City Council Item

June 9, 2025

Item	Resolution 2025-XX: Authorizing the Issuance and Awarding Sale of $13.185M GO Temporary Sales Tax Revenue Bonds, Series 2025A.	
File No.		**Item No:** G.1
Agenda Section	**GENERAL BUSINESS**	
Prepared By	Kelly Grinnell, Finance Director	
Reviewed By	Laurie Hokkanen	

SUGGESTED ACTION

"The Chanhassen City Council approves the Resolution Authorizing the Issuance and Awarding the Sale of $13.185M GO Temporary Sales Tax Revenue Bonds, Series 2025A and Pledging Tax Revenues for the Payment Thereof."

Motion Type	Simple Majority Vote of members present
Strategic Priority	Financial Sustainability

SUMMARY

BACKGROUND

DISCUSSION

On May 5, 2025, the City Council approved the purchase agreement with Level 7 Development, LLC for approximately 13.1 acres of land for the construction of the Chanhassen Bluffs Community Center at a cost of $1,000,000 per gross acre. The city intends to close on the purchase of the land in the near future and is issuing temporary bonds to pay for the land purchase and initial design and engineering costs for the community center.

The City will receive bids for the bonds the morning of June 9, 2025, and the results will be presented to the City Council later that night. It is expected the bonds will be issued for a total of $13.185 million, subject to a potential premium or discount, with a maturity date of February 1, 2028. Interest on the bonds will be due semiannually on February 1 and August 1 each year. Revenues from the local option sales tax will be used to pay the interest. The city will have the option to prepay the bonds on or after August 1, 2026.

The city will likely prepay the bonds before February 1, 2028, as the intent is to issue bonds for the construction of the new community center after final design and costs are approved. The new bonds would be issued in an amount that also covers the cost to prepay the temporary 2025A bonds.

There are several attachments included to this agenda item. The Preliminary Official Statement (POS) is the official document distributed to the marketplace for potential bidders. The Pre Sale Report summarizes the proposed debt issue based on expectations from February 24, 2025. A Sale Day Report will be available later in the day on June 9, 2025, and will be included in the packet at that time. The Sale Day Report will show the results of the bids and updated bond repayment information. The resolution authorizing the sale will also be updated at that time. The Standard & Poor's Report is also attached. It indicates they have affirmed the city's existing AAA rating.

BUDGET

RECOMMENDATION

Adopt Resolution Authorizing the Issuance and Awarding the Sale of $13.185M GO Temporary Sales Tax Revenue Bonds, Series 2025A and Pledging Tax Revenues for the Payment Thereof.

ATTACHMENTS

Chanhassen 2025A Resolution GO Temporary Sales Tax Revenue Bonds
POS Chanhassen 2025A
Pre Sale Report Chanhassen 2025A
S&P Global Ratings Report - Chanhassen 2025A
Sale Day Report Chanhassen 2025A
Proposal Form 2025A - UW Signed