521,045.00	662,090.00
08/01/2034	-	-	135,155.00	135,155.00	-
02/01/2035	395,000.00	3.200%	135,155.00	530,155.00	665,310.00
08/01/2035	-	-	128,835.00	128,835.00	-
02/01/2036	405,000.00	3.300%	128,835.00	533,835.00	662,670.00
08/01/2036	-	-	122,152.50	122,152.50	-
02/01/2037	420,000.00	3.450%	122,152.50	542,152.50	664,305.00
08/01/2037	-	-	114,907.50	114,907.50	-
02/01/2038	435,000.00	3.600%	114,907.50	549,907.50	664,815.00
08/01/2038	-	-	107,077.50	107,077.50	-
02/01/2039	450,000.00	3.700%	107,077.50	557,077.50	664,155.00
08/01/2039	-	-	98,752.50	98,752.50	-
02/01/2040	465,000.00	4.150%	98,752.50	563,752.50	662,505.00
08/01/2040	-	-	89,103.75	89,103.75	-
02/01/2041	485,000.00	4.250%	89,103.75	574,103.75	663,207.50
08/01/2041	-	-	78,797.50	78,797.50	-
02/01/2042	505,000.00	4.350%	78,797.50	583,797.50	662,595.00
08/01/2042	-	-	67,813.75	67,813.75	-
02/01/2043	530,000.00	4.500%	67,813.75	597,813.75	665,627.50
08/01/2043	-	-	55,888.75	55,888.75	-
02/01/2044	550,000.00	4.600%	55,888.75	605,888.75	661,777.50
08/01/2044	-	-	43,238.75	43,238.75	-
02/01/2045	580,000.00	4.700%	43,238.75	623,238.75	666,477.50
08/01/2045	-	-	29,608.75	29,608.75	-
02/01/2046	605,000.00	4.750%	29,608.75	634,608.75	664,217.50
08/01/2046	-	-	15,240.00	15,240.00	-
02/01/2047	635,000.00	4.800%	15,240.00	650,240.00	665,480.00
Total	**$8,750,000.00**	**-**	**$4,528,487.50**	**$13,278,487.50**	**-**

Yield Statistics

Bond Year Dollars	$108,360.00
Average Life	12.384 Years
Average Coupon	4.1791136%
Net Interest Cost (NIC)	4.2760128%
True Interest Cost (TIC)	4.2494384%
Bond Yield for Arbitrage Purposes	4.1200794%
All Inclusive Cost (AIC)	4.3671447%

IRS Form 8038

Net Interest Cost	4.1791136%
Weighted Average Maturity	12.384 Years

City of South St Paul, Minnesota

$8,750,000 General Obligation Tax Abatement Bonds, Series 2026
Pool - 20 Years - No State Bonding Funds
Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2027	-	-	-	-	-
02/01/2028	160,000.00	2.750%	505,695.00	665,695.00	698,979.75
02/01/2029	330,000.00	2.800%	332,730.00	662,730.00	695,866.50
02/01/2030	340,000.00	2.800%	323,490.00	663,490.00	696,664.50
02/01/2031	350,000.00	2.850%	313,970.00	663,970.00	697,168.50
02/01/2032	360,000.00	2.950%	303,995.00	663,995.00	697,194.75
02/01/2033	370,000.00	3.050%	293,375.00	663,375.00	696,543.75
02/01/2034	380,000.00	3.100%	282,090.00	662,090.00	695,194.50
02/01/2035	395,000.00	3.200%	270,310.00	665,310.00	698,575.50
02/01/2036	405,000.00	3.300%	257,670.00	662,670.00	695,803.50
02/01/2037	420,000.00	3.450%	244,305.00	664,305.00	697,520.25
02/01/2038	435,000.00	3.600%	229,815.00	664,815.00	698,055.75
02/01/2039	450,000.00	3.700%	214,155.00	664,155.00	697,362.75
02/01/2040	465,000.00	4.150%	197,505.00	662,505.00	695,630.25
02/01/2041	485,000.00	4.250%	178,207.50	663,207.50	696,367.88
02/01/2042	505,000.00	4.350%	157,595.00	662,595.00	695,724.75
02/01/2043	530,000.00	4.500%	135,627.50	665,627.50	698,908.88
02/01/2044	550,000.00	4.600%	111,777.50	661,777.50	694,866.38
02/01/2045	580,000.00	4.700%	86,477.50	666,477.50	699,801.38
02/01/2046	605,000.00	4.750%	59,217.50	664,217.50	697,428.38
02/01/2047	635,000.00	4.800%	30,480.00	665,480.00	698,754.00
Total	**$8,750,000.00**	**-**	**$4,528,487.50**	**$13,278,487.50**	**$13,942,411.88**

Significant Dates

Dated	8/01/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	$108,360.00
Average Life	12.384 Years
Average Coupon	4.1791136%
Net Interest Cost (NIC)	4.2760128%
True Interest Cost (TIC)	4.2494384%
Bond Yield for Arbitrage Purposes	4.1200794%
All Inclusive Cost (AIC)	4.3671447%

IRS Form 8038

Net Interest Cost	4.1791136%
Weighted Average Maturity	12.384 Years

City of South St. Paul, Minnesota

Estimated Tax Impact

March 11, 2026

30 Years - No State Bonding Funds

BOND ISSUANCE INFORMATION	
Bond Issue Amount	**$8,750,000**
Number of Years	**30**
Average Interest Rate	**4.67%**
Estimated Bond Rating	**Moody's Aa2**
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2025	**$24,121,255**
Debt Levy @ 100% - Average	**592,068**
Estimated Tax Capacity Rate:	
Payable - 2025 Without Proposed Bonds	**57.724%**
Payable - 2025 With Proposed Bonds	**60.179%**
Estimated Tax Rate Increase	**2.455%**

TAX IMPACT ANALYSIS								Tax Increase is for Debt Service Only*		
Type of Property	**Estimated Market Value**	**Market Value Exclusion**	**Taxable Market Value**	**Net Tax Capacity**	**Current City Tax**	**Proposed Tax Increase***	**Proposed City Tax**	**Annual**	**Monthly**	**Daily**
Residential Homestead	$ 100,000	$ 37,550	$ 62,450	$ 625	$ 360.49	**$ 15.33**	$ 375.82	$15.33	$1.28	$0.04
	150,000	33,050	116,950	1,170	675.08	**28.71**	703.79	28.71	2.39	0.08
	200,000	28,550	171,450	1,715	989.68	**42.08**	1,031.76	42.08	3.51	0.12
	285,200	20,882	264,318	2,643	1,525.75	**64.88**	1,590.63	64.88	5.41	0.18
	300,000	19,550	280,450	2,805	1,618.87	**68.84**	1,687.71	68.84	5.74	0.19
	350,000	15,050	334,950	3,350	1,933.47	**82.22**	2,015.68	82.22	6.85	0.23
	400,000	10,550	389,450	3,895	2,248.06	**95.59**	2,343.65	95.59	7.97	0.26
	450,000	6,050	443,950	4,440	2,562.66	**108.97**	2,671.63	108.97	9.08	0.30
	500,000	1,550	498,450	4,985	2,877.25	**122.35**	2,999.60	122.35	10.20	0.34
	550,000	-	550,000	5,625	3,246.98	**138.07**	3,385.04	138.07	11.51	0.38
	600,000	-	600,000	6,250	3,607.75	**153.41**	3,761.16	153.41	12.78	0.42
	700,000	-	700,000	7,500	4,329.30	**184.09**	4,513.39	184.09	15.34	0.50
	800,000	-	800,000	8,750	5,050.85	**214.77**	5,265.62	214.77	17.90	0.59
	900,000	-	900,000	10,000	5,772.40	**245.46**	6,017.86	245.46	20.45	0.67
	1,000,000	-	1,000,000	11,250	6,493.95	**276.14**	6,770.09	276.14	23.01	0.76
Commercial/Industrial	$ 100,000	$ -	$ 100,000	$ 1,085	$ 626.23	**$ 26.63**	$ 652.85	$26.63	$2.22	$0.07
	200,000	-	200,000	2,351	1,356.82	**57.70**	1,414.52	$57.70	$4.81	$0.16
	300,000	-	300,000	3,797	2,191.79	**93.20**	2,284.99	$93.20	$7.77	$0.26
	400,000	-	400,000	5,244	3,026.76	**128.70**	3,155.47	$128.70	$10.73	$0.35
	500,000	-	500,000	6,690	3,861.73	**164.21**	4,025.94	164.21	13.68	0.45
	1,000,000	-	1,000,000	13,922	8,036.57	**341.73**	8,378.30	341.73	28.48	0.94
Apartments (4 or more units)	$ 200,000	$ -	$ 200,000	$ 2,500	$ 1,443.10	**$ 61.36**	$ 1,504.46	$61.36	$5.11	$0.17
	300,000	-	300,000	3,750	2,164.65	**92.05**	2,256.70	92.05	7.67	0.25
	500,000	-	500,000	6,250	3,607.75	**153.41**	3,761.16	153.41	12.78	0.42
Agricultural Homestead **	$ 150,000	$ 33,050	$ 116,950	$ 1,170	$ 675.08	**$ 28.71**	$ 703.79	$28.71	$2.39	$0.08
	400,000	33,050	366,950	2,420	1,396.63	**59.39**	1,456.02	59.39	4.95	0.16
	500,000	33,050	466,950	2,920	1,685.25	**71.66**	1,756.91	71.66	5.97	0.20
	600,000	33,050	566,950	3,420	1,973.87	**83.93**	2,057.81	83.93	6.99	0.23
	800,000	33,050	766,950	4,420	2,551.11	**108.48**	2,659.59	108.48	9.04	0.30
	1,000,000	33,050	966,950	5,420	3,128.35	**133.02**	3,261.38	133.02	11.09	0.36
Agricultural Non-Homestead (dollars per acre)	$ 1,500	$ -	$ 1,500	$ 15	$ 8.66	**$ 0.37**	$ 9.03	$0.37	$0.03	$0.00
	2,000	-	2,000	20	11.54	**0.49**	12.04	0.49	0.04	0.00
	2,500	-	2,500	25	14.43	**0.61**	15.04	0.61	0.05	0.00
Seasonal/Recreation Residential	$ 100,000	$ -	$ 100,000	$ 1,000	$ 577.24	**$ 24.55**	$ 601.79	$24.55	$2.05	$0.07
	200,000	-	200,000	2,000	1,154.48	**49.09**	1,203.57	49.09	4.09	0.13
	300,000	-	300,000	3,000	1,731.72	**73.64**	1,805.36	73.64	6.14	0.20
	400,000	-	400,000	4,000	2,308.96	**98.18**	2,407.14	98.18	8.18	0.27

** The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.*

*** For agricultural homestead property, a value of $150,000 was assumed for the house, garage and one acre.*

City of South St Paul, Minnesota

$8,750,000 General Obligation Tax Abatement Bonds, Series 2026
Pool - 30 Years - No State Bonding Funds
Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Sources & Uses

Dated 08/01/2026 | Delivered 08/01/2026

Sources Of Funds

Par Amount of Bonds	$8,750,000.00
Total Sources	**$8,750,000.00**

Uses Of Funds

Total Underwriter's Discount (1.200%)	105,000.00
Costs of Issuance	94,000.00
Deposit to Project Construction Fund	8,548,000.00
Rounding Amount	3,000.00
Total Uses	**$8,750,000.00**

City of South St Paul, Minnesota

$8,750,000 General Obligation Tax Abatement Bonds, Series 2026
Pool - 30 Years - No State Bonding Funds
Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2026	-	-	-	-	-
08/01/2027	-	-	381,632.50	381,632.50	-
02/01/2028	-	-	190,816.25	190,816.25	572,448.75
08/01/2028	-	-	190,816.25	190,816.25	-
02/01/2029	180,000.00	2.800%	190,816.25	370,816.25	561,632.50
08/01/2029	-	-	188,296.25	188,296.25	-
02/01/2030	190,000.00	2.800%	188,296.25	378,296.25	566,592.50
08/01/2030	-	-	185,636.25	185,636.25	-
02/01/2031	195,000.00	2.850%	185,636.25	380,636.25	566,272.50
08/01/2031	-	-	182,857.50	182,857.50	-
02/01/2032	200,000.00	2.950%	182,857.50	382,857.50	565,715.00
08/01/2032	-	-	179,907.50	179,907.50	-
02/01/2033	205,000.00	3.050%	179,907.50	384,907.50	564,815.00
08/01/2033	-	-	176,781.25	176,781.25	-
02/01/2034	210,000.00	3.100%	176,781.25	386,781.25	563,562.50
08/01/2034	-	-	173,526.25	173,526.25	-
02/01/2035	215,000.00	3.200%	173,526.25	388,526.25	562,052.50
08/01/2035	-	-	170,086.25	170,086.25	-
02/01/2036	225,000.00	3.300%	170,086.25	395,086.25	565,172.50
08/01/2036	-	-	166,373.75	166,373.75	-
02/01/2037	230,000.00	3.450%	166,373.75	396,373.75	562,747.50
08/01/2037	-	-	162,406.25	162,406.25	-
02/01/2038	240,000.00	3.600%	162,406.25	402,406.25	564,812.50
08/01/2038	-	-	158,086.25	158,086.25	-
02/01/2039	250,000.00	3.700%	158,086.25	408,086.25	566,172.50
08/01/2039	-	-	153,461.25	153,461.25	-
02/01/2040	255,000.00	4.150%	153,461.25	408,461.25	561,922.50
08/01/2040	-	-	148,170.00	148,170.00	-
02/01/2041	270,000.00	4.250%	148,170.00	418,170.00	566,340.00
08/01/2041	-	-	142,432.50	142,432.50	-
02/01/2042	280,000.00	4.350%	142,432.50	422,432.50	564,865.00
08/01/2042	-	-	136,342.50	136,342.50	-
02/01/2043	290,000.00	4.500%	136,342.50	426,342.50	562,685.00
08/01/2043	-	-	129,817.50	129,817.50	-
02/01/2044	305,000.00	4.600%	129,817.50	434,817.50	564,635.00
08/01/2044	-	-	122,802.50	122,802.50	-
02/01/2045	320,000.00	4.700%	122,802.50	442,802.50	565,605.00
08/01/2045	-	-	115,282.50	115,282.50	-
02/01/2046	335,000.00	4.750%	115,282.50	450,282.50	565,565.00
08/01/2046	-	-	107,326.25	107,326.25	-
02/01/2047	350,000.00	4.800%	107,326.25	457,326.25	564,652.50
08/01/2047	-	-	98,926.25	98,926.25	-
02/01/2048	365,000.00	4.850%	98,926.25	463,926.25	562,852.50
08/01/2048	-	-	90,075.00	90,075.00	-
02/01/2049	385,000.00	4.850%	90,075.00	475,075.00	565,150.00
08/01/2049	-	-	80,738.75	80,738.75	-
02/01/2050	400,000.00	4.900%	80,738.75	480,738.75	561,477.50
08/01/2050	-	-	70,938.75	70,938.75	-
02/01/2051	420,000.00	4.900%	70,938.75	490,938.75	561,877.50
08/01/2051	-	-	60,648.75	60,648.75	-
02/01/2052	440,000.00	4.950%	60,648.75	500,648.75	561,297.50
08/01/2052	-	-	49,758.75	49,758.75	-
02/01/2053	465,000.00	4.950%	49,758.75	514,758.75	564,517.50
08/01/2053	-	-	38,250.00	38,250.00	-
02/01/2054	485,000.00	5.000%	38,250.00	523,250.00	561,500.00
08/01/2054	-	-	26,125.00	26,125.00	-
02/01/2055	510,000.00	5.000%	26,125.00	536,125.00	562,250.00
08/01/2055	-	-	13,375.00	13,375.00	-
02/01/2056	535,000.00	5.000%	13,375.00	548,375.00	561,750.00
Total	**$8,750,000.00**	**-**	**$7,610,938.75**	**$16,360,938.75**	**-**

Yield Statistics

Bond Year Dollars	$163,110.00
Average Life	18.641 Years
Average Coupon	4.6661386%
Net Interest Cost (NIC)	4.7305124%
True Interest Cost (TIC)	4.6970794%
Bond Yield for Arbitrage Purposes	4.5957967%
All Inclusive Cost (AIC)	4.7893082%

IRS Form 8038

Net Interest Cost	4.6661386%
Weighted Average Maturity	18.641 Years

City of South St Paul, Minnesota

$8,750,000 General Obligation Tax Abatement Bonds, Series 2026
Pool - 30 Years - No State Bonding Funds
Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2027	-	-	-	-	-
02/01/2028	-	-	572,448.75	572,448.75	601,071.19
02/01/2029	180,000.00	2.800%	381,632.50	561,632.50	589,714.13
02/01/2030	190,000.00	2.800%	376,592.50	566,592.50	594,922.13
02/01/2031	195,000.00	2.850%	371,272.50	566,272.50	594,586.13
02/01/2032	200,000.00	2.950%	365,715.00	565,715.00	594,000.75
02/01/2033	205,000.00	3.050%	359,815.00	564,815.00	593,055.75
02/01/2034	210,000.00	3.100%	353,562.50	563,562.50	591,740.63
02/01/2035	215,000.00	3.200%	347,052.50	562,052.50	590,155.13
02/01/2036	225,000.00	3.300%	340,172.50	565,172.50	593,431.13
02/01/2037	230,000.00	3.450%	332,747.50	562,747.50	590,884.88
02/01/2038	240,000.00	3.600%	324,812.50	564,812.50	593,053.13
02/01/2039	250,000.00	3.700%	316,172.50	566,172.50	594,481.13
02/01/2040	255,000.00	4.150%	306,922.50	561,922.50	590,018.63
02/01/2041	270,000.00	4.250%	296,340.00	566,340.00	594,657.00
02/01/2042	280,000.00	4.350%	284,865.00	564,865.00	593,108.25
02/01/2043	290,000.00	4.500%	272,685.00	562,685.00	590,819.25
02/01/2044	305,000.00	4.600%	259,635.00	564,635.00	592,866.75
02/01/2045	320,000.00	4.700%	245,605.00	565,605.00	593,885.25
02/01/2046	335,000.00	4.750%	230,565.00	565,565.00	593,843.25
02/01/2047	350,000.00	4.800%	214,652.50	564,652.50	592,885.13
02/01/2048	365,000.00	4.850%	197,852.50	562,852.50	590,995.13
02/01/2049	385,000.00	4.850%	180,150.00	565,150.00	593,407.50
02/01/2050	400,000.00	4.900%	161,477.50	561,477.50	589,551.38
02/01/2051	420,000.00	4.900%	141,877.50	561,877.50	589,971.38
02/01/2052	440,000.00	4.950%	121,297.50	561,297.50	589,362.38
02/01/2053	465,000.00	4.950%	99,517.50	564,517.50	592,743.38
02/01/2054	485,000.00	5.000%	76,500.00	561,500.00	589,575.00
02/01/2055	510,000.00	5.000%	52,250.00	562,250.00	590,362.50
02/01/2056	535,000.00	5.000%	26,750.00	561,750.00	589,837.50
Total	**$8,750,000.00**	**-**	**$7,610,938.75**	**$16,360,938.75**	**$17,178,985.69**

Significant Dates

Dated	8/01/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	$163,110.00
Average Life	18.641 Years
Average Coupon	4.6661386%
Net Interest Cost (NIC)	4.7305124%
True Interest Cost (TIC)	4.6970794%
Bond Yield for Arbitrage Purposes	4.5957967%
All Inclusive Cost (AIC)	4.7893082%

IRS Form 8038

Net Interest Cost	4.6661386%
Weighted Average Maturity	18.641 Years

City of South St. Paul, Minnesota

Estimated Tax Impact

March 11, 2026

20 Years - Including State Bonding Funds

BOND ISSUANCE INFORMATION	
Bond Issue Amount	**$2,140,000**
Number of Years	**20**
Average Interest Rate	**4.18%**
Estimated Bond Rating	**Moody's Aa2**
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2025	**$24,121,255**
Debt Levy @ 100% - Average	**170,372**
Estimated Tax Capacity Rate:	
Payable - 2025 Without Proposed Bonds	**57.724%**
Payable - 2025 With Proposed Bonds	**58.430%**
Estimated Tax Rate Increase	**0.706%**

TAX IMPACT ANALYSIS								Tax Increase is for Debt Service Only*		
Type of Property	**Estimated Market Value**	**Market Value Exclusion**	**Taxable Market Value**	**Net Tax Capacity**	**Current City Tax**	**Proposed Tax Increase***	**Proposed City Tax**	**Annual**	**Monthly**	**Daily**
Residential Homestead	$ 100,000	$ 37,550	$ 62,450	$ 625	$ 360.49	**$ 4.41**	$ 364.90	$4.41	$0.37	$0.01
	150,000	33,050	116,950	1,170	675.08	**8.26**	683.34	8.26	0.69	0.02
	200,000	28,550	171,450	1,715	989.68	**12.11**	1,001.79	12.11	1.01	0.03
	285,200	20,882	264,318	2,643	1,525.75	**18.67**	1,544.42	18.67	1.56	0.05
	300,000	19,550	280,450	2,805	1,618.87	**19.81**	1,638.68	19.81	1.65	0.05
	350,000	15,050	334,950	3,350	1,933.47	**23.66**	1,957.12	23.66	1.97	0.06
	400,000	10,550	389,450	3,895	2,248.06	**27.51**	2,275.57	27.51	2.29	0.08
	450,000	6,050	443,950	4,440	2,562.66	**31.36**	2,594.01	31.36	2.61	0.09
	500,000	1,550	498,450	4,985	2,877.25	**35.21**	2,912.46	35.21	2.93	0.10
	550,000	-	550,000	5,625	3,246.98	**39.73**	3,286.71	39.73	3.31	0.11
	600,000	-	600,000	6,250	3,607.75	**44.14**	3,651.89	44.14	3.68	0.12
	700,000	-	700,000	7,500	4,329.30	**52.97**	4,382.27	52.97	4.41	0.15
	800,000	-	800,000	8,750	5,050.85	**61.80**	5,112.65	61.80	5.15	0.17
	900,000	-	900,000	10,000	5,772.40	**70.63**	5,843.03	70.63	5.89	0.19
	1,000,000	-	1,000,000	11,250	6,493.95	**79.46**	6,573.41	79.46	6.62	0.22
Commercial/Industrial	$ 100,000	$ -	$ 100,000	$ 1,085	$ 626.23	**$ 7.66**	$ 633.89	$7.66	$0.64	$0.02
	200,000	-	200,000	2,351	1,356.82	**16.60**	1,373.43	$16.60	$1.38	$0.05
	300,000	-	300,000	3,797	2,191.79	**26.82**	2,218.61	$26.82	$2.23	$0.07
	400,000	-	400,000	5,244	3,026.76	**37.04**	3,063.80	$37.04	$3.09	$0.10
	500,000	-	500,000	6,690	3,861.73	**47.25**	3,908.98	47.25	3.94	0.13
	1,000,000	-	1,000,000	13,922	8,036.57	**98.34**	8,134.91	98.34	8.19	0.27
Apartments (4 or more units)	$ 200,000	$ -	$ 200,000	$ 2,500	$ 1,443.10	**$ 17.66**	$ 1,460.76	$17.66	$1.47	$0.05
	300,000	-	300,000	3,750	2,164.65	**26.49**	2,191.14	26.49	2.21	0.07
	500,000	-	500,000	6,250	3,607.75	**44.14**	3,651.89	44.14	3.68	0.12
Agricultural Homestead **	$ 150,000	$ 33,050	$ 116,950	$ 1,170	$ 675.08	**$ 8.26**	$ 683.34	$8.26	$0.69	$0.02
	400,000	33,050	366,950	2,420	1,396.63	**17.09**	1,413.72	17.09	1.42	0.05
	500,000	33,050	466,950	2,920	1,685.25	**20.62**	1,705.87	20.62	1.72	0.06
	600,000	33,050	566,950	3,420	1,973.87	**24.15**	1,998.02	24.15	2.01	0.07
	800,000	33,050	766,950	4,420	2,551.11	**31.22**	2,582.33	31.22	2.60	0.09
	1,000,000	33,050	966,950	5,420	3,128.35	**38.28**	3,166.63	38.28	3.19	0.10
Agricultural Non-Homestead (dollars per acre)	$ 1,500	$ -	$ 1,500	$ 15	$ 8.66	**$ 0.11**	$ 8.76	$0.11	$0.01	$0.00
	2,000	-	2,000	20	11.54	**0.14**	11.69	0.14	0.01	0.00
	2,500	-	2,500	25	14.43	**0.18**	14.61	0.18	0.01	0.00
Seasonal/Recreation Residential	$ 100,000	$ -	$ 100,000	$ 1,000	$ 577.24	**$ 7.06**	$ 584.30	$7.06	$0.59	$0.02
	200,000	-	200,000	2,000	1,154.48	**14.13**	1,168.61	14.13	1.18	0.04
	300,000	-	300,000	3,000	1,731.72	**21.19**	1,752.91	21.19	1.77	0.06
	400,000	-	400,000	4,000	2,308.96	**28.25**	2,337.21	28.25	2.35	0.08

** The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.*

*** For agricultural homestead property, a value of $150,000 was assumed for the house, garage and one acre.*

City of South St Paul, Minnesota

$2,140,000 General Obligation Tax Abatement Bonds, Series 2026

Pool - 20 Years - Including State Bonding Funds

Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Sources & Uses

Dated 08/01/2026 | Delivered 08/01/2026

Sources Of Funds

Par Amount of Bonds	$2,140,000.00
State Bonding Funds	6,500,000.00
Total Sources	**$8,640,000.00**

Uses Of Funds

Total Underwriter's Discount (1.200%)	25,680.00
Costs of Issuance	61,350.00
Deposit to Project Construction Fund	8,548,000.00
Rounding Amount	4,970.00
Total Uses	**$8,640,000.00**

City of South St Paul, Minnesota

$2,140,000 General Obligation Tax Abatement Bonds, Series 2026
Pool - 20 Years - Including State Bonding Funds
Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2026	-	-	-	-	-
08/01/2027	-	-	82,405.00	82,405.00	-
02/01/2028	40,000.00	2.750%	41,202.50	81,202.50	163,607.50
08/01/2028	-	-	40,652.50	40,652.50	-
02/01/2029	80,000.00	2.800%	40,652.50	120,652.50	161,305.00
08/01/2029	-	-	39,532.50	39,532.50	-
02/01/2030	85,000.00	2.800%	39,532.50	124,532.50	164,065.00
08/01/2030	-	-	38,342.50	38,342.50	-
02/01/2031	85,000.00	2.850%	38,342.50	123,342.50	161,685.00
08/01/2031	-	-	37,131.25	37,131.25	-
02/01/2032	90,000.00	2.950%	37,131.25	127,131.25	164,262.50
08/01/2032	-	-	35,803.75	35,803.75	-
02/01/2033	90,000.00	3.050%	35,803.75	125,803.75	161,607.50
08/01/2033	-	-	34,431.25	34,431.25	-
02/01/2034	95,000.00	3.100%	34,431.25	129,431.25	163,862.50
08/01/2034	-	-	32,958.75	32,958.75	-
02/01/2035	95,000.00	3.200%	32,958.75	127,958.75	160,917.50
08/01/2035	-	-	31,438.75	31,438.75	-
02/01/2036	100,000.00	3.300%	31,438.75	131,438.75	162,877.50
08/01/2036	-	-	29,788.75	29,788.75	-
02/01/2037	100,000.00	3.450%	29,788.75	129,788.75	159,577.50
08/01/2037	-	-	28,063.75	28,063.75	-
02/01/2038	105,000.00	3.600%	28,063.75	133,063.75	161,127.50
08/01/2038	-	-	26,173.75	26,173.75	-
02/01/2039	110,000.00	3.700%	26,173.75	136,173.75	162,347.50
08/01/2039	-	-	24,138.75	24,138.75	-
02/01/2040	115,000.00	4.150%	24,138.75	139,138.75	163,277.50
08/01/2040	-	-	21,752.50	21,752.50	-
02/01/2041	120,000.00	4.250%	21,752.50	141,752.50	163,505.00
08/01/2041	-	-	19,202.50	19,202.50	-
02/01/2042	125,000.00	4.350%	19,202.50	144,202.50	163,405.00
08/01/2042	-	-	16,483.75	16,483.75	-
02/01/2043	130,000.00	4.500%	16,483.75	146,483.75	162,967.50
08/01/2043	-	-	13,558.75	13,558.75	-
02/01/2044	135,000.00	4.600%	13,558.75	148,558.75	162,117.50
08/01/2044	-	-	10,453.75	10,453.75	-
02/01/2045	140,000.00	4.700%	10,453.75	150,453.75	160,907.50
08/01/2045	-	-	7,163.75	7,163.75	-
02/01/2046	145,000.00	4.750%	7,163.75	152,163.75	159,327.50
08/01/2046	-	-	3,720.00	3,720.00	-
02/01/2047	155,000.00	4.800%	3,720.00	158,720.00	162,440.00
Total	**$2,140,000.00**	**-**	**$1,105,190.00**	**$3,245,190.00**	**-**

Yield Statistics

Bond Year Dollars	$26,455.00
Average Life	12.362 Years
Average Coupon	4.1776224%
Net Interest Cost (NIC)	4.2746929%
True Interest Cost (TIC)	4.2481198%
Bond Yield for Arbitrage Purposes	4.1185835%
All Inclusive Cost (AIC)	4.5668087%

IRS Form 8038

Net Interest Cost	4.1776224%
Weighted Average Maturity	12.362 Years

City of South St Paul, Minnesota

$2,140,000 General Obligation Tax Abatement Bonds, Series 2026
Pool - 20 Years - Including State Bonding Funds
Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2027	-	-	-	-	-
02/01/2028	40,000.00	2.750%	123,607.50	163,607.50	171,787.88
02/01/2029	80,000.00	2.800%	81,305.00	161,305.00	169,370.25
02/01/2030	85,000.00	2.800%	79,065.00	164,065.00	172,268.25
02/01/2031	85,000.00	2.850%	76,685.00	161,685.00	169,769.25
02/01/2032	90,000.00	2.950%	74,262.50	164,262.50	172,475.63
02/01/2033	90,000.00	3.050%	71,607.50	161,607.50	169,687.88
02/01/2034	95,000.00	3.100%	68,862.50	163,862.50	172,055.63
02/01/2035	95,000.00	3.200%	65,917.50	160,917.50	168,963.38
02/01/2036	100,000.00	3.300%	62,877.50	162,877.50	171,021.38
02/01/2037	100,000.00	3.450%	59,577.50	159,577.50	167,556.38
02/01/2038	105,000.00	3.600%	56,127.50	161,127.50	169,183.88
02/01/2039	110,000.00	3.700%	52,347.50	162,347.50	170,464.88
02/01/2040	115,000.00	4.150%	48,277.50	163,277.50	171,441.38
02/01/2041	120,000.00	4.250%	43,505.00	163,505.00	171,680.25
02/01/2042	125,000.00	4.350%	38,405.00	163,405.00	171,575.25
02/01/2043	130,000.00	4.500%	32,967.50	162,967.50	171,115.88
02/01/2044	135,000.00	4.600%	27,117.50	162,117.50	170,223.38
02/01/2045	140,000.00	4.700%	20,907.50	160,907.50	168,952.88
02/01/2046	145,000.00	4.750%	14,327.50	159,327.50	167,293.88
02/01/2047	155,000.00	4.800%	7,440.00	162,440.00	170,562.00
Total	**$2,140,000.00**	**-**	**$1,105,190.00**	**$3,245,190.00**	**$3,407,449.50**

Significant Dates

Dated	8/01/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	$26,455.00
Average Life	12.362 Years
Average Coupon	4.1776224%
Net Interest Cost (NIC)	4.2746929%
True Interest Cost (TIC)	4.2481198%
Bond Yield for Arbitrage Purposes	4.1185835%
All Inclusive Cost (AIC)	4.5668087%

IRS Form 8038

Net Interest Cost	4.1776224%
Weighted Average Maturity	12.362 Years

City of South St. Paul, Minnesota

Estimated Tax Impact

March 11, 2026

30 Years - Including State Bonding Funds

BOND ISSUANCE INFORMATION	
Bond Issue Amount	**$2,140,000**
Number of Years	**30**
Average Interest Rate	**4.67%**
Estimated Bond Rating	**Moody's Aa2**
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2025	**$24,121,255**
Debt Levy @ 100% - Average	**145,014**
Estimated Tax Capacity Rate:	
Payable - 2025 Without Proposed Bonds	**57.724%**
Payable - 2025 With Proposed Bonds	**58.325%**
Estimated Tax Rate Increase	**0.601%**

TAX IMPACT ANALYSIS								Tax Increase is for Debt Service Only*		
Type of Property	**Estimated Market Value**	**Market Value Exclusion**	**Taxable Market Value**	**Net Tax Capacity**	**Current City Tax**	**Proposed Tax Increase***	**Proposed City Tax**	**Annual**	**Monthly**	**Daily**
	$ 100,000	$ 37,550	$ 62,450	$ 625	$ 360.49	**$ 3.75**	$ 364.24	$3.75	$0.31	$0.01
	150,000	33,050	116,950	1,170	675.08	**7.03**	682.11	7.03	0.59	0.02
	200,000	28,550	171,450	1,715	989.68	**10.31**	999.99	10.31	0.86	0.03
	285,200	20,882	264,318	2,643	1,525.75	**15.89**	1,541.64	15.89	1.32	0.04
Residential	300,000	19,550	280,450	2,805	1,618.87	**16.86**	1,635.73	16.86	1.41	0.05
Homestead	350,000	15,050	334,950	3,350	1,933.47	**20.14**	1,953.60	20.14	1.68	0.06
	400,000	10,550	389,450	3,895	2,248.06	**23.41**	2,271.47	23.41	1.95	0.06
	450,000	6,050	443,950	4,440	2,562.66	**26.69**	2,589.35	26.69	2.22	0.07
	500,000	1,550	498,450	4,985	2,877.25	**29.97**	2,907.22	29.97	2.50	0.08
	550,000	-	550,000	5,625	3,246.98	**33.82**	3,280.79	33.82	2.82	0.09
	600,000	-	600,000	6,250	3,607.75	**37.57**	3,645.32	37.57	3.13	0.10
	700,000	-	700,000	7,500	4,329.30	**45.09**	4,374.39	45.09	3.76	0.12
	800,000	-	800,000	8,750	5,050.85	**52.60**	5,103.45	52.60	4.38	0.14
	900,000	-	900,000	10,000	5,772.40	**60.12**	5,832.52	60.12	5.01	0.16
	1,000,000	-	1,000,000	11,250	6,493.95	**67.63**	6,561.58	67.63	5.64	0.19
	$ 100,000	$ -	$ 100,000	$ 1,085	$ 626.23	**$ 6.52**	$ 632.75	$6.52	$0.54	$0.02
	200,000	-	200,000	2,351	1,356.82	**14.13**	1,370.95	$14.13	$1.18	$0.04
Commercial/Industrial	300,000	-	300,000	3,797	2,191.79	**22.83**	2,214.62	$22.83	$1.90	$0.06
	400,000	-	400,000	5,244	3,026.76	**31.52**	3,058.28	$31.52	$2.63	$0.09
	500,000	-	500,000	6,690	3,861.73	**40.22**	3,901.95	40.22	3.35	0.11
	1,000,000	-	1,000,000	13,922	8,036.57	**83.70**	8,120.27	83.70	6.97	0.23
Apartments	$ 200,000	$ -	$ 200,000	$ 2,500	$ 1,443.10	**$ 15.03**	$ 1,458.13	$15.03	$1.25	$0.04
(4 or more units)	300,000	-	300,000	3,750	2,164.65	**22.54**	2,187.19	22.54	1.88	0.06
	500,000	-	500,000	6,250	3,607.75	**37.57**	3,645.32	37.57	3.13	0.10
	$ 150,000	$ 33,050	$ 116,950	$ 1,170	$ 675.08	**$ 7.03**	$ 682.11	$7.03	$0.59	$0.02
	400,000	33,050	366,950	2,420	1,396.63	**14.55**	1,411.18	14.55	1.21	0.04
Agricultural	500,000	33,050	466,950	2,920	1,685.25	**17.55**	1,702.80	17.55	1.46	0.05
Homestead **	600,000	33,050	566,950	3,420	1,973.87	**20.56**	1,994.43	20.56	1.71	0.06
	800,000	33,050	766,950	4,420	2,551.11	**26.57**	2,577.68	26.57	2.21	0.07
	1,000,000	33,050	966,950	5,420	3,128.35	**32.58**	3,160.93	32.58	2.72	0.09
Agricultural	$ 1,500	$ -	$ 1,500	$ 15	$ 8.66	**$ 0.09**	$ 8.75	$0.09	$0.01	$0.00
Non-Homestead	2,000	-	2,000	20	11.54	**0.12**	11.67	0.12	0.01	0.00
(dollars per acre)	2,500	-	2,500	25	14.43	**0.15**	14.58	0.15	0.01	0.00
	$ 100,000	$ -	$ 100,000	$ 1,000	$ 577.24	**$ 6.01**	$ 583.25	$6.01	$0.50	$0.02
Seasonal/Recreation	200,000	-	200,000	2,000	1,154.48	**12.02**	1,166.50	12.02	1.00	0.03
Residential	300,000	-	300,000	3,000	1,731.72	**18.04**	1,749.76	18.04	1.50	0.05
	400,000	-	400,000	4,000	2,308.96	**24.05**	2,333.01	24.05	2.00	0.07

** The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.*

*** For agricultural homestead property, a value of $150,000 was assumed for the house, garage and one acre.*

City of South St Paul, Minnesota

$2,140,000 General Obligation Tax Abatement Bonds, Series 2026

Pool - 30 Years - Including State Bonding Funds

Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Sources & Uses

Dated 08/01/2026 | Delivered 08/01/2026

Sources Of Funds

Par Amount of Bonds	$2,140,000.00
State Bonding Funds	6,500,000.00
Total Sources	**$8,640,000.00**

Uses Of Funds

Total Underwriter's Discount (1.200%)	25,680.00
Costs of Issuance	61,350.00
Deposit to Project Construction Fund	8,548,000.00
Rounding Amount	4,970.00
Total Uses	**$8,640,000.00**

City of South St Paul, Minnesota

$2,140,000 General Obligation Tax Abatement Bonds, Series 2026
Pool - 30 Years - Including State Bonding Funds
Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2026	-	-	-	-	-
08/01/2027	-	-	93,412.50	93,412.50	-
02/01/2028	-	-	46,706.25	46,706.25	140,118.75
08/01/2028	-	-	46,706.25	46,706.25	-
02/01/2029	45,000.00	2.800%	46,706.25	91,706.25	138,412.50
08/01/2029	-	-	46,076.25	46,076.25	-
02/01/2030	45,000.00	2.800%	46,076.25	91,076.25	137,152.50
08/01/2030	-	-	45,446.25	45,446.25	-
02/01/2031	45,000.00	2.850%	45,446.25	90,446.25	135,892.50
08/01/2031	-	-	44,805.00	44,805.00	-
02/01/2032	50,000.00	2.950%	44,805.00	94,805.00	139,610.00
08/01/2032	-	-	44,067.50	44,067.50	-
02/01/2033	50,000.00	3.050%	44,067.50	94,067.50	138,135.00
08/01/2033	-	-	43,305.00	43,305.00	-
02/01/2034	50,000.00	3.100%	43,305.00	93,305.00	136,610.00
08/01/2034	-	-	42,530.00	42,530.00	-
02/01/2035	55,000.00	3.200%	42,530.00	97,530.00	140,060.00
08/01/2035	-	-	41,650.00	41,650.00	-
02/01/2036	55,000.00	3.300%	41,650.00	96,650.00	138,300.00
08/01/2036	-	-	40,742.50	40,742.50	-
02/01/2037	55,000.00	3.450%	40,742.50	95,742.50	136,485.00
08/01/2037	-	-	39,793.75	39,793.75	-
02/01/2038	60,000.00	3.600%	39,793.75	99,793.75	139,587.50
08/01/2038	-	-	38,713.75	38,713.75	-
02/01/2039	60,000.00	3.700%	38,713.75	98,713.75	137,427.50
08/01/2039	-	-	37,603.75	37,603.75	-
02/01/2040	60,000.00	4.150%	37,603.75	97,603.75	135,207.50
08/01/2040	-	-	36,358.75	36,358.75	-
02/01/2041	65,000.00	4.250%	36,358.75	101,358.75	137,717.50
08/01/2041	-	-	34,977.50	34,977.50	-
02/01/2042	70,000.00	4.350%	34,977.50	104,977.50	139,955.00
08/01/2042	-	-	33,455.00	33,455.00	-
02/01/2043	70,000.00	4.500%	33,455.00	103,455.00	136,910.00
08/01/2043	-	-	31,880.00	31,880.00	-
02/01/2044	75,000.00	4.600%	31,880.00	106,880.00	138,760.00
08/01/2044	-	-	30,155.00	30,155.00	-
02/01/2045	75,000.00	4.700%	30,155.00	105,155.00	135,310.00
08/01/2045	-	-	28,392.50	28,392.50	-
02/01/2046	80,000.00	4.750%	28,392.50	108,392.50	136,785.00
08/01/2046	-	-	26,492.50	26,492.50	-
02/01/2047	85,000.00	4.800%	26,492.50	111,492.50	137,985.00
08/01/2047	-	-	24,452.50	24,452.50	-
02/01/2048	90,000.00	4.850%	24,452.50	114,452.50	138,905.00
08/01/2048	-	-	22,270.00	22,270.00	-
02/01/2049	95,000.00	4.850%	22,270.00	117,270.00	139,540.00
08/01/2049	-	-	19,966.25	19,966.25	-
02/01/2050	100,000.00	4.900%	19,966.25	119,966.25	139,932.50
08/01/2050	-	-	17,516.25	17,516.25	-
02/01/2051	105,000.00	4.900%	17,516.25	122,516.25	140,032.50
08/01/2051	-	-	14,943.75	14,943.75	-
02/01/2052	110,000.00	4.950%	14,943.75	124,943.75	139,887.50
08/01/2052	-	-	12,221.25	12,221.25	-
02/01/2053	115,000.00	4.950%	12,221.25	127,221.25	139,442.50
08/01/2053	-	-	9,375.00	9,375.00	-
02/01/2054	120,000.00	5.000%	9,375.00	129,375.00	138,750.00
08/01/2054	-	-	6,375.00	6,375.00	-
02/01/2055	125,000.00	5.000%	6,375.00	131,375.00	137,750.00
08/01/2055	-	-	3,250.00	3,250.00	-
02/01/2056	130,000.00	5.000%	3,250.00	133,250.00	136,500.00
Total	**$2,140,000.00**	**-**	**$1,867,161.25**	**$4,007,161.25**	**-**

Yield Statistics

Bond Year Dollars	$39,995.00
Average Life	18.689 Years
Average Coupon	4.6684867%
Net Interest Cost (NIC)	4.7326947%
True Interest Cost (TIC)	4.6995098%
Bond Yield for Arbitrage Purposes	4.5983850%
All Inclusive Cost (AIC)	4.9486367%

IRS Form 8038

Net Interest Cost	4.6684867%
Weighted Average Maturity	18.689 Years

City of South St Paul, Minnesota

$2,140,000 General Obligation Tax Abatement Bonds, Series 2026
Pool - 30 Years - Including State Bonding Funds
Assumes Current Market Non-BQ Aa2 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2027	-	-	-	-	-
02/01/2028	-	-	140,118.75	140,118.75	147,124.69
02/01/2029	45,000.00	2.800%	93,412.50	138,412.50	145,333.13
02/01/2030	45,000.00	2.800%	92,152.50	137,152.50	144,010.13
02/01/2031	45,000.00	2.850%	90,892.50	135,892.50	142,687.13
02/01/2032	50,000.00	2.950%	89,610.00	139,610.00	146,590.50
02/01/2033	50,000.00	3.050%	88,135.00	138,135.00	145,041.75
02/01/2034	50,000.00	3.100%	86,610.00	136,610.00	143,440.50
02/01/2035	55,000.00	3.200%	85,060.00	140,060.00	147,063.00
02/01/2036	55,000.00	3.300%	83,300.00	138,300.00	145,215.00
02/01/2037	55,000.00	3.450%	81,485.00	136,485.00	143,309.25
02/01/2038	60,000.00	3.600%	79,587.50	139,587.50	146,566.88
02/01/2039	60,000.00	3.700%	77,427.50	137,427.50	144,298.88
02/01/2040	60,000.00	4.150%	75,207.50	135,207.50	141,967.88
02/01/2041	65,000.00	4.250%	72,717.50	137,717.50	144,603.38
02/01/2042	70,000.00	4.350%	69,955.00	139,955.00	146,952.75
02/01/2043	70,000.00	4.500%	66,910.00	136,910.00	143,755.50
02/01/2044	75,000.00	4.600%	63,760.00	138,760.00	145,698.00
02/01/2045	75,000.00	4.700%	60,310.00	135,310.00	142,075.50
02/01/2046	80,000.00	4.750%	56,785.00	136,785.00	143,624.25
02/01/2047	85,000.00	4.800%	52,985.00	137,985.00	144,884.25
02/01/2048	90,000.00	4.850%	48,905.00	138,905.00	145,850.25
02/01/2049	95,000.00	4.850%	44,540.00	139,540.00	146,517.00
02/01/2050	100,000.00	4.900%	39,932.50	139,932.50	146,929.13
02/01/2051	105,000.00	4.900%	35,032.50	140,032.50	147,034.13
02/01/2052	110,000.00	4.950%	29,887.50	139,887.50	146,881.88
02/01/2053	115,000.00	4.950%	24,442.50	139,442.50	146,414.63
02/01/2054	120,000.00	5.000%	18,750.00	138,750.00	145,687.50
02/01/2055	125,000.00	5.000%	12,750.00	137,750.00	144,637.50
02/01/2056	130,000.00	5.000%	6,500.00	136,500.00	143,325.00
Total	**$2,140,000.00**	**-**	**$1,867,161.25**	**$4,007,161.25**	**$4,207,519.31**

Significant Dates

Dated	8/01/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	$39,995.00
Average Life	18.689 Years
Average Coupon	4.6684867%
Net Interest Cost (NIC)	4.7326947%
True Interest Cost (TIC)	4.6995098%
Bond Yield for Arbitrage Purposes	4.5983850%
All Inclusive Cost (AIC)	4.9486367%

IRS Form 8038

Net Interest Cost	4.6684867%
Weighted Average Maturity	18.689 Years

WORK SESSION AGENDA REPORT

DATE:	March 23, 2026
DEPARTMENT:	Economic Development
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	2.C.

MEETING TYPE
Regular Meeting

AGENDA ITEM
400 Richmond Street Sale / Leaseback Discussion

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Discuss the current status of Sale/Leaseback negotiations with AVR for 400 Richmond Street East, and generate Council feedback on response and / or next steps.

OVERVIEW
At the July 28, 2025 closed session meeting of the City Council, consideration was given to three responses to a Request for Proposal to purchase the City-owned property at 400 Richmond Street East. Council reviewed general terms of acquisition and development and the consensus was to proceed with negotiations for the purchase of the property by McNamara Contracting, Inc. McNamara, which also owns Apple Valley Ready-Mix (AVR), communicated via their proposal an interest in acquiring the land and improvements at 400 Richmond Street for the purpose of constructing a concrete ready-mix production facility at the property and retaining all of the existing "main building" for office, maintenance, and indoor storage. AVR's goal as stated at the time was to secure land use entitlements for their proposed use in the relatively near-term, acquire the property from the City, lease the property back to the City until such time as the new public works facility was completed, and then to repurpose the property for their stated end-use.

At the February 9, 2026 Worksession, Staff provided an update and sought clarification of Council's continued interest in negotiations with AVR. Council indicated a continued interest in attempting to come to formal agreement with AVR at terms agreeable and beneficial to the City in this unique circumstance. Council also indicated an interest in better understanding the site's environmental conditions and AVR's expectations of the City as it relates to environmental remediation. Following the February 9 Worksession, Staff delivered to AVR a proposed purchase agreement and leaseback agreement that we felt were in keeping with the spirit of the LOI, fair and equitable to both parties, and balanced the need to maintain reasonable flexibility for the City with the need to establish predictability for AVR. Last week, AVR formally responded to the City's proposal and Staff will be prepared to discuss and gather Council feedback on the proposal, with a focus on the following key deal points:

- Purchase Agreement
    - Environmental Conditions: the central issue driving AVR's proposed changes

    versus the accepted LOI relate to the environmental conditions at the site. A Phase II Environmental Investigation reveals impacts to the site that appear to be due to previous petroleum leaks at the City's above ground fuel storage tank. AVR's position is that based upon the high probability that environmental conditions at the site are the result of the City's infrastructure and activity, the City should bear the responsibility of addressing such issues.
    - Above Ground Storage Tank: AVR's proposal includes a clause that the existing above ground storage tank (AST) at the property remain the personal property of the City after closing on the real estate. This is a liability protection measure. Further, AVR includes a clause to require the City to remove this tank prior to vacating the site, and paying all costs for its removal (cost estimate pending).
    - Purchase Price: AVR proposes a 4.3% reduction ($257,000) in purchase price versus the LOI's proposed price of $5,950,000. This is commensurate to the environmental consultant's (Stantec) estimate for remediation.
    - Environmental Escrow: AVR proposes that the City escrow $128,200 at closing for any additional environmental cleanup that AVR encounters in developing the site for their new batch plant.
- Lease Agreement
    - Lease Term: AVR is showing a term end date of December 31, 2027, but allowing for the City to extend the term for up to 24 months beyond that. AVR states that we must be out by December 31, 2029.
    - Lease Rate: AVR is proposing a lease rate of $30,000 per month, NNN. This comes out to about $10 - $12 per square foot in rent. As a NNN lease, we would be responsible for all utilities, taxes, insurance, maintenance, etc. The per square foot rate is generally in line with the market rate for industrial / vehicle maintenance with outdoor storage. Property taxes for this property would be the only "new" additional expense; Staff would estimate that property taxes payable for the property beginning in 2027 would be in the range of $70,000 - $80,000 annually.
    - "Coexistence": AVR has added a provision that beginning in October 2027, they would have a right to begin construction and ultimately occupation of the southern portion of the site to accommodate their concrete batch plant. In the event that they exercise this option, they're proposing a reduction in lease rate to $25,000 per month.

Staff is seeking Council's reaction to AVR's proposal. As a reminder, the purpose of pursuing a sale now and leasing the property back was generally two-fold:

- It allowed for the City to realize a near-term infusion of unrestricted/cash financing to support the public works project.
- It allowed AVR/McNamara certainty that they had ownership and entitlements to the property for their future use, and also kept open the possibility that they could begin some level of site preparation at the property during the latter stages of the City's occupancy.

Admittedly, this approach does introduce some risk to the City that Council may not be comfortable with. If Council's feeling is that we should tap the breaks, we will be prepared to discuss the implications and potential alternative approaches.

SOURCE OF FUNDS

Staff recommends that sales proceeds from 400 Richmond would support the Capital Program Fund, specifically to assist in funding the construction of a replacement Public Works Central Maintnenance Facility.

ATTACHMENTS

None